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Mahindra & Mahindra unLtd.

MAHINDRA & MAHINDRA LTD.

Subsidiary Financial Statements
2023-24

Subsidiary Companies

Part 01

Subsidiary Companies

Part 01

Subsidiary Companies

Part 02

Subsidiary Companies

Part 02

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF,
MAHINDRA HEAVY ENGINES LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Heavy Engines Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

Responsibilities of management for the Standalone Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

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

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

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

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

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

Report on other Legal and Regulatory requirements

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

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

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

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

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

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

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

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 29 to the Financial Statements;

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

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

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

Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

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

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUK8329

Mumbai, April 17, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Mahindra Heavy Engines Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUK8329
Mumbai, April 17, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Income Tax, Provident Fund, Employees State Insurance, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited on account of any dispute. The statutory dues in respect of Sales Tax as at March 31, 24 which have not been deposited with the appropriate authorities on account of a dispute are as under

Name of the statute	**Nature of the dues**	**Amount (Rs in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Finance Act 1994	Service Tax	2.59	Financial year 2012-13 to 2016-17	CESTAT Appeal
Central Sales Tax Act, 1956 and MVAT Act, 2002	Central sales tax and Value added Tax	438.20	Financial Year 2015-16	VAT/CST Tribunal
Central Sales Tax Act, 1956 and MVAT Act, 2002	Central sales tax and Value added Tax	400.17	Financial Year 2016-17	Joint commissioner of state tax
Central Sales Tax Act, 1956 and MVAT Act, 2002	Central sales tax and Value added Tax	189.75	Financial Year 2017-18	Joint commissioner of state tax

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUK8329
Mumbai, April 17, 2024

Balance Sheet as at March 31, 2024

Rs. In Lakhs

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	2	**23,939.21**	24,860.71
	(b) Capital work-in-progress		**654.45**	1,638.05
	(c) Other Intangible assets	3	**439.51**	1,253.41
	(d) Intangible assets under development		**64.14**	30.27
	(e) Financial Assets			
	(i) Loans	4	**17.69**	5.25
	(ii) Other financial assets	5	**11,712.86**	9,314.31
	(f) Deferred tax assets (net)	6	**–**	–
	(g) Other non-current assets	7	**213.27**	549.21
	Total Non - Current Assets (1)		**37,041.13**	37,651.21
	2 Current assets			
	(a) Inventories	8	**16,248.25**	17,220.03
	(b) Financial Assets			
	(i) Investments	9	**1,711.49**	6,848.92
	(ii) Trade receivables	10	**32,021.82**	26,785.58
	(iii) Cash and cash equivalents	11	**462.34**	2,157.90
	(iv) Bank balances other than (iii) above	11	**3,743.09**	643.09
	(v) Loans	4	**1.86**	–
	(vi) Other financial assets	5	**10,624.58**	17,701.82
	(c) Other current assets	7	**281.74**	501.21
	Total Current Assets (2)		**65,095.17**	71,858.55
	Total Assets (1+2)		**102,136.30**	109,509.76
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	12	**63,440.00**	63,440.00
	(b) Other Equity	13	**2,639.60**	11,551.36
	Total Equity (1)		**66,079.60**	74,991.36
	2 Non-current liabilities			
	(a) Financial Liabilities			
	(i) Lease liabilities	16	**341.20**	388.79
	(ii) Other non-current liabilities	17	**220.10**	220.10
	(b) Provisions	14	**638.37**	612.00
	(c) Deferred tax Liabilities (net)	6	**863.86**	1,201.11
	Total Non - Current Liabilities (2)		**2,063.53**	2,422.00
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Lease liabilities		**101.49**	65.49
	(ii) Trade payables			
	- Total outstanding dues of Micro and Small Enterprises	15	**416.97**	324.33
	- Total outstanding dues of creditors other than Micro & Small Enterprises	15	**28,913.97**	27,793.31
	(iii) Other financial liabilities	16	**1,471.06**	2,717.09
	(b) Other current liabilities	17	**2,800.88**	1,076.47
	(c) Provisions	14	**56.69**	61.76
	(d) Current Tax Liabilities (Net)		**232.11**	57.95
	Total Current Liabilities (3)		**33,993.17**	32,096.40
	Total Equity and Liabilities (1+2+3)		**102,136.30**	109,509.76

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Mumbai
Date : 17th April 2024

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Nozar Bharucha
Director
DIN: 03315303

Shrikant Marathe
Director
DIN: 05243645

Place : Pune
Date : 17th April 2024

Statement of Profit and Loss for the year ended March 31, 2024

Rs. In Lakhs

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
	Income			
I	Revenue from operations	18	**178,300.62**	145,807.87
II	Other Income	19	**1,029.78**	748.68
III	**Total Income (I + II)**		**179,330.40**	146,556.55
IV	**Expenses**			
	(a) Cost of materials consumed		**154,824.80**	126,479.64
	(b) Changes in inventories of finished goods and work-in-progress	20	**563.89**	(1,089.16)
	(c) Employee benefit expense	21	**4,309.83**	4,097.76
	(d) Finance costs	22	**80.11**	89.43
	(e) Depreciation, amortisation and impairment expense	2 & 3	**4,221.96**	4,345.16
	(f) Other expenses	23	**4,204.97**	3,904.35
	Total Expenses		**168,205.56**	137,827.18
V	**Profit/(loss) before tax (III - IV)**		**11,124.84**	8,729.37
VI	**Tax Expense**			
	(a) Current tax		**3,258.65**	2,284.80
	(b) Tax paid for earlier year		**35.94**	9.15
	(c) Deferred tax	6	**(349.72)**	(445.56)
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**8,179.97**	6,880.98
VIII	**Profit/(loss) for the period**		**8,179.97**	6,880.98
IX	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans	27	**49.54**	62.05
	(b) Income tax relating to items that will not be reclassified to profit or loss		**12.47**	15.62
	Total other comprehensive income		**37.07**	46.43
X	**Total comprehensive income for the period (VIII + IX)**		**8,217.04**	6,927.41
XI	**Earnings per equity share (for continuing operations)**	24		
	(a) Basic (in Rs.)		**1.29**	1.08
	(b) Diluted (in Rs.)		**1.29**	1.08

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Mumbai
Date : 17th April 2024

Amol Deshpande
Chief Financial Officer

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Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Nozar Bharucha
Director
DIN: 03315303

Shrikant Marathe
Director
DIN: 05243645

Place : Pune
Date : 17th April 2024

Statement of Cash Flows for the year ended March 31, 2024

Rs. In Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash Flows from operating activities		
Profit/(Loss) for the year before tax	**11,124.84**	8,729.37
Adjustments for		
(Profit)/Loss on disposal of property, plant and equipment	**0.09**	(1.24)
Interest income	**(285.39)**	(201.54)
Net gain on sale of investments	**(528.89)**	(267.37)
Net gain arising on financial assets designated as at FVTPL	**(11.57)**	(99.25)
Depreciation and amortisation	**4,221.96**	4,345.16
Unwinding of discounts on provisions	**66.50**	65.89
Net foreign exchange (gain)/loss	**1.34**	0.88
	14,588.88	12,571.90
Movement in working capital		
(Increase)/decrease in Inventories	**971.78**	(9,286.64)
(Increase)/decrease in Trade Receivables	**(5,236.24)**	(12,287.39)
(Increase)/decrease in Loans	**(14.30)**	0.09
(Increase)/decrease in Other Financial Assets	**4,858.31**	3,092.35
(Increase)/decrease in Other Assets	**195.26**	(253.94)
Increase/(decrease) in Trade Payables	**1,211.96**	5,359.51
Increase/(decrease) in Other Financial Liabilities	**(1,215.56)**	463.71
Increase/(decrease) in Provisions	**70.85**	13.94
Increase/(decrease) in Other Liabilities	**1,724.42**	(773.23)
Cash generated from Operations	**17,155.35**	(1,099.67)
Income tax refund received/(paid) (net)	**(3,120.45)**	(1,807.62)
(A) Net cash generated from by operating activities	**14,034.90**	(2,907.29)
Cash flows from investing activities		
Fixed deposits placed	**(5,800.00)**	(1,650.00)
Fixed deposits matured	**2,700.00**	5,102.57
Payments to acquire current investments	**(24,898.76)**	(27,888.61)
Proceeds on sale of current investments	**30,576.65**	30,012.19
Interest received	**105.78**	303.78
Payments for property, plant and equipment	**(1,287.13)**	(1,916.65)
Proceeds from disposal of property, plant and equipment	**1.80**	3.34
(B) Net cash used in investing activities	**1,398.34**	3,966.62

Statement of Cash Flows for the year ended March 31, 2024

Rs. In Lakhs

Particulars	**Year ended March 31, 2024**	Year ended March 31, 2023
Cash flows from financing activities		
Dividend Paid	**(17,128.80)**	(1,903.20)
(C) Net cash generated from financing activities	**(17,128.80)**	(1,903.20)
Net increase in cash and cash equivalents (A+B+C)	**(1,695.56)**	(843.89)
Cash and cash equivalents at the beginning of the year	**2,157.90**	3,001.79
Cash and cash equivalents at the end of the year	**462.34**	2,157.90
Reconciliation of Cash & Cash eqivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (Refer Note No. 11)	**462.34**	2,157.90
Balance as per statement of cash flows	**462.34**	2,157.90

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Mumbai
Date : 17th April 2024

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Nozar Bharucha
Director
DIN: 03315303

Shrikant Marathe
Director
DIN: 05243645

Place : Pune
Date : 17th April 2024

Statement of Changes In Equity for the year ended March 31, 2024

a) Equity share capital

Particulars	No. of Shares	Amount (Rs. In Lakhs)
Balance as at March 31, 2022	634,400,000	63,440.00
Changes in equity share capital during the year		
Issue of equity shares during the year	–	–
Balance as at March 31, 2023	634,400,000	63,440.00
Changes in equity share capital during the year		
Issue of equity shares during the year	–	–
Balance as at March 31, 2024	**634,400,000**	**63,440.00**

b) Other Equity

Rs. In Lakhs

Particulars	Retained earnings	Other comprehensive income (Remeasurements of the defined benefit plans)	Total
Balance as at April 1, 2022	6,375.14	152.01	6,527.15
Profit for the year	6,880.98	–	6,880.98
Less : Dividend	(1,903.20)	–	(1,903.20)
Total Comprehensive Income for the year, net of Income Tax	–	46.43	46.43
Balance as at April 1, 2023	11,352.92	198.44	11,551.36
Profit for the year	8,179.97	–	8,179.97
Less : Dividend	(17,128.80)	–	(17,128.80)
Total Comprehensive Income for the year, net of Income Tax	–	37.07	37.07
Balance as at March 31, 2024	**2,404.09**	**235.51**	**2,639.60**

The accompanying notes form an integral part of the financial statements

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Mumbai
Date : 17th April 2024

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Nozar Bharucha
Director
DIN: 03315303

Shrikant Marathe
Director
DIN: 05243645

Place : Pune
Date : 17th April 2024

Notes to the financial statements for the year ended March 31, 2024

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

Note No. 1 - Significant Accounting Policies:

1.1 Statement of compliance:

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

1.2 Basis of preparation and presentation:

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

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

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

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

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

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

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

1.3. Property, Plant & Equipment:

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

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

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

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

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

1.4. Intangible Assets

Intangible assets acquired separately:

Intangible assets are initially recognised at cost.

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

Intangible assets under development

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

Technical Know-how fees:

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

Software Expenditure:

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

Internally-generated intangible assets - Research and Development expenditure:

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

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

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

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

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

Product Development Expenditure:

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

Derecognition of intangible assets:

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

Notes to the financial statements for the year ended March 31, 2024

1.5. Impairment:

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

1.6. Inventories:

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

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

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

1.8. Investments:

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

1.9. Financial Instruments:

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

Financial Assets:

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

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

Financial liabilities and equity instruments:

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

1.10. Revenue Recognition:

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

Ind AS 115- Revenue from Contracts with Customers:

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

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

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

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

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

Interest income:

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

Trade Receivables:

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

1.11. Goods and Services Tax:

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

1.12. Custom Duty:

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

1.13. Government Grants and Other Incentives:

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

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

1.14. Export Benefits:

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

1.15. Foreign exchange transactions:

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

Notes to the financial statements for the year ended March 31, 2024

1.16. Employee Benefits:

(i) Defined Contribution Plan:

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

(ii) Defined Benefit Plan/Leave encashment:

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

(iii) Other Benefits:

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

1.17. Borrowing Costs:

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

1.18. Taxes on Income:

Current tax:

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

Deferred tax:

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

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

Current and deferred tax for the year:

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

1.19. Warranty:

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

1.20. Segment Reporting:

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

1.21. Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

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

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

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

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

1.23. Ind AS 116 Leases:

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

1.24. Recent Accounting Pronouncements :

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

(i) Ind AS 1 – Material accounting policies :

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

Notes to the financial statements for the year ended March 31, 2024

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

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

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

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

Note No. 2 - Property, Plant and Equipment

Rs. In Lakhs

Description of Assets	ROU Asset	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at March 31, 2022	1,112.95	9,288.78	37,480.46	1,761.93	905.36	220.34	**50,769.82**
Additions	66.32	94.35	573.80	155.27	3.93	–	**893.67**
Disposals	–	–	–	–	–	(41.89)	**(41.89)**
Balance as at March 31, 2023	**1,179.27**	**9,383.13**	**38,054.26**	**1,917.20**	**909.29**	**178.45**	**51,621.60**
Additions	17.50	24.84	2,305.71	138.38	2.02	–	**2,488.45**
Disposals	–	–	–	–	–	(35.55)	**(35.55)**
Balance as at March 31, 2024	**1,196.77**	**9,407.97**	**40,359.97**	**2,055.58**	**911.31**	**142.90**	**54,074.50**
II. Accumulated depreciation							
Balance as at March 31, 2022	123.57	2,809.54	18,245.86	1,580.92	618.68	167.68	**23,546.23**
Depreciation expense for the year	49.23	303.32	2,697.57	121.37	66.05	16.91	**3,254.45**
Eliminated on disposal of assets	–	–	–	–	–	(39.79)	(39.79)
Balance as at March 31, 2023	**172.80**	**3,112.86**	**20,943.43**	**1,702.29**	**684.73**	**144.80**	**26,760.89**
Depreciation expense for the year	56.97	305.64	2,835.06	131.69	63.58	15.12	3,408.06
Eliminated on disposal of assets	–	–	–	–	–	(33.66)	(33.66)
Balance as at March 31, 2024	**229.77**	**3,418.50**	**23,778.49**	**1,833.98**	**748.31**	**126.26**	**30,135.29**
III. Net block (I-II)							
Balance as at March 31, 2023	1,006.47	6,270.27	17,110.83	214.91	224.56	33.65	24,860.71
Balance as at March 31, 2024	**967.00**	**5,989.47**	**16,581.48**	**221.60**	**163.00**	**16.64**	**23,939.21**

Note No. 3 - Other Intangible Assets

Rs. In Lakhs

Description of Assets	Technical Knowhow	Development Expenditure	Computer Software	Total
I. Gross Block				
Balance as at March 31, 2022	11,292.09	3,070.85	496.41	**14,859.35**
Additions	–	621.52	6.48	**627.99**
Disposals	–	–	–	**–**
Balance as at March 31, 2023	**11,292.09**	**3,692.37**	**502.89**	**15,487.34**
Additions	–	–	–	**–**
Disposals	–	–	–	**–**
Balance as at March 31, 2024	**11,292.09**	**3,692.37**	**502.89**	**15,487.34**
II. Accumulated amortisation				
Balance as at March 31, 2022	9,837.20	2,879.02	427.00	**13,143.22**
Amortisation expense for the year	793.79	255.40	41.52	**1,090.71**
Eliminated on disposal of assets	–	–	–	**–**
Balance as at March 31, 2023	**10,630.99**	**3,134.42**	**468.52**	**14,233.93**
Amortisation expense for the year	661.10	124.30	28.50	**813.90**
Eliminated on disposal of assets	–	–	–	**–**
Balance as at March 31, 2024	**11,292.09**	**3,258.72**	**497.02**	**15,047.83**
III. Net block (I-II)				
Balance as at March 31, 2023	661.10	557.95	34.36	1,253.41
Balance as at March 31, 2024	**0.00**	**433.65**	**5.86**	**439.51**

Notes to the financial statements for the year ended March 31, 2024

Capital work-in-progress	Amount in CWIP for a period of				
	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress as at March 31, 2023	991.66	153.64	464.25	28.50	1,638.05
Projects in progress as at March 31, 2024	–	9.50	152.20	492.75	654.45
Projects temporarily suspended as at March 31, 2023	–	–	–	–	–
Projects temporarily suspended as at March 31, 2024	–	–	–	–	–

Intangible assets under development	Amount in CWIP for a period of				
	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress as at March 31, 2023	30.27	–	–	–	30.27
Projects in progress as at March 31, 2024	33.87	30.27	–	–	64.14
Projects temporarily suspended as at March 31, 2023	–	–	–	–	–
Projects temporarily suspended as at March 31, 2024	–	–	–	–	–

Capital work-in-progress	To be completed in				
	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Project 1	–	718.59	–	–	718.59

Note No. 4 - Loans

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current:		
a) Security Deposits		
– Unsecured, considered good	**17.69**	5.25
	17.69	5.25
Current:		
a) Other Loans		
– Unsecured, considered good	**1.86**	–
	1.86	–

Note No. 5 - Other financial assets

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Non-Current:		
a) Bank Deposit with more than 12 months maturity (under Bank's lien)	**1.23**	1.23
b) Accrued Interest	**–**	1.53
c) Government Grants and other incentives receivables	**11,711.63**	9,311.55
	11,712.86	9,314.31

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Current:		
a) Government Grants and other incentives receivables	**10,379.27**	17,637.65
b) Accrued Interest	**245.31**	64.17
	10,624.58	17,701.82

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

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Deferred tax assets		
Provision for compensated absences	**57.42**	55.76
Provision for gratuity	**117.62**	113.81
Provision for doubtful debts/Advances	**–**	–
Carried forward tax losses*	**–**	–
Others	**272.35**	179.34
	447.39	348.91
b) Deferred tax liabilities		
Depreciation and amortisation	**1,298.78**	1,534.40
Provision for employee benefits	**12.47**	15.62
	1,311.25	1,550.02
c) Net Deferred tax assets/(Liabilities)	**(863.86)**	(1,201.11)

Notes to the financial statements for the year ended March 31, 2024

Movement in Deferred tax assets/(liabilities) for the year ended March 31, 2024:

Rs. In Lakhs

Particulars	Opening Balance as at April 1, 2023	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2024
Deferred tax assets/(liabilities) in relation to:				
Provision for compensated absences	55.76	1.66	–	**57.42**
Provision for gratuity	98.19	19.43	(12.47)	**105.15**
Provision for doubtful debts	–	–	–	**–**
Carried forward tax losses*	–	–	–	**–**
Others	179.34	93.01	–	**272.35**
Depreciation and amortisation	(1,534.40)	235.62	–	**(1,298.78)**
	(1,201.11)	349.72	(12.47)	**(863.86)**

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

Rs. In Lakhs

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

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

Note No. 7 - Other assets

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current:		
a) Capital Advances		
Unsecured Considered good	**37.42**	397.57
Unsecured Considered doubtful	**–**	–
Less: Provision for Doubtful Capital Advances	**–**	–
	37.42	397.57
b) Others		
i) Balances with government authorities (other than income taxes)		
1) VAT credit receivable	**66.11**	66.11
2) Custom deposit Receivable	**50.97**	50.97
3) Others	**58.77**	29.92
ii) Other advances		
Other Prepayments	**–**	4.64
	213.27	549.21
Current:		
a) Advances other than capital advances		
i) Advance to suppliers	**188.67**	400.65
b) Others		
i) Balances with government authorities (other than income taxes)		
1) Excise duty/Customs/GST rebate receivable	**1.00**	19.02
ii) Other advances		
1) Other Prepayments	**75.26**	64.98
2) Others	**16.81**	16.56
	281.74	501.21

Note No. 8 - Inventories

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	**14,672.31**	15,078.42
Work-in-progress	**878.37**	1,163.91
Finished goods	**408.11**	686.46
Stores and spares	**289.46**	291.24
Total Inventories at the lower of cost and net realisable value	**16,248.25**	17,220.03
Included above, raw material-in-transit:	**411.50**	753.00
Total goods-in-transit	**411.50**	753.00

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 156,066.50 Lakhs (for the year ended March 31, 2023 Rs. 126,136.37 Lakhs)

(ii) The amount of Obsolete provision during the year FY 2023-24 with respect to Inventory is Rs. 381.19 Lakhs (For the year 2022-23 is Rs. 269.15 Lakhs)

Notes to the financial statements for the year ended March 31, 2024

Note No. 9 - Investments

Rs. In Lakhs

Particular	**As at March 31, 2024**		As at March 31, 2023	
	Quantity	**Amount**	Quantity	Amount
Current:				
Quoted Investments (all fully paid)				
Designated as Fair Value Through Profit and Loss				
Investments in Mutual Funds				
UTI Mutual Fund	**–**	**–**	36,037.72	1,320.25
Aditya Birla Sunlife Mutual Fund	**–**	**–**	–	–
SBI Mutual Fund	**–**	**–**	–	–
Kotak Mahindra Mutual Fund	**–**	**–**	22,325.42	1,008.52
ICICI Prudential Mutual Fund	**–**	**–**	614,984.20	2,033.47
HDFC Mutual Fund	**12,821.79**	**601.99**	–	–
Nippon India	**–**	**–**	23,263.30	1,268.60
Axis Mutual Fund	**41,668.17**	**1,109.50**	49,033.77	1,218.08
	54,489.96	**1,711.49**	745,644.41	6,848.92

Rs. In Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Aggregate book value of quoted investments	**1,711.49**	6,848.92
Aggregate market value of quoted investments	**1,711.49**	6,848.92
Aggregate amount of impairment in value of investments	**–**	–

Note No. 10 - Trade receivables

Rs. In Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current		
Trade Receivables		
(a) Unsecured, considered good	**32,021.82**	26,785.58
	32,021.82	26,785.58

Rs. In Lakhs

Trade Receivables ageing	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Balance as at March 31, 2024						
(i) Undisputed Trade receivables – considered good	**31,992.74**	**29.08**	**–**	**–**	**–**	**32,021.82**
(ii) Undisputed Trade Receivables – considered doubtful	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Disputed Trade Receivables considered good	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade Receivables considered doubtful	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at March 31, 2023						
(i) Undisputed Trade receivables – considered good	26,785.58	–	–	–	–	26,785.58
(ii) Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–

Note:

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

Notes to the financial statements for the year ended March 31, 2024

Note No. 11 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
(a) Balances with banks	**462.34**	657.90
(b) In Fixed Deposits - original maturity less than 3 months	**–**	1,500.00
Total Cash and cash equivalent	**462.34**	2,157.90

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other Bank Balances		
(a) Balances with Banks:		
On Margin Accounts (under Bank's lien)	**43.09**	43.09
In Fixed Deposits	**3,700.00**	600.00
Total Other Bank balances	**3,743.09**	643.09

Note No. 12 - Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount (Rs. In Lakhs)	No. of shares	Amount (Rs. In Lakhs)
Authorised:				
Equity shares of Rs 10 each with voting rights	**800,000,000**	**80,000.00**	800,000,000	80,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**634,400,000**	**63,440.00**	634,400,000	63,440.00
Total	**634,400,000**	**63,440.00**	634,400,000	63,440.00

(i) Terms/Rights attached to equity shares:

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

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

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

Particulars	No. of Shares	Amount (Rs. In Lakhs)
Balance as at 31 March, 2023	634,400,000	63,440.00
Fresh Issue during the year	–	–
Balance as at 31 March, 2024	**634,400,000**	**63,440.00**

(iii) Details of shares held by the holding company

Particulars	No. of Shares	Amount (Rs. In Lakhs)
As at March 31, 2023		
Mahindra & Mahindra Limited, the holding company	634,400,000	63,440.00
As at March 31, 2024		
Mahindra & Mahindra Limited, the holding company	**634,400,000**	**63,440.00**

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

Particulars	No. of Shares	Percentage of holding
As at March 31, 2023		
Mahindra & Mahindra Limited, the holding company	634,400,000	100%
As at March 31, 2024		
Mahindra & Mahindra Limited, the holding company	**634,400,000**	**100%**

Note No. 13 - Other Equity

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings	**2,404.09**	11,352.92
Remeasurements of the defined benefit plans	**235.51**	198.44
Balance at the end of the year	**2,639.60**	11,551.36

a) Retained earning

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	**11,352.92**	6,375.14
Profit/(Loss) for the year	**8,179.97**	6,880.98
Dividend	**(17,128.80)**	(1,903.20)
Balance at the end of the year	**2,404.09**	11,352.92

Notes to the financial statements for the year ended March 31, 2024

b) Remeasurements of the defined benefit plans

Rs. In Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Balance at the beginning of the year	**198.44**	152.01
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**37.07**	46.43
Balance at the end of the year	**235.51**	198.44

Note No. 14 - Provisions

Rs. In Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Non-Current:		
a) Provision for employee benefits		
i) Gratuity	**451.92**	432.19
ii) Leave Encashment	**186.45**	179.81
	638.37	612.00

Rs. In Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current:		
a) Provision for employee benefits		
i) Gratuity	**15.00**	20.00
ii) Leave Encashment	**41.69**	41.76
	56.69	61.76

Note No. 15 - Trade Payables

Rs. In Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current:		
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	**416.97**	324.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	**28,913.97**	27,793.31
	29,330.94	28,117.64

Rs. In Lakhs

Trade Payables ageing	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Balance as at March 31, 2024					
(i) MSME	**416.97**	**–**	**–**	**–**	**416.97**
(ii) Others	**28,037.46**	**451.97**	**393.12**	**31.42**	**28,913.97**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	–
(iv) Disputed dues - Others	**–**	**–**	**–**	**–**	–
Balance as at March 31, 2023					
(i) MSME	324.33	–	–	–	324.33
(ii) Others	27,132.31	561.86	99.14	–	27,793.31
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

Note:

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

Notes to the financial statements for the year ended March 31, 2024

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

Rs. In Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal	**416.97**	324.33
	Interest	**–**	–
(ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**0.35**	1.59
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**1.39**	0.98
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year	**1.39**	0.98
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

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

Note No. 16 - Other Financial Liabilities

Rs. In Lakhs

Particulars			As at March 31, 2024	As at March 31, 2023
Non-Current				
Lease liabilities			**341.20**	388.79
			341.20	388.79
Current				
Other Financial Liabilities Measured at Amortised Cost				
a)	Short term Deposits		**28.18**	33.44
b)	Other liabilities			
	i)	Creditors for capital supplies	**399.72**	525.78
	ii)	Others	**1,043.16**	2,157.87
			1,471.06	2,717.09

Note No. 17 - Other Liabilities

Rs. In Lakhs

Particulars			As at March 31, 2024	As at March 31, 2023
Non-Current				
a)	Deferred Government Grants - Export Promotion Capital Goods		**220.10**	**220.10**
			220.10	**220.10**
Current				
a)	Advances received from customers		**12.00**	1.70
b)	Statutory dues payables			
	-	Statutory dues (Contributions to PF and other funds, Withholding Taxes and GST)	**2,788.88**	1,074.77
c)	Deferred Government Grants - Export Promotion Capital Goods		**–**	–
			2,800.88	1,076.47

Note No. 18 - Revenue from Operations

Rs. In Lakhs

Particulars			For the year ended March 31, 2024	For the year ended March 31, 2023
a)	Revenue from sale of products		**174,942.53**	142,400.50
b)	Other operating revenue			
	(i)	Sale of Scrap	**423.52**	363.54
	(ii)	Labour Charges	**66.06**	389.05
	(iii)	Government Grants and other incentives*	**2,868.35**	2,654.58
	(iv)	Duty Drawback	**0.16**	0.21
			178,300.62	145,807.86

* Note :

During the year, Company has recognized the IPS (Industrial Promotion Subsidy) income of Rs. 2,868.35 Lakhs (As on March 31, 2023 Rs. 2,654.58) based on sanction received from the Department of Industries, Government of Maharashtra.

Note No. 19 - Other Income

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income on Bank deposits and Others (at amortised cost)	**285.39**	201.54
Net Gain on sale of investments	**528.89**	267.37
Net gain arising on financial assets designated as at FVTPL	**11.57**	99.25
Net Gain on disposal of property, plant and equipment (net)	**–**	1.24
Miscellaneous Income (includes business support services)	**203.93**	179.27
	1,029.78	748.68

Notes to the financial statements for the year ended March 31, 2024

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

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year:		
a) Finished goods	**686.46**	200.71
b) Work-in-progress	**1,163.91**	560.50
	1,850.37	761.21
Inventories at the end of the year:		
a) Finished goods	**408.11**	686.46
b) Work-in-progress	**878.37**	1,163.91
	1,286.48	1,850.37
	563.89	(1,089.16)

Note No. 21 - Employee Benefits Expenses

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Salaries and wages	**3,539.01**	3,414.39
b) Contribution to provident and other funds	**228.10**	228.17
c) Share based payment transactions expenses - Equity-settled share-based payments*	**12.01**	15.33
d) Staff welfare expenses	**530.71**	439.87
	4,309.83	4,097.76

*** Note:**

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

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

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

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

OR

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

OR

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

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

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

Note No. 22 - Finance Cost

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest		
i) Trade Payables - Micro Enterprises and Small Enterprises (Refer Note No. 15)	**0.75**	0.33
b) Other Interest cost	**12.86**	23.21
c) Unwinding interest	**66.50**	65.89
	80.11	89.43

Analysis of Interest Expenses by category

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses		
On financial liability at amortised cost	**0.75**	0.33
Other interest expenses	**79.36**	89.10
	80.11	89.43

Note No. 23 - Other Expenses

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Stores consumed	**677.81**	745.90
Power & Fuel	**473.79**	369.44
Rates and taxes	**27.48**	24.15
Insurance	**71.07**	79.30
Repairs and maintenance - Buildings	**9.04**	6.81
Repairs and maintenance - Machinery	**191.48**	153.48
Repairs and maintenance - Others	**33.72**	30.80
Travelling and Conveyance Expenses	**43.24**	48.41
Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**17.85**	18.70
ii) For Taxation matters	**–**	2.50
iii) For Other services	**0.30**	1.62
iv) For reimbursement of expenses	**0.68**	0.16
Legal and other professional costs	**1,001.77**	827.81
Packing material consumed	**62.99**	113.43
Engineering & Testing expenses	**158.30**	184.44
Net Loss on disposal of property, plant and equipment (net)	**0.09**	–
Royalty	**182.97**	145.26
CSR Activities*	**311.62**	281.48
Director's Commission	**10.00**	10.00
Net foreign exchange losses	**87.19**	159.72
Bank charges	**2.85**	5.67
Housekeeping and security expenses	**90.28**	69.66
Labour Contract Charges	**628.31**	554.22
Miscellaneous expenses	**122.14**	71.39
	4,204.97	3,904.35

* Note : Gross amount required to be spent by the Company as per section 135 of Companies Act 2013 on CSR Activities of Rs. 311.62 Lakhs (Previous Year - Rs. 281.48 Lakhs).

Notes to the financial statements for the year ended March 31, 2024

Rs. In Lakhs

Corporate Social Responsibility (CSR)		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Amount required to be spent by the company during the year	**311.62**	281.48
(b)	Amount of expenditure incurred	**311.62**	281.48
(c)	Shortfall at the end of the year	**–**	–
(d)	Total of previous years shortfall	**–**	–
(e)	Reason for shortfall	**NA**	NA
(f)	Nature of CSR activities	**Health, Education, Enviornment, Rural Development**	Health, Education, Enviornment, Rural Development
(g)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	**–**	–
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	**–**	–

Note No. 24 - Earnings per Share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(loss) for the year attributable to equity share holders of the Company	**8,179.97**	6,880.98
Weighted average number of equity shares	**634,400,000**	634,400,000
Basic and Diluted Earnings per share (Face value of Rs. 10 per share)	**1.29**	1.08

Note No. 25 - Financial Instruments

Capital management

The company's capital management objectives are:

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

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

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

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Equity	**66,079.60**	74,991.36
Less: Cash and cash equivalents	**462.34**	2,157.90
	65,617.26	72,833.46

Categories of financial assets and financial liabilities

Rs. In Lakhs

	As at March 31, 2024			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Loans	**17.69**	**–**	**–**	**17.69**
Other Financial Assets				
- Non Derivative Financial Assets	**11,712.86**	**–**	**–**	**11,712.86**
Current Assets				
Investments	**–**	**1,711.49**	**–**	**1,711.49**
Trade Receivables	**32,021.82**	**–**	**–**	**32,021.82**
Cash and cash equivalents	**462.34**	**–**	**–**	**462.34**
Bank balances	**3,743.09**			**3,743.09**
Loans	**1.86**	**–**	**–**	**1.86**
Other Financial Assets				
- Non Derivative Financial Assets	**10,624.58**	**–**	**–**	**10,624.58**
Non-current Liabilities				
Lease Liabilities	**341.20**	**–**	**–**	**341.20**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**220.10**	**–**	**–**	**220.10**
Current Liabilities				
Lease Liabilities	**101.49**	**–**	**–**	**101.49**
Trade Payables	**29,330.94**	**–**	**–**	**29,330.94**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**1,471.06**	**–**	**–**	**1,471.06**

Rs. In Lakhs

	As at March 31, 2023			
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	5.25	–	–	5.25
Other Financial Assets				
- Non Derivative Financial Assets	9,314.31	–	–	9,314.31
Current Assets				
Investments	–	6,848.92	–	6,848.92
Trade Receivables	26,785.58	–	–	26,785.58
Cash and cash equivalents	2,157.90	–	–	2,157.90
Bank balances	643.09			643.09
Loans	–	–	–	–
Other Financial Assets				
- Non Derivative Financial Assets	17,701.82	–	–	17,701.82
Non-current Liabilities				
Lease Liabilities	388.79	–	–	388.79
Other Financial Liabilities				
- Non Derivative Financial Liabilities	220.10	–	–	220.10
Current Liabilities				
Lease Liabilities	65.49	–	–	65.49
Trade Payables	28,117.64	–	–	28,117.64
Other Financial Liabilities				
- Non Derivative Financial Liabilities	2,717.09	–	–	2,717.09

Notes to the financial statements for the year ended March 31, 2024

CREDIT RISK

(i) Credit risk management

Rs. In Lakhs

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
As at March 31, 2024				
Expected loss rate	**0%**	**0%**	**0%**	
Gross carrying amount	**29,222.70**	**2,770.04**	**–**	**31,992.74**
Loss allowance provision	**–**	**–**	**–**	**–**

Rs. In Lakhs

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
As at March 31, 2023				
Expected loss rate	0%	0%	0%	
Gross carrying amount	26,294.28	491.31	–	26,785.58
Loss allowance provision	–	–	–	–

Reconciliation of loss allowance provision for Trade Receivables

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	**–**	–
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	**–**	–
- Other receivables	**–**	–
Impairment losses reversed/written back	**–**	–
Balance at end of the year	**–**	–

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

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

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

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

Rs. In Lakhs

Particulars	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above
Non-derivative financial liabilities				
As at March 31, 2024				
Non-interest bearing	**29,909.59**	**1,065.19**	**47.32**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**140.59**	**57.80**	**83.50**	**160.80**
	30,050.18	**1,122.99**	**130.82**	**160.80**
As at March 31, 2023				
Non-interest bearing	30,004.56	776.74	53.43	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	92.79	69.30	72.70	219.49
	30,097.35	846.04	126.13	219.49

(iii) Maturities of financial assets

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

Rs. In Lakhs

Particulars	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
As at March 31, 2024				
Non-interest bearing	**44,197.65**	**7,882.05**	**2,497.22**	**17.69**
Variable interest rate instruments	**1,711.49**	**–**	**–**	**–**
Fixed interest rate instruments	**4,052.38**	**10.69**	**8.02**	**7.99**
Total	**49,961.51**	**7,892.74**	**2,505.25**	**25.68**
As at March 31, 2023				
Non-interest bearing	46,581.13	9,311.55	–	5.25
Variable interest rate instruments	6,848.92	–	–	–
Fixed interest rate instruments	742.60	11.06	11.21	24.18
	54,172.65	9,322.61	11.21	29.43

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

MARKET RISK

Currency Risk

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

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

Rs. In Lakhs

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade Receivables	USD	**0.04**	0.04
	INR	**3.29**	3.28
Trade Payables	USD	**2.82**	7.10
	INR	**234.28**	583.33
	KRW	**126.49**	–
	INR	**7.66**	–
	JPY	**–**	69.10
	INR	**–**	42.75

Notes to the financial statements for the year ended March 31, 2024

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

Rs. In Lakhs

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade Receivables	USD	**0.04**	0.04
	INR	**3.29**	3.28
Trade Payables	USD	**2.82**	7.10
	INR	**234.28**	583.33
	KRW	**126.49**	–
	INR	**7.66**	–
	JPY	**–**	69.10
	INR	**–**	42.75

Foreign Currency Sensitivity

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

Rs. In Lakhs

Particulars	Currency	Change in rate	Effect on profit/(loss) before tax
As at March 31, 2024	**USD**	**10%**	**(23.10)**
		(10%)	**23.10**
	KRW	**10%**	**(0.77)**
		(10%)	**0.77**
As at March 31, 2023	USD	10%	(58.01)
		(10%)	58.01
	JPY	10%	(4.28)
		(10%)	4.28

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

Interest rate risk

Interest rate sensitivity

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

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

Rs. In Lakhs

Particulars	Currency	Increase/ (decrease) in basis points	Effect on profit/(loss) before tax
31-Mar-24	**INR**	**100**	**–**
	INR	**(100)**	**–**
31-Mar-23	INR	100	–
	INR	(100)	–

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

Note No. 26 - Fair Value Measurement

a) Fair Valuation Techniques and Inputs used - recurring items

Financial assets measured at Fair Value:

Rs. In Lakhs

Particulars	Fair Value As at March 31, 2024	Fair Value As at April 1, 2023	Fair Value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
a) Investments				
i) Mutual Fund investments	**1,711.49**	6,848.92	**Level-1**	Net Asset value published by – HDFC Mutual Fund – Axis Mutual Fund
	1,711.49	6,848.92		

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

Rs. In Lakhs

Particulars	Level	As at March 31, 2024 Carrying amount	As at March 31, 2024 Fair value	As at April 1, 2023 Carrying amount	As at April 1, 2023 Fair value
a) Financial assets					
Financial assets carried at Amortised Cost					
Loans	**Level-3**	**19.55**	**19.55**	5.25	5.25
Trade Receivables	**Level-3**	**32,021.82**	**32,021.82**	26,785.58	26,785.58
Cash and cash equivalents	**Level-1**	**462.34**	**462.34**	2,157.90	2,157.90
Bank balances	**Level-1**	**3,743.09**	**3,743.09**	643.09	643.09
Other Financial Assets					
- Non Derivative Financial Assets	**Level-3**	**22,337.44**	**22,337.44**	27,016.13	27,016.13
b) Financial liabilities					
Financial liabilities held at amortised cost					
Borrowings	**Level-3**	**–**	**–**	–	–
Trade Payables	**Level-3**	**29,330.94**	**29,330.94**	28,117.64	28,117.64
Other Financial Liabilities					
- Non Derivative Financial Liabilities	**Level-3**	**2,133.85**	**2,133.85**	3,391.47	3,391.47

Notes to the financial statements for the year ended March 31, 2024

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Amount recognised as an expense in the Statement of Profit and Loss is **Rs. 127.84 Lakhs.** (Previous year Rs. 129.46 Lakhs).

(b) Defined Benefit Plans:

Gratuity

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

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

1) Liability Risks

a. Asset-Liability Mismatch Risk:

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

b. Discount Rate Risk:

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

c. Future Salary Escalation and Inflation Risk:

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

2) Asset Risks

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

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

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

	As per March 31, 2024	As per March 31, 2023
Discount rate	**7.30%**	7.50%
Expected rate of salary increase		
Officers	**9.00%**	9.00%
Associates	**7.00%**	7.00%

Defined benefit plans as per actuarial valuation on 31st March, 2024

Rs. In Lakhs

Particulars	**Funded Plan - Gratuity For the year ended March 31, 2024**	For the year ended March 31, 2023
I(a). Expense recognised in the Statement of Profit and Loss for the year		
1) Current service cost	**50.42**	56.25
2) Past Service Credit	**–**	–
3) Interest cost	**29.98**	29.50
	80.40	85.75
I(b). Included in other Comprehensive Income		
1) Return on plan assets	**(0.66)**	(0.71)
2) Actuarial (Gain)/Loss on account of:		
- Demographic Assumptions	**–**	(6.45)
- Financial Assumptions	**10.25**	(10.07)
- Experience Adjustments	**(59.12)**	(44.82)
	(48.87)	(61.34)
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:	**(49.53)**	(62.05)

Rs. In Lakhs

Particulars	**Funded Plan - Gratuity For the year ended March 31, 2024**	For the year ended March 31, 2023
Service Cost		
Current Service Cost	**50.42**	56.25
Past service cost and (gains)/losses from settlements	**–**	**–**
Net interest expense	**29.98**	29.50
Components of defined benefit costs recognised in statement of Profit and Loss	**80.40**	85.75
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(0.66)**	(0.71)
Actuarial gains and loss arising from changes in financial assumptions	**10.25**	(10.07)
Actuarial gains and loss arising from experience adjustments	**(59.12)**	(44.82)
Actuarial gains and loss arising from Demographic adjustments	**–**	(6.45)
Components of defined benefit costs recognised in other comprehensive income	**(49.53)**	(62.05)
Total	**30.87**	23.70
I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		
1. Present value of defined benefit obligation as at year end	**466.92**	452.19
2. Fair value of plan assets as at year end	**58.77**	29.92
3. Surplus/(Deficit)	**(408.15)**	(422.27)
4. Current portion of the above	**(15.00)**	(20.00)
5. Non current portion of the above	**(393.15)**	(402.27)

Notes to the financial statements for the year ended March 31, 2024

Rs. In Lakhs

Particulars	Funded Plan - Gratuity For the year ended March 31, 2024	For the year ended March 31, 2023
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**452.19**	447.04
2. Expenses Recognised in Statement of Profit and Loss		
- Current Service Cost	**50.42**	56.25
- Past Service Cost	**–**	–
- Interest Expense/(Income)	**33.17**	31.85
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	(6.45)
ii. Financial Assumptions	**10.25**	(10.07)
iii. Experience Adjustments	**(59.12)**	(44.82)
4. Benefit payments	**(19.97)**	(21.61)
5. Present value of defined benefit obligation at the end of the year	**466.94**	452.19
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**29.91**	37.46
2. Expenses Recognised in Statement of Profit and Loss		
- Expected return on plan assets	**3.18**	2.35
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	**0.66**	0.71
4. Contributions by employer (including benefit payments recoverable)	**25.00**	11.00
5. Benefit payments	**(19.97)**	(21.61)
6. Fair value of plan assets at the end of the year	**38.78**	29.91
IV. The Major categories of plan assets		
Fund managed by insurer	**100%**	100%
V. Actuarial assumptions		
1. Discount rate	**7.30%**	7.50%
2. Expected rate of return on plan assets	**7.30%**	7.30%
3. Attrition rate		
Officers	**12.50%**	12.50%
Associates	**0.00%**	0.00%
4. Medical premium inflation	**NA**	NA

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

Rs. In Lakhs

Principal assumption	Year ended	Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	As at March 31, 2024	1%/-1%	(419.16)	524.15
	As at March 31, 2023	1%/-1%	(406.97)	506.45
Salary growth rate	As at March 31, 2024	1%/-1%	518.53	422.87
	As at March 31, 2023	1%/-1%	501.13	410.52
Withdrawal rate	As at March 31, 2024	1%/-1%	465.86	469.19
	As at March 31, 2023	1%/-1%	451.84	454.30

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

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

The Company expects to contribute Rs.15 Lakhs to the gratuity trusts during the next financial year ending March 31, 2025.

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

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

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

Maturity profile of defined benefit obligation:

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Within 1 year	**36.66**	36.85
1 - 2 year	**38.90**	40.11
2 - 3 year	**40.58**	42.55
3 - 4 year	**49.12**	44.66
4 - 5 year	**65.19**	52.97
5 - 10 years	**256.71**	294.08

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2024 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Asset category:		
Cash and cash equivalents	**0%**	0%
Debt instruments (quoted)	**0%**	0%
Debt instruments (unquoted)	**0%**	0%
Equity instruments (quoted)	**0%**	0%
Deposits with Insurance companies	**100%**	100%
Total	**100%**	100%

Notes to the financial statements for the year ended March 31, 2024

VIII. Experience Adjustments :

Rs. In Lakhs

Particulars	Gratuity as at As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1. Defined Benefit Obligation	**466.94**	452.19	447.04	413.60	421.78
2. Fair value of plan assets	**38.78**	29.91	37.46	11.80	16.49
3. Surplus/(Deficit)	**(428.16)**	(422.28)	(409.58)	(401.80)	(405.29)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(59.12)**	(44.82)	(15.59)	(85.80)	74.18
5. Experience adjustment on plan assets [Gain/(Loss)]	**(0.58)**	(0.58)	(0.07)	(0.05)	0.06

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

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

Note No. 28 - Related Party Disclosures:

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

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

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

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

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

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

D) Key Managerial Personnel:

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

E) Related Party Transactions:

Rs. In Lakhs

Name of Related Party	Nature of Transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
Mahindra & Mahindra Limited	Sale of goods	**224,017.08**	182,517.96
	Engine testing & Development charges paid	**169.71**	398.92
	Reimbursement of ESOP cost (Refer Note 3 below)	**12.01**	15.33
	Reimbursement of expenses received from Party	**882.39**	478.95
	Reimbursement of expenses paid	**1,547.85**	1,114.48
	Bill discounting charges	**–**	8.85
	Dividend Paid	**17,128.80**	1,903.20
	GST on capital goods paid	**876.19**	1,229.42
	Purchase of Raw Material	**698.03**	343.29
Mahindra Logistics Limited	Services received	**1,887.50**	1,691.29
Mahindra Two Wheelers Limited	Sales of Goods	**783.08**	966.22
	Purchase of Raw Material	**6.36**	–
Mahindra Integrated Business Solutions Private Limited	Manpower cost paid	**72.38**	76.80
LORDS Freight (India) Private Limited	Services received	**6.17**	59.43
Marvel Solren Private Limited	Solar Power Expenses	**71.51**	53.18
MLL Mobility Private Limited	Services received	**3.76**	3.78
Mahindra Defence Systems Limited	Sales of Goods	**74.02**	234.55
Mahindra & Mahindra Financial Services Limited	Interest on Vehicles purchased	**28.35**	21.03
Mahindra CIE Automotive Limited	Purchase of Raw Material	**4,917.63**	4,233.91
Mr. Sanjay Kshirsagar	Remuneration Paid	**89.40**	79.18
Mr. Amol Deshpande	Remuneration Paid	**64.39**	55.77
Mr. Kiran Bade	Remuneration Paid	**2.23**	2.43
Mr. Shrikant Marathe	Director's sitting fees	**4.30**	3.60
	Director's commission paid	**5.00**	5.00
Ms. Smita Mankad	Director's sitting fees	**3.90**	3.20
	Director's commission paid	**5.00**	5.00

Notes to the financial statements for the year ended March 31, 2024

F) Related Party Balances:

Rs. In Lakhs

Name of Related Party	Nature of Balances	As at March 31, 2024	As at March 31, 2023
Mahindra & Mahindra Ltd.	Receivables	**53,985.14**	52,709.81
	Payables	**568.41**	500.44
Mahindra Logistics Ltd.	Receivables	**–**	–
	Payables	**142.98**	136.00
Mahindra Two Wheelers Limited	Receivables	**72.20**	90.11
	Payables	**–**	–
Mahindra Integrated Business Solutions Private Limited	Receivables	**–**	–
	Payables	**2.37**	7.17
LORDS Freight (India) Private Limited	Receivables	**0.29**	–
	Payables	**–**	1.07
Marvel Solren Private Limited	Receivables	**–**	–
	Payables	**14.70**	5.41
MLL Mobility Private Limited	Receivables	**–**	–
	Payables	**–**	3.74
Mahindra Defence Systems Limited	Receivables	**45.00**	125.79
	Payables	**–**	–
Mahindra Mahindra Financial Services Limited	Receivables	**–**	–
	Payables	**0.29**	–
Mahindra CIE Automotive Limited	Receivables	**–**	–
	Payables	**723.23**	679.22

Notes:

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

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

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

4 The transactions reported above are inclusive of applicable Taxes.

Note No. 29 - Contingent liabilities and commitments:

1) Contingent Liabilities

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the company not acknowledged as debt:		
(i) Service Tax disputed by the company relating to the activity of arranging canteen facility is a taxable service under the statutory provisions of the Finance Act,1994	**–**	21.74

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

2) Commitments

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

(i) Tangible:

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided	**708.76**	1,788.26
Advance paid	**37.42**	397.57
Estimated amount of contracts remaining to be executed on capital account and not provided (Net)	**671.34**	1,390.69

Note No. 30 - Relationship with Stuck off Companies

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

Note No. 31 - Ratios

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	**1.91**	2.24	-14%	–
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Shareholder's Equity	**0.12**	0.09	35%	Partially due to increase in profits and partially due to reduction in other equity for payment of dividend.
Inventory turnover ratio	Cost of goods sold	Average Inventory	**9.29**	9.97	-7%	
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	**5.96**	6.92	-14%	–
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	**5.41**	4.93	10%	–
Net capital turnover ratio	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	**5.64**	3.59	57%	Mainly on account of higher sales

Notes to the financial statements for the year ended March 31, 2024

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reason for Variance
Net profit ratio	Net Profit	Net sales = Total sales - sales return	**0.05**	0.05	-3%	–
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	**0.16**	0.11	44%	Mainly due to increase in earnings.
Return on investment	Interest (Finance Income)	Investment	**0.32**	0.05	490%	Mainly due to reduction in surplus funds for payment of dividend.

Note No. 32 - Segment Reporting

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

Rs. In Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations		
Revenue from Operations	**178,300.62**	145,807.87
	178,300.62	145,807.87
Revenue from customers		
India	**178,297.33**	145,798.46
Outside India	**3.29**	9.41
	178,300.62	145,807.87
All non-current assets of the Company are located in India		
Revenue from major customers		
Mahindra group entities	**178,156.44**	145,434.72
Others*	**144.18**	373.15
	178,300.62	145,807.87

* No other single customer contributed 10% or more to the Company's revenue for both financial year 2023-24 and 2022-23.

Note No. 33 - The merger of the Company

Pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, at its Meeting held on 4th August, 2023, approved the merger of the Company, a wholly owned subsidiary of Mahindra & Mahindra Limited ("M&M "or "Transferee Company"), with M&M with Appointed Date as 1st April, 2023 as per the Scheme of Merger by Absorption of the Company, Mahindra Two Wheelers Limited and Trringo.com Limited with M&M ("Scheme"). An application for approving the Scheme has been filed with the Hon'ble National Company Law Tribunal, Mumbai Bench for its approval.

Note No. 34 - Commission to Independent Directors:

Other Expenses includes Rs. 10 Lakhs (March 31, 2023: Rs. 10 Lakhs) payable as Commission to Independent Directors subject to the approval of shareholders at the Annual General Meeting.

Note No. 35 -

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

Note No. 36 -

The financial statements were approved for issue by the Board of Directors on April 17, 2024.

Note No. 37 -

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

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

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Mumbai
Date : 17th April 2024

Amol Deshpande
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Nozar Bharucha
Director
DIN: 03315303

Shrikant Marathe
Director
DIN: 05243645

Place : Pune
Date : 17th April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA ELECTRIC AUTOMOBILE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Electric Automobile Limited** (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

   e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

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

   b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 27 to the financial statements.

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

   d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 32(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 32(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. As stated in Note 12 to the financial statements, the Board of Directors of the Company has proposed dividend for preference shares for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

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

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN:24113156BKGFOJ8739

Place: Bengaluru
Date: 10 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC AUTOMOBILE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

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

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

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

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

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

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

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the

Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

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

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

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

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

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of preference shares in the previous year and partial proceeds from issue of preference shares in the year have been used for the purposes for which the funds were raised. The funds raised during the year have been fully utilised except for Rs 20,000 lakhs, which were unutilised as they were raised towards the end of the year.

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

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

(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.

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

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

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

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

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

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

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

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

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

(xviii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

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

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

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

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN:24113156BKGFOJ8739

Place: Bengaluru
Date: 10 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC AUTOMOBILE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Mahindra Electric Automobile Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN:24113156BKGFOJ8739

Place: Bengaluru
Date: 10 May 2024

BALANCE SHEET AS AT 31 MARCH, 2024

Rupees Lakhs

Particulars	Note No.	2024	2023
I. ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**6,881.81**	634.54
Capital work-in-progress	5	**95,651.74**	317.52
Intangible assets under development	6	**2,49,160.68**	90,724.09
Deferred tax assets (net)	9	**56.99**	5.32
Income tax assets	18	**–**	39.28
Other non-current assets	10	**1,33,789.60**	15,259.68
		4,85,540.82	1,06,980.43
CURRENT ASSETS			
Financial assets			
(i) Investments	7	**29,113.37**	28,034.95
(ii) Cash and cash equivalents	11	**11,218.71**	24,759.23
(iii) Bank balances other than cash and cash equivalents	11	**–**	30,000.00
(iv) Other financial assets	8	**40.04**	250.31
Other current assets	10	**9.20**	7,592.00
		40,381.32	90,636.49
TOTAL ASSETS		**5,25,922.14**	1,97,616.92
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**2,91,087.39**	1,46,949.44
Other equity		**29,626.73**	(56.19)
		3,20,714.12	1,46,893.25
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Compulsorily Convertible Preference shares	15	**1,50,000.00**	40,000.00
Provisions	16	**134.34**	–
		1,50,134.34	40,000.00
CURRENT LIABILITIES			
Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	13	**–**	0.56
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	**725.81**	106.64
(ii) Other financial liabilities	14	**49,041.84**	9,388.21
Other current liabilities	17	**5,067.23**	1,072.42
Provisions	16	**20.41**	–
Current tax liabilities (net)	18	**218.39**	155.84
		55,073.68	10,723.67
TOTAL EQUITY AND LIABILITIES		**5,25,922.14**	1,97,616.92

The accompanying notes 1 to 33 are an integral part of the Financial Statements

In terms of our report attached.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Bengaluru, 10 May, 2024

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer
Membership No: 117290

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 10 May, 2024

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2024

Rupees Lakhs

Particulars	Note No.	2024	For the period from 25 October, 2022 to 31 March, 2023
INCOME			
Other income	19	**5,696.56**	619.20
Total Income		**5,696.56**	619.20
EXPENSES			
Employee benefits expense	20	**592.35**	–
Finance costs	21	**1.48**	–
Depreciation	22	**399.65**	21.14
Other expenses	23	**2,552.44**	503.73
Total expenses		**3,545.92**	524.87
Profit Before Tax		**2,150.64**	94.33
Tax expense			
Current tax	9	**1,372.54**	155.84
Deferred tax (credit)	9	**(49.42)**	(5.32)
Profit / (loss) for the year/ period		**827.52**	(56.19)
Other Comprehensive Income / (Loss)			
A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		**(8.92)**	–
(b) Income tax relating to items that will not be reclassified to profit or loss		**2.24**	–
Total Other Comprehensive (Loss)		**(6.68)**	–
Total Comprehensive Income / (Loss) for the year/period		**820.84**	(56.19)
Earnings per equity share			
(Face value Rs. 10/- per share) (Rupees)			
Basic	24	**0.04**	(0.05)
Diluted	24	**0.03**	(0.05)

The accompanying notes 1 to 33 are an integral part of the Financial Statements

In terms of our report attached.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Bengaluru, 10 May, 2024

For **Mahindra Electric Automobile Limited**

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Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 10 May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

Rupees Lakhs

A) Equity share capital	2024	2023
Issued and Subscribed :		
Balance as at the beginning of the year/period	**2,99,449.44**	–
Add: Issue of Share Capital during the year/period	**64,137.94**	2,99,449.44
Balance as at the end of the year/period	**3,63,587.39**	2,99,449.44

Rupees Lakhs

B) Paid up capital	2024	2023
Paid up :		
Balance as at the beginning of the year/period	**1,46,949.44**	–
Add: Issue of Share Capital during the year/period	**1,44,137.95**	1,46,949.44
Balance as at the end of the year/period	**2,91,087.39**	1,46,949.44

Rupees Lakhs

C) Other Equity	Reserves and Surplus		
	Securities premium	**Retained earnings**	**Total**
As at 1 April, 2023	**–**	**(56.19)**	**(56.19)**
Profit for the year		**827.52**	**827.52**
Shares allotted at premium*	**28,862.07**	**–**	**28,862.07**
Other Comprehensive Loss (net of tax)	**–**	**(6.67)**	**(6.67)**
As at 31 March, 2024	**28,862.07**	**764.66**	**29,626.73**
As at 25 October 2022	–	–	–
(Loss) for the period	–	(56.19)	(56.19)
As at 31 March, 2023	–	(56.19)	(56.19)

* Premium on equity shares issued during the year

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

D) Description of the nature and purpose of reserves

(i) Securities premium

Securities premium reserve is used to record the premium on issue of shares.

(ii) Retained earnings

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

The accompanying notes 1 to 33 are an integral part of the Financial Statements

In terms of our report attached.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Bengaluru, 10 May, 2024

For **Mahindra Electric Automobile Limited**

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Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 10 May, 2024

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

Rupees Lakhs

Particulars	2024	For the period from 25 October, 2022 to 31 March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Tax	**2,150.64**	94.33
Adjustments for :		
Depreciation	**399.65**	21.14
Gain on foreign exchange fluctuation and other adjustments (net)	**(55.35)**	(6.68)
Interest income	**(3,120.05)**	(327.21)
Profit on sale of investments (net)	**(2,262.36)**	–
Gain arising on financial asset measured at fair value through profit and loss (net)	**(314.15)**	(34.95)
Finance costs	**1.48**	–
	(5,350.78)	(347.70)
Operating Profit before working capital changes	**(3,200.14)**	(253.37)
Changes in :		
Other receivables	**(33,078.33)**	(7,592.00)
Trade and other payables and provisions	**4,908.10**	1,179.61
	(28,170.23)	(6,412.39)
Cash used in operations	**(31,370.37)**	(6,665.76)
Income taxes paid (net of refunds and interest on refunds)	**(1,270.70)**	(39.28)
Net cash used in operations	**(32,641.07)**	(6,705.03)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payments to acquire property, plant & equipment and intangible assets under development	**(2,98,730.37)**	(97,562.08)
Payments to acquire investments	**(2,79,000.00)**	(47,000.00)
Proceeds from sale of investments	**2,80,498.08**	19,000.00
Interest received	**3,332.84**	76.90
Bank deposits placed	**(1,51,000.00)**	(38,000.00)
Bank deposits matured	**1,81,000.00**	8,000.00
Net cash used in investing activities	**(2,63,899.45)**	(1,55,485.18)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of equity shares to Mahindra and Mahindra Limited and British International Investment (BII)	**1,73,000.00**	1,46,949.44
Proceeds from issue of Compulsorily Convertible Preference Shares	**1,10,000.00**	40,000.00
Net cash generated from financing activities	**2,83,000.00**	1,86,949.44
Net (decrease)/increase in cash and cash equivalents	**(13,540.52)**	24,759.23
Cash and cash equivalents at the beginning of the year/period	**24,759.23**	–
Cash and cash equivalents at the end of the year/period (Refer note 11)	**11,218.71**	24,759.23

Notes to the Cash Flow Statement for the year ended 31 March 2024.

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

In terms of our report attached.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Bengaluru, 10 May, 2024

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer
Membership No: 117290

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Company Secretary
FCS No.: 10249

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Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 10 May, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 General information

Mahindra Electric Automobile Limited ('the Company') is a limited company incorporated in India. The address of its registered office is Mahindra Electric Automobile Limited, Mahindra Tower, Pandurang Budhkar Marg, Nr. Door darshan Kendra, Worli, Mumbai, Maharashtra - 400018 and principal activities of the Company are designing, developing, manufacturing, fabricating, assembling, selling, buying, re-selling, importing, servicing, exporting, supplying, trading, altering, marketing, acting as stockists, dealers, distributors, let on hire, buy or sell on hire-purchase or instalment system of, and all kinds of services related thereto or otherwise dealing in any manner with 4-wheel passenger electric vehicles (incl. parts) of all kinds and description.

2 Material Accounting Policies

a) Statement of compliance and basis of preparation and presentation

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

These financial statements were approved by the company's board of directors and authorised for issue on 10 May, 2024.

b) Basis of measurement

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

c) Measurement of fair values

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

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

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

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

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

d) Use of estimates and judgments

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

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

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

ii) Fair value of financial assets and financial liabilities

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

e) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives.

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

Asset Class	Useful lives
i) Proto vehicles and Benchmarking vehicles	3 years

f) Intangible assets under development

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

g) Impairment of Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

h) Financial Instruments

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

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

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

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

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

Financial liabilities: All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through Profit & Loss.

i) Revenue Recognition

Mutual fund and interest income

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

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

j) Employee Benefits

Provident Fund

Contributions to Provident Fund are made to regional provident fund commissioners and are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India. The shortfall and remeasurement thereof, if any, based on actuarial valuation is recognised through Other Comprehensive Income (OCI).

Long term Compensated Absences

The liability towards long term compensated absences are determined by independent actuaries using the projected unit credit method.

Gratuity, post retirement medical benefit and post retirement housing allowance schemes

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

The obligation on long term compensated absences and other defined benefit plan are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields of Indian government securities for the estimated term of the obligations.

k) Income taxes

Current tax

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

Deferred tax

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

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

Deferred tax assets and liabilities arising from deductible temporary differences associated with such depreciation, retirals and investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss.

l) Provisions

Provisions are recognised when company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 Property, plant and equipment

a) Owned assets

Rupees Lakhs

Particulars	**Plant and equipment**	**Total**
Cost		
Balance as at 25 October, 2022	–	–
Additions during the reporting period	655.68	655.68
Balance as at 31 March, 2023	655.68	655.68
Balance as at 1 April, 2023	655.68	655.68
Additions during the year	**6,646.92**	**6,646.92**
Balance as at 31 March, 2024	**7,302.60**	**7,302.60**
Accumulated Depreciation		
Balance as at 25 October, 2022	–	–
Depreciation expense for the period	21.14	21.14
Balance as at 31 March, 2023	21.14	21.14
Balance as at 1 April, 2023	21.14	21.14
Depreciation expense for the year	**399.65**	**399.65**
Balance as at 31 March, 2024	**420.79**	**420.79**
Net carrying amount		
Net carrying amount as at 31 March, 2023	634.54	634.54
Net carrying amount As at 31 March, 2024	**6,881.81**	**6,881.81**

5 Capital work-in-progress

Rupees Lakhs

Particulars	**2024**	2023
Balance at the beginning of the year/period	**317.52**	–
Additions during the year/period	**1,01,981.14**	973.20
Total additions during the year/period	**1,02,298.66**	973.20
Transfer to Property, plant and equipment	**(6,646.92)**	(655.68)
Balance at the end of the year/period	**95,651.74**	317.52

Ageing of capital work in progress:

Rupees Lakhs

Particulars	**Amount in Capital work in progress for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Balance as at 31 March 2024					
Projects in progress	**95,651.74**	**–**	**–**	**–**	**95,651.74**
Projects temporarily suspended	–	–	–	–	–
Total	**95,651.74**	**–**	**–**	**–**	**95,651.74**
Balance as at 31 March 2023					
Projects in progress	317.52	–	–	–	317.52
Projects temporary suspended	–	–	–	–	–
Total	317.52	–	–	–	317.52

Note: Capital work in progress

(i) As on the date of balance sheet, there is no capital work in progress whose completion is overdue or has extended the cost based on approved plan.

6 Intangible assets under development

Rupees Lakhs

Intangible assets under development	**2024**	2023
Balance at the beginning of the year/period	**90,724.09**	–
Additions during the year/period	**1,58,436.59**	90,724.09
Total additions during the year/period	**2,49,160.68**	90,724.09
Balance at the end of the year/period	**2,49,160.68**	90,724.09

Rupees Lakhs

Ageing of intangible assets under development	**Amount in Intangibles asset under development for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Balance as at 31 March, 2024					
Projects in progress	**1,58,436.59**	**90,724.09**	**–**	**–**	**2,49,160.68**
Projects temporarily suspended	–	–	–	–	–
Total	**1,58,436.59**	**90,724.09**	**–**	**–**	**2,49,160.68**
Balance as at 31 March, 2023					
Projects in progress	90,724.09	–	–	–	90,724.09
Projects temporarily suspended	–	–	–	–	–
Total	90,724.09	–	–	–	90,724.09

Note: Research and Development expenditure

(i) Development expenditure incurred during the year Rs. 1,58,436.59 lakhs (2023: 90,724.09 lakhs).

(ii) As on the date of balance sheet, there is no intangible under development whose completion is overdue or has extended the cost based on approved plan

7 Investments

Current investments

Rupees Lakhs

Particulars	**2024**	2023
Quoted: Mandatorily measured and carried at Fair Value Through Profit and Loss		
Investments in Mutual Funds	**29,113.37**	28,034.95
Total	**29,113.37**	28,034.95
Aggregate book value of quoted investments : In mutual funds	**29,113.37**	28,034.95
Aggregate market value of quoted investments : In mutual funds	**29,113.37**	28,034.95

8 Other financial assets

Rupees Lakhs

	Current	
	2024	**2023**
Financial assets at cost		
Interest accrued on bank deposits	**37.53**	250.31
Derivative Financial Assets	**2.51**	–
Total	**40.04**	250.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

9 Income Taxes

Deferred Tax Assets / Liabilities (Net)

Year ended 31 March, 2024

Rupees Lakhs

Particulars	**Opening Balance**	**Recognised in Profit or Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items resulting in taxable temporary differences				
Allowances on property, plant and equipment and retirals	**5.32**	**137.28**	**–**	**142.61**
Others (Deferred tax liability on FVTPL)	**–**	**(87.86)**	**–**	**(87.86)**
Remeasurement of defined benefit plan (DTL on Gratuity)	**–**	**–**	**2.24**	**2.24**
	5.32	**49.42**	**2.24**	**56.99**
Net Deferred Tax Asset	**5.32**	**49.42**	**2.24**	**56.99**

Year ended 31 March, 2023

Rupees Lakhs

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Tax effect of items resulting in taxable temporary differences	–	–	–	–
Allowances on property, plant and equipment	–	5.32	–	5.32
	–	5.32	–	5.32
Net Deferred Tax Asset	–	5.32	–	5.32

Balances of Deferred Tax Assets / Deferred Tax Liabilities are presented in Balance sheet as below :

Rupees Lakhs

Particulars	**2024**	2023
Deferred tax assets (net)	**56.99**	5.32

	2024	2023
Income Tax recognised in profit or loss		
Current Tax		
In respect of current year	**1,345.85**	155.84
In respect of prior years	**26.69**	–
Total Current Tax	**1,372.54**	155.84
Deferred Tax		
In respect of current year origination and reversal of temporary differences	**(49.42)**	(5.32)
Total Deferred Tax	**(49.42)**	(5.32)
Total Income Tax expense	**1,323.12**	150.52

Income tax recognised in other comprehensive loss

	2024	2023
Deferred tax related to items recognised in other comprehensive loss during the year:		
Remeasurement of defined benefit plans	**2.24**	–
Total Income tax recognised in other comprehensive loss	**2.24**	–

	2024	2023
The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:		
Profit Before Tax	**2,150.64**	94.33
Applicable Income Tax rate	**25.17%**	25.17%
Expected Income Tax expense	**541.27**	23.74
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions that is non-deductible in determining taxable profit	**843.02**	126.78
Effect of net additional / (reversal) of provision in respect of prior years	**26.69**	–
Others	**(87.86)**	–
Income tax expense recognised in statement of profit and loss	**1,323.12**	150.52

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10 Other assets (non financial)

Rupees Lakhs

	Non current		Current	
	2024	2023	**2024**	2023
Capital advances	**93,130.99**	15,259.68	**–**	–
Goods and Services Tax (GST) receivable	**40,658.61**	–	**–**	7,592.00
Others	**–**	–	**9.20**	–
	1,33,789.60	15,259.68	**9.20**	7,592.00

11 Cash and cash equivalents and bank balances

Rupees Lakhs

	2024	2023
a) Cash and cash equivalents		
– Balance with banks	**1,218.71**	759.23
– Fixed deposits with original maturity of less than 3 months	**10,000.00**	24,000.00
Cash and cash equivalents	**11,218.71**	24,759.23
b) Bank balances other than cash and cash equivalents		
Fixed deposits	**–**	30,000.00
Other bank balances	**–**	30,000.00

12 Equity share capital

Rupees Lakhs

	2024	2023
Authorised :		
4,00,00,00,000 Ordinary (Equity) Shares of Rs. 10 each (2023: 4,00,00,00,000)	**4,00,000.00**	4,00,000.00
1,92,50,000 Compulsorily Convertible Preference Shares of Rs. 1000 each (2023: 1,92,50,000)	**1,92,500.00**	1,92,500.00
1,20,00,000 Series A 0.001% Compulsorily Convertible Preference Shares of Rs. 1,000 each (2023: Nil)	**1,20,000.00**	–
Authorised Share Capital	**7,12,500.00**	5,92,500.00
Issued and subscribed :		
1,30,00,50,000 Ordinary (Equity) Shares of Rs. 10 each	**1,30,005.00**	1,30,005.00
1,69,44,44,445 Ordinary (Equity) Shares of Rs. 10 each	**1,69,444.44**	1,69,444.44
64,13,79,310 Ordinary (Equity) Shares of Rs 10 each	**64,137.93**	–
100 Ordinary (Equity) Shares of Rs. 10 each	**0.01**	–
Issued and Subscribed Share Capital	**3,63,587.39**	2,99,449.44
Paid-up share capital:		
1,30,00,50,000 Ordinary (Equity) Shares of Rs. 10 each, fully paid up (2023: 1,30,00,50,000)	**130,005.00**	130,005.00
1,69,44,44,445 Ordinary (Equity) Shares of Rs. 10 each, partly paid up Rs. 5.72 each (2023: 1,69,44,44,445, partly paid up Rs 1 each)	**96,944.45**	16,944.44
64,13,79,310 Ordinary (Equity) Shares of Rs. 10 each, fully paid up (2023: Nil)	**64,137.93**	–
100 Ordinary (Equity) Shares of Rs. 10 each, fully paid up (2024: 100)	**0.01**	–
Paid-up share capital	**291,087.39**	146,949.44

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

	2024		2023	
Issued, subscribed and paid-up :	**No. of shares**	**Rupees Lakhs**	No. of shares	Rupees Lakhs
At the beginning of the year/period	**2,99,44,94,445**	**1,46,949.44**	–	–
Add:				
Call money received for partly paid up shares issued to Mahindra & Mahindra Limited (2024: May 2023 1,69,44,44,445 shares of Rs. 2.36 each, and September 2023 1,69,44,44,445 shares of Rs. 2.36) each	**–**	**80,000.00**	2,99,44,94,445	1,46,949.44
Equity shares issued to Mahindra & Mahindra Limited	**64,13,79,310**	**64,137.93**	–	–
Equity shares issued to British International Investment plc	**100**	**0.01**	–	–
Adjusted Issued, Subscribed and Paid-up Share Capital	**3,63,58,73,855**	**2,91,087.38**	2,99,44,94,445	1,46,949.44

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(c) Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the company's issued, subscribed and paid-up:

	2024		2023	
Name of the Shareholder	**No. of Shares**	**% Shareholding**	No. of Shares	% Shareholding
Mahindra and Mahindra Limited	**3,63,58,73,755**	**99.99%**	2,99,44,94,445	99.99%

(d) Details of Ordinary (Equity) Shares held by promoters in the Company's paid-up share capital (including partly paid shares) :

Name of the Promotors	2024			2023		
Promoters:	**No. of Shares**	**% Shareholding**	**% Change during the year**	No. of Shares	% Shareholding	% Change during the year
Mahindra and Mahindra Limited	**3,63,58,73,755**	**99.99%**	**0.00%**	2,99,44,94,445	99.99%	–
Total	**3,63,58,73,755**	**99.99%**	**0.00%**	2,99,44,94,445	99.99%	–

(e) Details of proposed dividend

Rupees Lakhs

	2024	2023
Dividend per share (Rupees - Round off) on Compulsorily Convertible Preference Shares	**0.01**	–
Dividend on Compulsorily Convertible Preference Shares	**0.93**	–
Dividend on Series A Compulsorily Convertible Preference Shares	**0.05**	–

13 Trade payables

Rupees Lakhs

	2024	2023
Total outstanding dues of micro and small enterprises (Refer note no 33)	**–**	0.56
Total outstanding dues other than micro and small enterprises	**725.81**	106.64
Total	**725.81**	107.20

Rupees Lakhs

Ageing of trade payables

Particulars	**2024**					
	Outstanding for following periods from due date of payments					
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade payable						
MSME	**–**	**–**	**–**	**–**	**–**	**–**
Others	**–**	**534.78**	**–**	**–**	**–**	**534.78**
	–	**534.78**	**–**	**–**	**–**	**534.78**
Accrued Expenses	**–**	**–**	**–**	**–**	**–**	**191.03**
Total Trade payables	**–**	**534.78**	**–**	**–**	**–**	**725.81**

Particulars	2023					
	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payable						
MSME	–	0.56	–	–	–	0.56
Others	51.07	–	–	–	–	51.07
	51.07	0.56	–	–	–	51.63
Accrued Expenses	55.01	–	–	–	–	55.01
Total Trade payables	106.08	0.56	–	–	–	106.64

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14 Other Financial Liabilities

Rupees Lakhs

	2024	2023
Carried at amortised cost		
Capital creditors	**48,891.51**	9,388.21
Other liabilities (Employee related expenses)	**149.36**	–
Derivative financial liabilities	**0.97**	–
Total	**49,041.84**	9,388.21

15 Compulsorily Convertible Preference Shares

Rupees Lakhs

	Non Current	
	2024	2023
Carried at fair value		
0.001% Compulsorily convertible preference shares*	**1,50,000.00**	40,000.00
Total	**1,50,000.00**	40,000.00

* During the year 80,00,000 0.001% Compulsorily Convertible Preference Shares of Rs. 1,000 each fully paid up, issued at par to British International Investment (BII) (Refer note 29).

30,00,000 Series A 0.001% Compulsorily Convertible Preference Shares of Rs. 1,000 each fully paid up, issued at par to Temasek (Refer note 29).

16 Provisions

Rupees Lakhs

	Non Current		Current	
	2024	2023	2024	2023
Provision for gratuity	**79.50**	**–**	**9.34**	–
Provision for compensated absences	**54.84**	**–**	**11.07**	–
Total	**134.34**	**–**	**20.41**	–

17 Other Current Liabilities

Rupees Lakhs

	Current	
	2024	2023
Statutory dues (Other than income taxes)		
Goods and Services tax	**1,358.49**	–
Tax deducted at source	**3,704.11**	–
Provident fund and Pension fund	**3.28**	1072.42
Profession tax	**0.02**	–
Others	**1.33**	–
Total	**5,067.23**	1,072.42

18 Current tax liability (net)

Rupees Lakhs

	2024	2023
Tax deducted at source receivable	**344.75**	32.72
Tax collection at source receivable	**146.98**	6.56
Advance tax (Self Assessment tax 2023: 143.26 Lakhs)	**818.26**	–
Current tax liability	**(1,528.38)**	(155.84)
Total	**218.39**	116.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

19 Other income

Rupees Lakhs

	2024	For the period from 25 October 2022 to 31 March 2023
Interest income on financial assets measured at amortised cost	**3,120.05**	327.22
Profit on sale of mutual funds	**2,262.36**	291.98
Net gain arising on financial assets measured at fair value through profit or loss	**314.15**	–
Total	**5,696.56**	619.20

20 Employee Benefits Expense

Rupees Lakhs

	2024	For the period from 25 October 2022 to 31 March 2023
Salaries and wages, including bonus	**524.55**	–
Contribution to provident and other funds (Refer note 25)	**35.43**	–
Equity settled share based payments*	**26.16**	–
Staff welfare expenses	**6.21**	–
Total	**592.35**	–

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

Certain employees of the Mahindra Electric Automobile Limited are covered by Employee Stock Option Scheme-2000 (ESOP scheme) offered by Holding Company, Mahindra & Mahindra Limited. Under the scheme, eligible employees are granted an option to purchase shares of Mahindra & Mahindra Limited, in accordance with the terms and conditions of the scheme.

The Company recognizes this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment.

Such ESOP expense in respect of employees of the Company, is charged by the Holding Company over the vesting period in accordance with the ESOP scheme which is recognized as Equity settled share based payment expenses under Employee Benefit Expenses.

21 Finance Cost

Rupees Lakhs

	2024	For the period from 25 October 2022 to 31 March 2023
Interest expense on payment to MSME vendors	**1.48**	–
Total	**1.48**	–

22 Depreciation

Rupees Lakhs

	2024	For the period from 25 October 2022 to 31 March 2023
Depreciation	**399.65**	21.14
Total	**399.65**	21.14

23 Other Expenses

Rupees Lakhs

	2024	For the period from 25 October 2022 to 31 March 2023
Rent expense	**29.63**	–
Advertisement expenses	**290.76**	–
Travelling and conveyance expenses	**33.51**	–
Legal and professional fees	**110.83**	82.76
Hire and service charge	**1,342.25**	47.87
Director remuneration	**150.00**	–
Payment to auditors**	**18.63**	12.50
Bank charges	**208.13**	–
Insurance	**132.66**	–
Miscellaneous expenses	**236.04**	360.60
Total	**2,552.44**	503.73

<u>Payment to auditors</u>**	**2024**	2023
To Statutory auditors -		
a) For audit	**17.50**	12.50
b) Other services	**0.50**	–
c) Reimbursement of expenses	**0.63**	–
Total	**18.63**	12.50

24 Earnings Per Share (EPS)

Rupees Lakhs

Particulars	2024	For the period from 25 October 2022 to 31 March 2023
Profit for the year for basic EPS (Rupees lakhs)	**827.52**	(56.19)
Profit for the year for diluted EPS (Rupees lakhs)	**827.52**	(56.19)
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS	**2,12,72,11,717**	11,26,95,144.60
Effect of dilutive potential Ordinary (Equity) Shares	**1,05,22,54,369**	–
Weighted average number of Ordinary (Equity) Shares used in computing diluted EPS	**3,17,94,66,086**	11,26,95,144.60
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**0.04**	(0.05)
Diluted Earnings per share (Rs.)	**0.03**	(0.05)

25 Employee Benefits

General description of defined benefit plans

Gratuity

There is gratuity plan is covering all employees. The benefit payable is greater of the amount calculated as per the payment of Gratuity Act or the company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Risk exposure

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

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined benefit plans - Actuarial valuation as on 31 March, 2024

		Rupees Lakhs
		Unfunded Plans
		Gratuity
		2024
1.	**Amounts recognised in profit or loss**	
	Current service cost	**5.70**
	Net interest expense	**4.04**
	Total amount included in employee benefits expense	**9.74**
2.	**Amounts recognised in other comprehensive income**	
	Remeasurement (gains)/ losses:	
	a) Actuarial (gains)/losses arising from changes in -	
	- experience adjustments	**8.92**
	Total amount recognised in other comprehensive income	**8.92**
3.	**Changes in the defined benefit obligation**	
	Opening defined benefit obligation	**–**
	Current service cost	**5.70**
	Interest expense	**4.04**
	Remeasurement due to experience adjustments	**8.92**
	Impact of liability assumed*	**70.18**
	Closing defined benefit obligation	**88.84**

* Transfer from Mahindra & Mahindra Limited

Defined benefit plans - Actuarial valuation as on 31 March, 2024

		Rupees Lakhs
		Unfunded Plans
		Gratuity
		2024
4.	**Net defined benefit obligation**	
	Defined benefit obligation	**88.84**
	Current portion of the above	**9.34**
	Non current portion of the above	**79.50**
5	**Actuarial Assumptions and sensitivity**	
a	**Actuarial assumptions**	
	Assumptions	**2024**
	Discount rate (%)	**7.20%**
	Attrition rate (%)	**12.00%**
	Cost inflation (%)	**9.00%**

b Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:

Assumptions	**2024**
One percentage point increase in discount rate	**(7.21%)**
One percentage point decrease in discount rate	**8.91%**
One percentage point increase in salary growth rate	**7.97%**
One percentage point decrease in salary growth rate	**(7.16%)**

c Maturity profile

Assumptions	**2024**
Expected benefits for year 1	**9.34**
Expected benefits for year 2	**9.31**
Expected benefits for year 3	**9.55**
Expected benefits for year 4	**9.15**
Expected benefits for year 5	**8.85**
Expected benefits for year 6	**8.53**
Expected benefits for year 7	**8.25**
Expected benefits for year 8	**7.91**
Expected benefits for year 9	**7.59**
Expected benefits for year 10 and above	**95.35**

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

The company's contribution to Provident fund aggregating Rs. 14.19 lakhs has been recognised in Profit and Loss under head 'Employee Benefit Expenses'

26. Capital management

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

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

		Rupees Lakhs
	2024	2023
Total shareholder's equity as reported in Balance Sheet	**320,714.12**	146,893.25
Less :		
Current investments	**29,113.37**	28,034.95
Cash and Bank Balances	**11,218.71**	54,759.23
Total	**(40,332.08)**	(82,794.18)
Total Capital deployed	**2,80,382.04**	64,099.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

27. Financial instruments

Financial Risk Management Framework

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

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

(a) Market Risk Management

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

(b) Currency Risk

The Company's exposure to currency risk relates primarily to the company's operating activities i.e.. Purchases where the transactions are denominated in a currency other than the Company's functional currency.

The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company's hedges its foreign currency risk mainly by way of Forward Covers. Other derivative instruments may be used if deemed appropriate.

The carrying amounts of the company's foreign currency exposure at the end of the reporting period are as follows:

Rupees Lakhs

Particulars	**Euro**	**Pounds**	**Yen**	**Korean Won**	**USD Dollar**	**Total**
Financial Liabilities	**1,475.46**	**962.46**	**506.33**	**45.00**	**8,914.50**	**11,903.75**

The Company's outstanding forward exchange contracts are not accounted as hedges. Notional value of the same is as given below:

Rupees Lakhs

Particulars	**2024**	2023
Buy currency		
- USD/INR	**8,071.68**	–
- EUR/INR	**3,102.99**	–

Sensitivity Analysis of unhedge foreign currency exposure

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant

Rupees Lakhs

	10% Increase - Loss	**10% Decrease - Gain**
US Dollars	**84.28**	**84.28**
Pounds	**96.25**	**96.25**
Yen	**50.63**	**50.63**
Korean Won	**4.50**	**4.50**

(b) Credit Risk Management

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

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

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

Rupees Lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
As at 31 March, 2024				
Trade payables	**725.81**	**–**	**–**	**–**
Other financial liabilities	**49,041.84**	**–**	**–**	**–**
Total	**49,767.65**	**–**	**–**	**–**

Rupees Lakhs

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

(d) Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial liabilities.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**
Financial Liabilities	0.97	–	–

(e) Offsetting of balances: The Company has not offset financial assets and financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(f) Fair Value Disclosures

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

Rupees Lakhs

Financial assets/ financial liabilities	Financial assets / financial liabilities	Fair Value Category	As at 31 March 2024	As at 31 March 2023	Fair value hierarchy	Valuation technique(s)
1) Investment in mutual funds	Financial Assets	Financial instrument measured at FVTPL	**314.15**	34.95	Level 1	Net asset value
2) Financial Currency forward	Financial Assets (net of financial liabilities)	Financial instrument measured at FVTPL	**1.54**	–	Level 1	Net asset value
3) Compulsorily Convertible Preference Shares (CCPS)	Financial Liability	Financial instrument measured at FVTPL	**1,50,000.00**	–	Level 3	Fair value

(ii) Financial Instruments measured using amortised cost

Rupees Lakhs

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March, 2024					
Financial assets					
a) Other financial assets	**40.04**	**40.04**	–	**40.04**	–
b) Cash and Bank Balance	**11,218.71**	**11,218.71**	**11,218.71**	–	–
Total	**11,258.75**	**11,258.75**	**11,218.71**	**40.04**	**–**
Financial liabilities					
a) Trade Payable	**725.81**	**725.81**	–	**725.81**	–
b) Other Financial Liabilities	**49,041.84**	**49,041.84**	–	**49,041.84**	–
Total	**49,767.65**	**49,767.65**	–	**49,767.65**	–

Rupees Lakhs

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

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

28 Related party disclosures

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

(i) Holding Company, Fellow Subsidiaries and Investor :

S. No.	Name of the Entity
1	Mahindra & Mahindra Limited- Holding company
2	Mahindra Logistics Limited - Fellow subsidiary
3	Mahindra Integrated Business Solutions Private Limited - Fellow subsidiary
4	Lords Freight (India) Private Limited - Fellow subsidiary
5	Bristlecone India Limited - Fellow subsidiary
6	Mahindra Accelo Limited - Fellow subsidiary
7	Tech Mahindra Business Services Limited - Fellow subsidiary
8	Mahindra Auto Steel Private Limited - Fellow subsidiary
9	Satyam Venture Engineering Service Private Limited - Associate of fellow subsidiary
10	Fifth Gear Ventures Limited - Fellow subsidiary
11	British International Investment PLC (BII)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(ii) Key Management Personnel (KMP) :

S.No.	Name of KMP	Designation
1	Velusamy R	Joint Managing Director
2	Vijay Nakra	Joint Managing Director
3	Rajesh Jejurikar	Director
4	Abanti Sankarnarayanan	Director
5	Samir Abhyankar	Director
6	Dr. Anish Shah	Additional Director
7	Vikram Singh Mehta	Additional Director - Independent
8	Shikha Sharma	Additional Director - Independent

(b) The related party transactions are as under:

Rupees Lakhs

S. No.	Nature of Transactions	Holding Company		Fellow Subsidiary		Associate of Holding Company		Investor		KMP	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
1	**Purchases :**										
	Goods										
	Mahindra Auto Steel Private Limited	–	–	**389.69**	–	–	–	–	–	–	–
	Mahindra Accelo Limited	–	–	**812.52**	7.76	–	–	–	–	–	–
	Property, plant & equipment										
	Mahindra and Mahindra limited	**25,146.67**	655.68	–	–	–	–	–	–	–	–
	Intangible assets under development										
	Mahindra and Mahindra limited	**23,486.07**	86,104.28	–	–	–	–	–	–	–	–
	Services										
	Mahindra and Mahindra limited	**39,533.67**	19.71	–	–	–	–	–	–	–	–
	Mahindra Logistics Limited	–	–	**40.09**	–	–	–	–	–	–	–
	Tech Mahindra Business Services Limited	–	–	**35.75**	–	–	–	–	–	–	–
	Lords Freight (India) Private Limited	–	–	**202.31**	–	–	–	–	–	–	–
	Bristlecone India Limited	–	–	**6.39**	–	–	–	–	–	–	–
	Fifth Gear Ventures Limited	–	–	**16.02**	–	–	–	–	–	–	–
	Satyam Venture Engineering Service Private Limited	–	–	–	–	**27.61**	–	–	–	–	–
	Mahindra Integrated Business Solutions Private Limited	–	–	**20,045.44**	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–
2	**Finance :**										
	Issue of Shares										
	Mahindra and Mahindra limited	**173,000.00**	146,949.45	–		–	–	–	–	–	–
	British International Investment PLC	–	–	–	–	–	–	**0.01**	–	–	–
	Issue of Compulsorily Convertible Preference Shares										
	British International Investment PLC	–	–	–	–	–	–	**40,000.00**	–	–	–
	BII India EV LLP	–	–	–	–	–	–	**40,000.00**	–	–	–
3	**Managerial remuneration**									**342.32**	27.00
4	**Commission and Other benefits**									**6.60**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

S. No.	Nature of Transactions	Holding Company		Fellow Subsidiary		Associate of Holding Company		Investor		KMP	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
5	**Other Transactions :**										
	Reimbursements made from parties										
	Mahindra and Mahindra limited	**226.98**	–	**–**	–	**–**	–	**–**	–	**–**	–
	Reimbursements made to parties										
	Mahindra and Mahindra limited	**23,706.53**	336.85	**–**	–	**–**	–	**–**	–	**–**	–
6	**Receivables/(Payable):**										
	Mahindra and Mahindra limited	**(18,976.16)**	(24.31)	**–**	–	**–**	–	**–**	–	**–**	–
	Fifth Gear Ventures Limited	**–**	–	**(14.66)**	–	**–**	–	**–**	–	**–**	–
	Lords Freight (India) Private Limited	**–**	–	**(36.40)**	–	**–**	–	**–**	–	**–**	–
	Mahindra Accelo Limited	**–**	–	**(91.43)**	(7.76)	**–**	–	**–**	–	**–**	–
	Mahindra Auto Steel Private Limited	**–**	–	**1,901.90**	–	**–**	–	**–**	–	**–**	–
	Mahindra Integrated Business Solutions Private Limited	**–**	–	**(7,909.55)**	–	**–**	–	**–**	–	**–**	–
	Mahindra Logistics Limited	**–**	–	**(13.60)**	–	**–**	–	**–**	–	**–**	–
	Satyam Venture Engineering Service Private Limited	**–**	–	**–**	–	**(16.86)**	-	**-**	-	**-**	-
	Tech Mahindra Business Services Limited	**–**	–	**(32.72)**	–	**–**	–	**–**	–	**–**	–

29 Issue of Compulsorily Convertible Preference Shares

Mahindra and Mahindra Limited (M&M), the holding company, executed a Securities Subscription Agreement and Shareholders' Agreement with British International Investment Plc ('BII'), whereby M&M and BII have agreed to invest upto Rs. 1,92,500.00 lakhs each, in tranches, subject to the terms and conditions as stipulated in the aforesaid agreement(s). Of this, M&M have invested Rs. 1,20,000 lakhs in equity share and BII have invested Rs. 0.01 Lakhs in equity shares and Rs. 1,20,000 lakhs Compulsorily Convertible Preference Shares ('CCPS') respectively, by 31st March 2024. (2023: Rs. 40,000 lakhs Equity Share invested by M&M and Rs. 40,000 lakhs in CCPS invested by BII)

Mahindra and Mahindra and Jongsong Investments Pte Limited (Temasek) have executed a binding agreement with Temasek. Till 31st March 2024, Temasek have invested Rs. 30,000 lakhs Series A Compulsorily Convertible Preference Shares.

CCPS is convertible compulsorily and automatically into such number of equity shares determined as per a pre-determined formula at the conversion date, as per terms and conditions of the agreement(s) entered between the Company, BII and Temasek. Since the CCPS is convertible into variable number of equity shares of MEAL, it has been classified as financial liability at fair value through profit or loss in the financial statements of the Company. The fair value of CCPS issued as at 31 March 2024 is Rs. 1,50,000 lakhs (2023: Rs 40,000 lakhs).

30 Commitment

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2024 is Rs. 1,98,104.19 lakhs (2023: 1,10,084 lakhs)

31 Ratios

Ratios	Numerator	Denominator	2024	2023
Current Ratio	Total Current Asset	Total Current Liabilities	**0.73**	8.45
Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity	**0.35%**	-0.04%
Return on investment	Income earned on investment	Average investment for the period	**9.40%**	0.75%
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liability	**0.46%**	0.05%
Net Profit Margin	Net profits after taxes	Total Revenue	**14.53%**	-9.07%
Trade Payable Turnover	Other expenses	Average trade payable for the period	**6.13**	4.70

Other ratios are not applicable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

32 Other Disclosures

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

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

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

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

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

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

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

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

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

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

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

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

h. The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

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

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

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

l. The Company has also availed non-fund based facilities viz, bank guarantees and letter of credit.

33 Micro and Small Enterprise

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

Particulars	**2024**	2023
1) The amounts remaining unpaid to micro and small suppliers as at the end of the year/period Principal	**–**	0.56
2) Interest due thereon	**1.48**	–
3) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year/period	**–**	–
4) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**–**	–
5) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**1.48**	–
6) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

In terms of our report attached.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Bengaluru, 10 May, 2024

For **Mahindra Electric Automobile Limited**

Mr. Bhavesh Shah
Chief Financial Officer
Membership No: 117290

Ms. Divya Mascarenhas
Company Secretary
FCS No.: 10249

Mr. Velusamy Ramasamy
Joint Managing Director
DIN: 09774151

Mr. Vijay Nakra
Joint Managing Director
DIN: 02638616

Mrs. Kausalya Nandakumar
Chief Operating Officer

Mumbai, 10 May, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of NBS International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NBS International Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements, including summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far, it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements.
   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
   d) (i) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

f) Based on our examination which includes test checks, the Company has used an accounting software for maintaining its books of accounts which has feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with.

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

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

Vinodkumar Varma
Partner
Membership No. 105545
UDIN No. 24105545BKFPDH6955

Mumbai, 17 April 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NBS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

(b) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment (including Right of Use Assets) so as to cover all the assets once every three years, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program, certain Property, Plant and Equipment have been verified by the Management during the year and no material discrepancies were noticed on such verification.

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

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

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

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

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

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

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

5) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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

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

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

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

* net of amount paid under protest Rs. 50.00 lakhs

8) According to information and explanations given to us and on the basis of our examination of the records of the Company, no transactions which have not been recorded in the books of accounts, were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20) According to the information and explanations given to us, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of Section 135(6) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

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

Vinodkumar Varma
Partner
Membership No. 105545
UDIN No. 24105545BKFPDH6955

Mumbai, 17 April 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NBS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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

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

We have audited the internal financial controls with reference to financial statements of NBS International Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Vinodkumar Varma
Partner
Membership No. 105545
UDIN No. 24105545BKFPDH6955

Mumbai, 17 April 2024

BALANCE SHEET AS AT 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

	Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	3	**276.16**	273.56
	(b) Right-of-use assets	4	**674.84**	1,013.11
	(c) Capital work-in-progress	5	**8.52**	11.22
	(d) Intangible assets	6	**–**	0.01
	(e) Financial assets			
	(i) Other assets	7	**53.06**	51.95
	(f) Deferred tax assets (net)	8	**–**	–
	(g) Income tax asset (net)	9	**256.87**	217.63
	(h) Other non-current assets	10	**51.97**	0.75
	Total non-current assets		**1,321.42**	1,568.23
	Current assets			
	(a) Inventories	11	**5,001.52**	4,406.66
	(b) Financial assets			
	(i) Trade receivables	12	**2,107.34**	1,331.53
	(ii) Cash and cash equivalents	13a	**165.18**	4.63
	(iii) Bank Balance other than (ii) above	13b	**1.01**	–
	(c) Other current assets	10	**914.98**	455.55
	Total current assets		**8,190.03**	6,198.37
	Total assets		**9,511.45**	7,766.60
II	**Equity and liabilities**			
	Equity			
	(a) Equity share capital	14	**4,455.05**	4,455.05
	(b) Other equity		**(2,685.25)**	(3,488.70)
	Total equity		**1,769.80**	966.35
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	31	**411.55**	749.56
	(b) Provisions	15	**118.45**	106.56
	Total non-current liabilities		**530.00**	856.12
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16	**3,110.84**	2,804.74
	(ii) Lease liabilities	31	**338.02**	314.60
	(iii) Trade payables	17		
	- total outstanding dues of micro enterprises and small enterprises; and		**17.21**	9.88
	- total outstanding dues of creditors other than micro enterprises and small enterprises		**2,121.75**	1,509.12
	(iv) Other financial liabilities	18	**410.02**	303.90
	(b) Other current liabilities	19	**1,133.13**	933.44
	(c) Provisions	15	**80.68**	68.45
	Total current liabilities		**7,211.65**	5,944.13
	Total equity and liabilities		**9,511.45**	7,766.60

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 17th April, 2024

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

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO
PAN: AAAPW6647H

Aditya Dixit CFO
PAN: AJWPD4449H

Ayushi Shah Company Secretary
Membership No. ACS A58747
Place: Mumbai
Date: 17th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

	Particulars	Note No.	**For the year ended 31 March 2024**	For the year ended 31 March 2023
	Income			
I	Revenue from operations	20	**47,968.78**	40,073.21
II	Other income	21	**12.16**	68.33
III	**Total income (I + II)**		**47,980.94**	40,141.54
IV	**Expenses**			
	(a) Purchases of stock-in-trade	22(a)	**44,298.41**	38,625.26
	(b) Changes in inventories of stock-in-trade	22(b)	**(594.86)**	(2,251.44)
	(c) Employee benefit expenses	23	**1,679.27**	1,501.06
	(d) Finance costs	24	**210.00**	190.11
	(e) Depreciation and amortisation expenses	3, 4 & 6	**403.58**	356.49
	(f) Other expenses	25	**1,176.74**	1,161.68
V	**Total expenses**		**47,173.14**	39,583.16
VI	**Profit before tax (III - V)**		**807.80**	558.38
VII	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax	8	**–**	–
	Total tax expense		**–**	–
VIII	**Profit for the year (VI - VII)**		**807.80**	558.38
IX	**Other comprehensive income**			
	(a) Items that will not be reclassified subsequently to profit or loss			
	-Remeasurement of the defined benefit plan		**(4.35)**	3.83
X	**Total comprehensive income for the year (VIII + IX)**		**803.45**	562.21
XI	**Earnings per equity share:**			
	(Face Value Rs. 10/- per share)			
	(a) Basic (Rs.)	26	**1.80**	1.26
	(b) Diluted (Rs.)	26	**1.80**	1.26

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 17th April, 2024

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

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO
PAN: AAAPW6647H

Aditya Dixit CFO
PAN: AJWPD4449H

Ayushi Shah Company Secretary
Membership No. ACS A58747
Place: Mumbai
Date: 17th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit before tax for the year	**807.80**	558.38
Adjustments for:		
Finance costs	**210.00**	190.11
Property, plant and equipments written-off	**0.69**	–
(Gain)/loss on disposal of property, plant and equipment	**(6.25)**	0.62
Gain on sale of current investment	**(1.99)**	(2.76)
Net gain/(loss) on actuarial valuation	**(4.35)**	3.83
Interest income	**(3.93)**	(6.12)
Write-back of liabilities	**–**	(30.15)
Bad debts/provision for doubtful debt	**57.52**	(14.19)
Depreciation and amortisation	**403.58**	356.49
	1,463.07	1,056.21
Movements in working capital:		
(Increase)/decrease in trade receivables	**(833.33)**	(681.68)
(Increase)/decrease in inventories	**(594.86)**	(2,251.44)
(Increase)/decrease in other assets	**(463.96)**	(203.54)
Increase/(decrease) in trade and other payables	**619.96**	(930.98)
Increase/(decrease) in provisions	**24.12**	8.78
Increase/(decrease) in other liabilities	**305.80**	144.41
Cash generated by/(used in) operations	**520.80**	(2,858.24)
Income taxes paid (Net)	**(36.43)**	(8.15)
Net cash generated by/(used in) operating activities	**484.37**	(2,866.39)
Cash flows from investing activities		
Proceeds from sale of current investment	**1,625.36**	244.68
Payment for purchase of current investment	**(1,623.36)**	(199.99)
Fixed deposit made	**(1.01)**	–
Payments for purchase of property, plant and equipment	**(117.19)**	(81.90)
Proceeds from disposal of property, plant and equipment	**9.75**	3.19
Interest received	**1.12**	–
Net cash generated by/(used in) investing activities	**(105.33)**	(34.02)
Cash flows from financing activities		
Repayment of lease liabilities	**(314.59)**	(253.81)
Interest paid	**(210.00)**	(190.11)
ICD taken	**3,002.56**	–
Trade advance taken	**5,139.96**	–
Trade advance repaid	**(5,061.34)**	–
Net cash generated by/(used in) financing activities	**2,556.59**	(443.92)
Net increase/(decrease) in cash and cash equivalents	**2,935.63**	(3,344.33)
Cash and cash equivalents at the beginning of the year	**(2,800.11)**	544.22
Cash and cash equivalents at the end of the year	**135.52**	(2,800.11)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents (Refer note 13 a)	**165.18**	4.63
Borrowings (Refer note 16)	**(29.66)**	(2,804.74)
Balances per statement of cash flows	**135.52**	(2,800.11)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 17th April, 2024

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

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO
PAN: AAAPW6647H

Aditya Dixit CFO
PAN: AJWPD4449H

Ayushi Shah Company Secretary
Membership No. ACS A58747
Place: Mumbai
Date: 17th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

a. Equity share capital (ESC)

Particulars	Opening balance	Changes in ESC due to prior period errors	Restated balance	Changes in ESC during the year	Closing balance
For the year ended 31 March 2023	4,455.05	–	–	–	4,455.05
For the year ended 31 March 2024	**4,455.05**	**–**	**–**	**–**	**4,455.05**

b. Other Equity

Particulars	Reserves and surplus	Items of other comprehensive income	
	Retained earnings	Remeasurement of the defined benefit plan	Total
Balance as at 1 April 2022	**(4,042.29)**	**(8.62)**	**(4,050.91)**
Profit for the year	558.38	–	558.38
Other comprehensive income / (loss)	–	3.83	3.83
Total Comprehensive Income for the year	**558.38**	**3.83**	**562.21**
Balance as at 31 March 2023	**(3,483.91)**	**(4.79)**	**(3,488.70)**
Balance as at 1 April 2023	**(3,483.91)**	**(4.79)**	**(3,488.70)**
Profit for the year	807.80	–	807.80
Other comprehensive income / (loss)	–	(4.35)	(4.35)
Total comprehensive income for the year	**807.80**	**(4.35)**	**803.45**
Balance as at 31 March 2024	**(2,676.11)**	**(9.14)**	**(2,685.25)**

Description of the nature and purpose of Other Equity:

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

ii) **Remeasurement of defined benefit plan:** Remeasurement Loss Rs. 4.35 lakhs (2023: Gain of Rs. 3.83 lakhs) has been recognised during the year.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 17th April, 2024

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

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Rajiv Walunj CEO
PAN: AAAPW6647H

Aditya Dixit CFO
PAN: AJWPD4449H

Ayushi Shah Company Secretary
Membership No. ACS A58747
Place: Mumbai
Date: 17th April, 2024

Notes to the financial statements for the year ended 31 March 2024

1. A) **General Information:**

NBS International Limited ('the Company'), is a wholly owned subsidiary of Mahindra & Mahindra Limited having its registered office at Mumbai. The Company is engaged in the business of sales & servicing of motor vehicles.

B) **Statement of compliance**

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

These financial statements of the Company for the year ended 31 March 2024 were approved by the Company's Board of Directors and authorised for issue on 17 April 2024.

2. **Basis of preparation, measurement and material accounting policies:**

a) **Basis of preparation and presentation**

The financial statements have been prepared on accrual and going concern basis in accordance with historical cost convention, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Companies normal operating cycle and other criteria set out in the Division II of Schedule III of the Act. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

An asset is treated as current when:

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

— It is held primarily for the purpose of trading

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

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

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

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

All other liabilities are classified as non-current.

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

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

b) **Measurement of fair value**

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

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

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

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

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

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

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

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

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

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

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

(ii) Provision for doubtful trade receivables

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

(iii) Deferred tax assets

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

(iv) Defined benefit plans

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

d) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has not notified any new standards or amendments to the existing standards which are effective from 1 April 2024.

e) Material accounting policies

1. Property, plant & equipment and intangibles

Property, plant & equipment and intangible assets are carried at cost of acquisition or construction less accumulated depreciation/ amortisation and accumulated impairment losses, if any. Cost includes the purchase price (including duties & non-refundable taxes) borrowing cost, any directly attributable cost of bringing the asset to its working condition and location for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation/amortisation is provided on straight-line basis so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful life, except assets costing less than or equal to Rs. 5,000 which are depreciated fully in the year of purchase.

The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis. The management's estimate of useful lives is in accordance with Schedule II of the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

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

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

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

2. Impairment of assets

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

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

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

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

3. Inventories

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

4. Employee Benefits

Short term employee benefits

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

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

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

Defined benefit plan - Gratuity

Company's liability towards gratuity is determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits. Remeasurement of defined benefit plans, comprising of actuarial gains or losses are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

Long - term compensated absences

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

5. Taxation

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

(i) Current Tax

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

(ii) Deferred Tax

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

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

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

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

6. **Segment**

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

Note No. 3 - Property, plant and equipment

(Currency: Indian Rupees in Lakhs)

Particulars	**Leasehold improvements**	**Plant and equipments**	**EDP equipments**	**Office equipments**	**Furniture and Fixtures**	**Vehicles**	**Total**
I. Gross Carrying Amount							
Balance as at 1 April 2022	197.02	267.29	71.08	122.22	69.04	194.65	921.30
Additions	5.45	21.02	14.29	5.57	–	24.35	70.68
Disposals	–	–	–	–	–	(4.15)	(4.15)
Balance as at 31 March 2023	202.47	288.31	85.37	127.79	69.04	214.85	987.83
Additions	–	24.64	4.49	5.97	–	36.30	71.40
Disposals	–	(0.06)	(4.04)	(13.86)	–	(15.23)	(33.19)
Balance as at 31 March 2024	**202.47**	**312.89**	**85.82**	**119.90**	**69.04**	**235.92**	**1,026.04**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2022	89.09	207.99	66.48	93.49	50.49	145.85	653.39
Depreciation expense for the year	6.18	18.17	1.70	6.50	4.40	24.27	61.22
Disposal	–	–	–	–	–	(0.34)	(0.34)
Balance as at 31 March 2023	95.27	226.16	68.18	99.99	54.89	169.78	714.27
Depreciation expense for the year	6.52	19.47	7.38	6.56	4.23	21.14	65.30
Disposal	–	(0.06)	(3.75)	(13.46)	–	(12.42)	(29.69)
Balance as at 31 March 2024	**101.79**	**245.57**	**71.81**	**93.09**	**59.12**	**178.50**	**749.88**
III. Net carrying amount (I-II)							
Balance as at 31 March 2023	107.20	62.15	17.19	27.80	14.15	45.07	273.56
Balance as at 31 March 2024	**100.68**	**67.32**	**14.01**	**26.81**	**9.92**	**57.42**	**276.16**

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

Note No. 4 - Right-of-use assets

(Currency: Indian Rupees in Lakhs)

Particulars	**Total**
I. Gross Carrying Amount	
Balance as at 1 April 2022	588.37
Additions	1,192.60
Deletion	(310.35)
Balance as at 31 March 2023	1,470.62
Additions	–
Deletion	(64.80)
Balance as at 31 March 2024	**1,405.82**

(Currency: Indian Rupees in Lakhs)

Particulars	**Total**
II. Accumulated amortisation and impairment	
Balance as at 1 April 2022	472.59
Amortisation expense for the year	295.27
Deletion	(310.35)
Balance as at 31 March 2023	457.51
Amortisation expense for the year	338.27
Deletion	(64.80)
Balance as at 31 March 2024	**730.98**
III. Net carrying amount (I-II)	
Balance as at 31 March 2023	1,013.11
Balance as at 31 March 2024	**674.84**

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

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Opening Balance	**11.22**	–
Additions during the year	**8.52**	11.22
Transfer to PPE	**(11.22)**	–
Closing Balance	**8.52**	11.22

Ageing of CWIP

(Currency: Indian Rupees in Lakhs)

	Amount in CWIP for a period of				Total
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**As at 31 March 2024**
Projects in progress	8.52	–	–	–	8.52
Projects temporarily suspended	–	–	–	–	–
TOTAL	**8.52**	**–**	**–**	**–**	**8.52**

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

Note: There is no capital work-in-progress, where completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

Note No. 6 - Intangible assets

(Currency: Indian Rupees in Lakhs)

Particulars	**Computer Software**
I. Gross Carrying Amount	
Balance as at 1 April 2022	5.96
Additions	–
Disposals	–
Balance as at 31 March 2023	5.96
Additions	–
Disposals	–
Balance as at 31 March 2024	**5.96**
II. Accumulated amortisation and impairment	
Balance as at 1 April 2022	5.94
Amortisation expense for the year	0.01
Balance as at 31 March 2023	5.95
Amortisation expense for the year	0.01
Balance as at 31 March 2024	**5.96**
III. Net carrying amount (I-II)	
Balance as at 31 March 2023	0.01
Balance as at 31 March 2024	–

Note: There are no intangible assets under development as at 31 March 2024 and 31 March 2023.

Note No. 7 - Other financial assets

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2024		As at 31 March 2023	
Particulars	**Non-Current**	**Current**	Non-Current	Current
Carried at amortised cost				
Security deposits	**53.06**	**–**	51.95	–
Total	**53.06**	**–**	51.95	–

Refer Note 27 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No. 8 - Deferred tax asset (Net)

(Currency: Indian Rupees in Lakhs)

Particulars	**As at 31 March 2024**	As at 31 March 2023
Tax effect of items constituting deferred tax assets		
Depreciation	**44.07**	48.33
Provision for employee benefits	**54.32**	47.01
Provision for doubtful debts & advances	**27.38**	18.01
Carried forward losses	**351.90**	625.87
Total	**477.67**	739.22
Less: Tax effect of items constituting deferred tax liabilities Allowance on right of use of assets and lease liability	**19.43**	13.27
Deferred tax asset/(liabilities) net	458.24	725.95
Less : Deferred tax asset not recognised in absence of certainity of utilisation	458.24	725.95
Deferred tax asset (net) as per balance sheet	**–**	–

Income tax recognised in profit or loss

Particulars	**As at 31 March 2024**	As at 31 March 2023
Current tax:		
In respect of current year	**–**	–
In respect of prior years	**–**	–
Deferred tax:		
Total Income tax recognised in profit or loss	**–**	–

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

Particulars	As at 31 March 2024	As at 31 March 2023
Profit before tax	**807.80**	558.38
Income tax expense calculated at 26% (PY 26%)	**210.03**	145.18
Effect of tax expense savings due to brought forward losses utilisation	**(210.03)**	(145.18)
Income tax expense recognised in profit or loss	**–**	–

Note No. 9 - Income tax assets (net)

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets (net) [Net of provision Rs.120.40 lakhs (31 March 2023: Rs. 120.40 lakhs)]	**256.87**	217.63
Total	**256.87**	217.63

Note No. 10 - Other assets

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-Current	**Current**	Non-Current	Current
Unsecured, considered good				
(a) Capital advances	**47.80**	**–**	–	–
(b) Advances other than capital advances				
(i) Balances with government authorities	**–**	**569.69**	–	127.50
(ii) Prepaid expenses	**4.17**	**19.30**	0.75	15.54
(iii) Advance against salary	**–**	**1.92**	–	6.27
(iv) Advances to vendors	**–**	**190.79**	–	31.21
(c) Receivable for insurance income	**–**	**30.80**	–	21.66
(d) Warranty claims receivable	**–**	**12.49**	–	24.44
(e) GST receivable on goods in transit	**–**	**89.99**	–	228.94
Unsecured, considered doubtful				
(a) Advances to vendors	**–**	**9.59**	–	10.53
Less- Provision for doubtful advances	**–**	**(9.59)**	–	(10.53)
(b) Others*	**–**	**34.19**	–	34.19
Less- Provision for doubtful asset	**–**	**(34.19)**	–	(34.19)
Total	**51.97**	**914.98**	0.75	455.55

* Others include recoverable towards RTO charges and old warranty claims.

Note No. 11 - Inventories

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Stock-in-trade [includes in transit Rs.257.21 lakhs (31 March 2023 Rs.717.80 lakhs)]	**5,001.52**	4,406.66
Total	**5,001.52**	4,406.66

a) The cost of inventories recognised as an expense during the year was Rs. 43,703.55 lakhs (31 March 2023 Rs. 36,373.82 lakhs) includes write-down of inventories to net realisable value of Rs. 6.07 lakhs (31 March 2023 : Rs. 9.77 lakhs).

b) Mode of valuation of inventories is stated in Note 2 (g).

Note No. 12 - Trade receivables

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	**Current**	Non-Current	Current
Trade receivables				
(a) Considered good- secured,	**–**	**–**	–	–
(b) Considered good- unsecured,	**–**	**2,107.34**	–	1,331.53
(c) Trade receivables which have significant increase in credit risk	**–**	**95.73**	–	38.21
(d) Trade receivables - credit impaired	**–**	**–**	–	–
Less: Allowance for expected credit loss	**–**	**(95.73)**	–	(38.21)
Total	**–**	**2,107.34**	–	1,331.53

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	**Current**	Non-Current	Current
Of the above, trade receivables from:				
– Related Parties	**–**	**141.40**	–	181.85
– Others	**–**	**1,965.94**	–	1,149.68
Total	**–**	**2,107.34**	–	1,331.53

Reconciliation of allowance for expected credit loss:

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	**38.21**	67.87
Additions during the year	**57.52**	–
Amounts written back/utilised during the year	**–**	(29.66)
Balance as at end of the year	**95.73**	38.21

Ageing of trade receivables

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables						
(i) Considered good	**2,074.95**	**32.39**	**–**	**–**	**–**	**2,107.34**
(ii) Which have significant increase in credit risk	**–**	**32.39**	**38.10**	**24.68**	**0.56**	**95.73**
(iii) Credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
Less: Allowance for expected credit loss	**–**	**(32.39)**	**(38.10)**	**(24.68)**	**(0.56)**	**(95.73)**
Total (A)- Undisputed trade receivables	**2,074.95**	**32.39**	**–**	**–**	**–**	**2,107.34**
Disputed trade receivables						
(i) Considered good	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Credit impaired.	**–**	**–**	**–**	**–**	**–**	**–**
Less: Allowance for expected credit loss	**–**	**–**	**–**	**–**	**–**	**–**
Total (B) - Disputed trade receivables	**–**	**–**	**–**	**–**	**–**	**–**
Total trade receivables (A + B)	**2,074.95**	**32.39**	**–**	**–**	**–**	**2,107.34**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
(i) Considered good	1,320.40	11.13	–	–	–	1,331.53
(ii) Which have significant increase in credit risk	–	11.13	19.92	6.59	0.57	38.21
(iii) Credit impaired.	–	–	–	–	–	–
Less: Allowance for expected credit loss	–	(11.13)	(19.92)	(6.59)	(0.57)	(38.21)
Total (A)- Undisputed trade receivables	1,320.40	11.13	–	–	–	1,331.53
Disputed trade receivables						
(i) Considered good	–	–	–	–	–	–
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) Credit impaired.	–	–	–	–	–	–
Less: Allowance for expected credit loss	–	–	–	–	–	–
Total (B) - Disputed trade receivables	–	–	–	–	–	–
Total trade receivables (A + B)	1,320.40	11.13	–	–	–	1,331.53

Note No. 13(a) - Cash and cash equivalents

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Balances with banks	**154.85**	–
(b) Cash on hand	**10.33**	4.63
Total	**165.18**	4.63

Note No. 13(b) - Bank Balances other than Cash and Cash Equivalents

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Fixed deposit with bank	**1.01**	–
Total	**1.01**	–

Note No. 14 - Equity Share Capital

(Currency: Indian rupees in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each	**45,000,000**	**4,500.00**	45,000,000	4,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each	**44,550,476**	**4,455.05**	44,550,476	4,455.05

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares			
For the year ended 31 March 2024			
No. of Shares	44,550,476	–	44,550,476
Amount	4,455.05	–	4,455.05
For the year ended 31 March 2023			
No. of Shares	44,550,476	–	44,550,476
Amount	4,455.05	–	4,455.05

(ii) Rights, preferences and restrictions attached to equity shares:

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

(iii) Details of shares held by the holding company, its subsidiaries and associates :

Particulars	No. of Equity Shares with Voting rights
As at 31 March 2024	
Mahindra & Mahindra Ltd, (the holding company)	**44,550,466**
Mahindra Holdings Limited, (the subsidiary of the holding company)	**10**
As at 31 March 2023	
Mahindra & Mahindra Ltd, (the holding company)	44,550,466
Mahindra Holdings Limited, (the subsidiary of the holding company)	10

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

(Currency: Indian Rupees in Lakhs)

Class of shares/Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	Share-holding %	Number of shares held	Share-holding %
Equity shares with voting rights				
Mahindra & Mahindra Ltd, (the holding company)	**44,550,476**	**99.99%**	44,550,476	99.99%

(v) Shares held by Promoter and promoter group

(Currency: Indian Rupees in Lakhs)

Promoter name	Number of equity shares held	% holding in that class of shares	% change during the year
As at 31 March 2024			
- Mahindra & Mahindra Ltd	**44,550,466**	**99.99%**	–
- Mahindra Holding Limited (Subsidiary of Mahindra & Mahindra Limited)	**10**	**0.01%**	–
As at 31 March 2023			
- Mahindra & Mahindra Ltd	**44,550,466**	**99.99%**	–
- Mahindra Holding Limited (Subsidiary of Mahindra & Mahindra Limited)	**10**	**0.01%**	–

(vi) For the period of five years immediately preceding the date of balance sheet, no shares were allotted as fully paid pursuant to contract without payment being received in cash or as bonus shares and no shares were bought back by the Company.

Note No. 15 - Provisions

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-Current	Current	Non-Current	Current
Provision for long term employee benefits				
- Gratuity	**93.56**	**57.07**	83.18	46.03
- Compensated absences	**24.89**	**23.61**	23.38	22.42
Total	**118.45**	**80.68**	106.56	68.45

Note No. 16 - Borrowings

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured carried at amortised cost		
From banks		
Bank Overdraft	**29.66**	2,804.74
From related parties		
Trade Advance (Mahindra & Mahindra Financial Limited)	**78.62**	–
ICD (Mahindra & Mahindra Limited)	**3,002.56**	–
Total	**3,110.84**	2,804.74

Note No. 16.1 - Details of Borrowing

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank Overdraft		
Repayment terms	**On demand**	On demand
Rate of interest	**9.20% to 9.25% p.a.**	8.35% to 9.20% p.a.
ICD		
Repayment terms	**30 days**	–
Rate of interest for ICD	**8.65% p.a.**	–

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Advance		
Repayment terms	**On demand**	–
Rate of interest	**Nil till 45 days, beyond 45 days 12% p.a.**	–

Note No. 17 - Trade payables

(Currency: Indian Rupees in Lakhs)

	As at 31 March 2024		As at 31 March 2023	
Particulars	Non Current	Current	Non Current	Current
Total outstanding dues of micro enterprises and small enterprises	–	**17.21**	–	9.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	–	**2,121.75**	–	1,509.12
Total	–	**2,138.96**	–	1,519.00

Ageing of trade payables
As at 31 March 2024

	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	17.21				17.21
Others	2,092.80	25.88	1.33	1.74	2,121.75
Disputed dues (MSME)	–	–	–	–	–
Disputed dues (Others)	–	–	–	–	–
Total	2,110.01	25.88	1.33	1.74	2,138.96

As at 31 March 2023

	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	9.88	–	–	–	9.88
Others	1,502.21	3.70	1.61	1.60	1,509.12
Disputed dues (MSME)	–	–	–	–	–
Disputed dues (Others)	–	–	–	–	–
Total	1,512.09	3.70	1.61	1.60	1,519.00

Note:

(A) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(B) The fair values (Level 2) of trade payables carried at amortised cost is considered to approximate its carrying value due to its short-term nature.

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Dues remaining unpaid at the end of each accounting year for micro and small enterprises		
- Principal	**17.21**	9.88
- Interest on above	**–**	–
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**–**	–
- Interest paid in terms of Section 16 of the MSMED Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid	**–**	–

Note No. 18 - Other financial liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Other financial liabilities measured at amortised cost		
- RTO taxes/charges payable	**407.32**	301.20
- Security deposits	**2.70**	2.70
Total	**410.02**	303.90

Note No. 19 - Other Liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-Current	Current	Non-Current	Current
(a) Advances received from customers	**–**	**957.96**	–	758.81
(b) Statutory dues				
– TDS	**–**	**80.05**	–	68.54
– Provident fund and ESIC	**–**	**13.27**	–	16.54
(c) Employee benefits payable	**–**	**19.33**	–	53.12
(c) Other payables	**–**	**62.52**	–	36.43
Total	**–**	**1,133.13**	–	933.44

Note No. 20 - Revenue from Operations

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) From contract with customers for products and services		
(i) Sale of products (vehicle, spares and accessories)	**45,911.02**	38,292.29
(ii) Sale of services (servicing of vehicles)	**1,159.96**	1,125.07
(b) Other operating revenue		
(i) Income from sale of scrap	**30.68**	29.23
(ii) Commission	**201.26**	175.55
(iii) Infrastructure service income	**429.58**	300.25
(iv) Dealer incentive	**186.71**	100.68
(v) Other operating income	**49.57**	50.14
Total	**47,968.78**	40,073.21

Reconciliation of revenue recognised in the statement of profit and loss with contracted price

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contract with customer as per the contract price	**47,309.08**	39,655.43
Less: Trade discounts	**(238.10)**	(238.07)
Revenue from contract with customer as per the statement of profit and loss	**47,070.98**	39,417.36

Note No. 21 - Other Income

(Currency: Indian Rupees in Lakhs)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
(a)	Interest income on security deposit (On financial instrument carried at amortised cost)	**1.12**	2.37
(b)	Gain on sale of financial asset	**1.99**	2.76
(c)	Interest on income tax refund	**2.81**	3.75
(d)	Write back of liabilities	**–**	30.15
(e)	Provision for doubtful debt no longer required written-back	**–**	29.30
(f)	Profit on sale of property, plant and equipments	**6.25**	–
Total		**12.16**	68.33

Note No. 22(a) - Purchase of stock-in-trade

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchase (Vehicle, Spares and Accessories)	**44,298.41**	38,625.26

Note No. 22(b) Changes in inventories of stock-in-trade

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year:		
-Stock-in-trade	**5,001.52**	4,406.66
Inventories at the beginning of the year:		
-Stock-in-trade	**4,406.66**	2,155.22
Net (increase)/decrease	**(594.86)**	(2,251.44)

Note No. 23 - Employee benefits expense

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages, including bonus and incentives	**1,500.58**	1,331.49
Contribution to provident/ ESIC funds	**85.27**	83.35
Gratuity expense	**27.80**	24.07
Staff welfare expenses	**65.62**	62.15
Total	**1,679.27**	1,501.06

(a) Defined contribution plan

The Company's contribution to provident fund aggregating Rs.72.88 lakhs (31 March 2023 : Rs.67.78 lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. There are no minimum funding requirements for a gratuity plan in India. The Company has chosen not to fund the gratuity liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts. The only regulatory framework which applies to such plans is if the company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Defined benefit plans – as per actuarial valuation as at year end

(Currency: Indian Rupees in Lakhs)

Particulars	Gratuity (Unfunded) 2024	2023
(i) Amounts recognised in profit or loss		
-Current Service Cost	**20.21**	19.20
-Net interest expense	**7.59**	4.87
Total amount included in employee benefits expense	**27.80**	24.07
(ii) Amounts recognised in other comprehensive income		
Remeasurement (gains)/losses	**–**	–
Actuarial (gains)/losses arising from changes in		
-Financial assumptions	**3.93**	(3.71)
-Experience adjustments	**0.42**	(0.12)
Total amount recognised in other comprehensive income	**4.35**	(3.83)
(iii) Changes in the defined benefit obligation		
Opening defined benefit obligation	**129.21**	114.56
Current Service Cost	**20.21**	19.20
Interest Expense (Income)	**7.59**	4.87
Remeasurements (gains)/ losses arising from changes in		
i. Financial Assumptions	**3.93**	(3.71)
ii. Experience Adjustments	**0.42**	(0.12)
Benefits Paid	**(10.73)**	(5.59)
Closing defined benefit obligation	**150.63**	129.21
Current portion of the above	**57.07**	46.03
Non current portion of the above	**93.56**	83.18
Actuarial Assumptions and Sensitivity		
(iv) Actuarial assumptions		
Discount rate	**7.15%**	7.15%
Salary escalation rate	**7.00%**	6.00%
Attrition rate	**35.00%**	35.00%
(v) Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:		
100 bps increase in discount rate	**146.75**	125.85
100 bps decrease in discount rate	**154.73**	132.74
100 bps increase in salary escalation rate	**154.70**	132.47
100 bps decrease in salary escalation rate	**146.71**	125.78
100 bps increase in attrition rate	**150.51**	129.12
100 bps decrease in attrition rate	**150.76**	129.28

Note No. 24 - Finance Cost

(Currency: Indian Rupees in Lakhs)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
(a)	Interest on lease liabilities	**84.23**	91.55
(b)	Other Interest expense	**125.77**	98.56
Total		**210.00**	190.11

Note No. 25 - Other Expenses

(Currency: Indian Rupees in Lakhs)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
(a)	Power & Fuel	**87.51**	70.34
(b)	Rent including lease rentals	**90.55**	131.54
(c)	Rates and taxes	**7.67**	8.38
(d)	Repairs to:		
	- Machinery	**68.16**	56.30
	- Others	**126.90**	88.21
(e)	Insurance	**25.36**	27.32
(f)	Sales promotion expenses	**156.49**	177.07
(g)	Travelling and conveyance expenses	**45.96**	47.04
(h)	Hire and service charges	**293.39**	287.32
(i)	Postage & telephone	**21.60**	23.53
(j)	Printing & stationery	**34.08**	25.60
(k)	Bad debts	**–**	15.11
(l)	Provision for doubtful debts & advances	**57.52**	–
(m)	Legal and other professional costs	**92.26**	101.33
(n)	Auditors remuneration		
	- Statutory Audit	**4.00**	3.75
	- Out of pocket expenses	**0.20**	0.18
(o)	Property, plant and equipments written-off	**0.69**	–
(p)	Loss on sale of PPE	**–**	0.62
(q)	CSR Expenses (refer note 35)	**4.13**	–
(r)	Miscellaneous expenses	**60.27**	98.04
Total		**1,176.74**	1,161.68

Note No. 26 - Earnings per Share

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year	**803.45**	562.21
Weighted average number of equity shares	**44,550,476**	44,550,476
Basic and diluted earnings per share (Rs.)	**1.80**	1.26

The Company did not have any potentially dilutive shares in any of the years presented.

Note No. 27 - Financial Instruments

a) Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of equity and debt as may be appropriate. The Company ensure adequate capital at all time and manage its capital so as to safeguard its ability to continue as a going concern and optimise return to its shareholders.

The Board of Directors monitors the return on capital as well as dividend, to shareholders. The Company will take appropriate steps in order to maintain or if necessary adjust its capital structure.

There is no change in the overall capital risk management strategy of the Company compared to last year. Total capital of the company is as under:

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Equity	**1,769.80**	966.35
Debt		
- Short term borrowings	**3,110.84**	2,804.74
Total	**4,880.64**	3,771.09

Note:

The Company is not subject to externally enforced capital regulation.

b) Categories of financial assets and financial liabilities

Particulars	**As at 31 March 2024**			As at 31 March 2023		
	Amortised Costs	**FVTPL**	**Total**	Amortised Costs	FVTPL	Total
Non-current assets						
Other assets	**53.06**	**–**	**53.06**	51.95	–	51.95
Current assets						
Trade receivables	**2,107.34**	**–**	**2,107.34**	1,331.53	–	1,331.53
Cash and cash equivalents	**165.18**	**–**	**165.18**	4.63	–	4.63
Bank Balance other than cash and cash equivalents	**1.01**	**–**	**1.01**	–	–	–
Non-current liabilities						
Lease liability	**411.55**	**–**	**411.55**	749.56	–	749.56
Current liabilities						
Borrowings	**3,110.84**		**3,110.84**	2,804.74	–	2,804.74
Trade payables	**2,138.96**	**–**	**2,138.96**	1,519.00	–	1,519.00
Lease liability	**338.02**	**–**	**338.02**	314.60	–	314.60
Other financial liabilities	**410.02**	**–**	**410.02**	303.90	–	303.90

c) Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(i) Market risk

Market risk is the risk that changes in market prices – such as interest rates will affect the entity's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the entity's exposure to market risk or the methods in which they are managed or measured.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's current debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period.

Particulars	Increase / decrease in basis points	Effect on profit / (loss) for the year
31-Mar-24	**+100**	**(3.00)**
	-100	**3.00**
31-Mar-23	+100	(2.00)
	-100	2.00

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

(iii) Credit risk

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date. The Company continuously monitors defaults of customers and the other counter parties, identified either individually or by Company and incorporates this information into its credit risk controls. The Company's management considers that all the financial assets are not impaired for each of the reporting date under review, are of good credit quality, including those that are past due.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Concentration of credit risk to any counterparty did not exceed 10% of gross monetary assets at any time during the year.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. In respect of financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset.

Liquidity Risk

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

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

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

(Currency: Indian Rupees in Lakhs)

Particulars	Less than 1 Year Rs.	1-3 Years Rs.	3 Years to 5 Years Rs.	5 years and above Rs.
Non-derivative financial liabilities				
31-Mar-24				
-Borrowings	3,110.84	–	–	–
-Lease liability	338.02	371.06	22.93	17.56
-Trade payable	2,138.96	–	–	–
-Other financial liabilities	410.02	–	–	–
Total	**5,997.84**	**371.06**	**22.93**	**17.56**
31-Mar-23				
-Borrowings	2,804.74	–	–	–
-Lease liability	314.60	553.49	169.13	26.94
-Trade payable	1,519.00	–	–	–
-Other financial liabilities	303.90	–	–	–
Total	**4,942.24**	**553.49**	**169.13**	**26.94**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024 Rs.	As at 31 March 2023 Rs.
Unsecured bank overdraft facility		
- Expiring within one year	**3,470.34**	695.26
- Expiring beyond one year	**–**	–
	3,470.34	695.26

Note No. 28 - Segment information

(a) The Company's business activity falls within a single operating business segment viz. 'Automotive'.

This operating segment is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company regarded as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segment. The CODM reviews revenue and gross profit as the performance indicator for this segment. All other activities of the Company revolve around this operating segment. Hence there are no separate reportable primary segments. Company deals into trading and servicing of vehicles.

(b) All the non-current assets of the Company are located in India.

(c) Revenue from major products and services

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Sale & service of vehicles and other operating income	**47,968.78**	40,073.21

(d) Revenues from transactions with a single external customer does not amount to 10% or more of an entity's revenues during the year ended 31 March 2024 and 31 March 2023.

(e) Since there is single segment there is no difference in measurement of profit & loss and measurement of assets and liabilities.

Note No. 29 - Related Party Transactions

(i) Related parties

Description of relationship	Names of related parties
Holding company	Mahindra & Mahindra Limited
Fellow subsidiary	Mahindra Agri Solutions Limited
Fellow subsidiary	Mahindra First Choice Wheels Limited
Fellow subsidiary	Mahindra Integrated Business Solutions Private Limited
Fellow subsidiary	Mahindra Last Mile Mobility Limited
Fellow subsidiary	Mahindra Two Wheelers Limited
Fellow subsidiary	Mahindra & Mahindra Financial Services Limited
Fellow subsidiary	Mahindra Insurance Brokers Limited
Fellow subsidiary	Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited)
Fellow subsidiary	Tech Mahindra Limited
Fellow subsidiary	Mahindra Lifespace Developers Limited
Fellow subsidiary	Mahindra Logistics Limited
Fellow subsidiary	Mahindra Rural Housing Finance Limited
Fellow subsidiary	MLL Mobility Private Limited (Formerly known as Meru Mobility Tech Private Limited.)
Fellow subsidiary	Mahindra EMarket Limited
Fellow subsidiary	Mahindra Holidays & Resorts India Limited
Fellow subsidiary	Mahindra Defence Systems Limited
Joint venture of holding company	Mahindra Manulife Investment Management Private Limited
Joint venture of holding company	Mahindra Summit Agriscience Limited
Joint venture of holding company	Classic Legends Private Limited
Joint venture of holding company	Mahindra Susten Private Limited
KMP - Independent director	Mr. Rahul Asthana
KMP - Independent director	Mr. Arun Malhotra
KMP - Company secretary	Ms. Jagurti Punjabi (till 31.07.23)
KMP - Company secretary	Ms. Ayushi Shah (wef 23.01.2024)
KMP - CEO	Mr. Rajiv Walunj (wef 01.08.2022)
KMP - CFO	Mr. Amey Chitale (till 30.04.23)
KMP - CFO	Mr Aditya Dixit (wef 01.05.2023)

(ii) Details of transactions during the year between the Company and its related parties are disclosed below:

(Currency: Indian Rupees in Lakhs)

Nature of Transaction	Name of Related Party	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchase of goods	Mahindra & Mahindra Limited	**59,882.49**	53,122.69
	Mahindra Last Mile Mobility Limited	**472.06**	–
	Mahindra Two Wheelers Limited	**12.15**	47.60
Sale of goods	Mahindra & Mahindra Limited	**85.53**	99.10
	Mahindra Agri Solutions Limited	**1.72**	2.43
	Mahindra First Choice Wheels Limited	**–**	0.86
	Mahindra Lifespace Developers Limited	**0.30**	1.12
	Mahindra & Mahindra Financial Services Limited	**386.45**	350.85
	Mahindra Logistics Limited	**11.32**	65.22
	MLL Mobility Private Limited (Formerly known as MERU Mobility Tech Private Limited)	**15.65**	9.54
	Mahindra Susten Private Limited	**22.23**	2.52
	Mahindra Rural Housing Finance Limited	**2.19**	4.12
	Mahindra Defense Systems Limited	**0.38**	0.85
	Mahindra Manulife Investment Management Private Limited	**1.06**	1.94
	Mahindra Summit Agrisciences Limited	**0.15**	–
	Classic Legends Private Limited	**0.06**	0.80
	Mahindra Holidays & Resorts India Limited	**0.76**	24.08
	Mahindra Insurance Brokers Limited	**3.81**	23.11
	Mahindra Accelo Limited (Formerly Known As Mahindra Intertrade Limited)	**5.30**	2.75
Sale of service	Mahindra & Mahindra Limited	**233.28**	182.64
	Mahindra Agri Solutions Limited	**0.37**	0.37
	Mahindra Lifespace Developers Limited	**0.09**	0.72
	MLL Mobility Private Limited (Formerly known as MERU Mobility Tech Private Limited)	**4.00**	6.79
	Mahindra First Choice Wheels Limited	**–**	0.14
	Mahindra Susten Private Limited	**0.12**	0.66
	Mahindra Rural Housing Finance Limited	**2.01**	1.89
	Mahindra Defense Systems Limited	**0.23**	0.23
	Mahindra Manulife Investment Management Private Limited	**0.81**	1.39
	Mahindra Summit Agrisciences Limited	**0.02**	–
	Classic Legends Private Limited	**0.18**	0.34
	Mahindra & Mahindra Financial Services Limited	**43.85**	28.12
	Mahindra Logistics Limited	**1.90**	1.50
	Mahindra Accelo Limited (Formerly Known As Mahindra Intertrade Limited)	**2.11**	0.77
	Mahindra Insurance Brokers Limited	**445.93**	137.33
	Mahindra Holidays & Resorts India Limited	**0.20**	24.08
Receiving of services	Mahindra Integrated Business Solutions Private Limited	**44.21**	33.34
	Mahindra & Mahindra Limited	**37.77**	30.40
	Mahindra First Choice Wheels Limited	**8.36**	8.25
Lease expenses	Mahindra & Mahindra Limited	**454.96**	442.37
Interest expenses	Mahindra & Mahindra Limited	**16.76**	21.08
Other expenses	Mahindra & Mahindra Limited	**167.89**	119.55
Inter corporate deposit taken	Mahindra & Mahindra Limited	**3,000.00**	–
Trade advance taken	Mahindra & Mahindra Financial Services Limited	**5,139.96**	–
Trade advance repaid	Mahindra & Mahindra Financial Services Limited	**5,061.34**	–

	(Currency: Indian Rupees in Lakhs)		
Nature of Transaction	Name of Related Party	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Reimbursement made	Mahindra & Mahindra Limited	**199.07**	178.20
	Mahindra Logistics Limited	**–**	15.39
Salary including perquisites	Mr. Anil Meridatta	**–**	52.73
	Mr. Rajiv Walunj	**85.15**	64.16
Director sitting fees	Mr. Rahul Asthana	**1.90**	3.10
	Mr. Arun Malhotra	**1.90**	3.10
Reimbursement received	Mahindra & Mahindra Limited	**1,360.49**	109.35
	Mahindra Last Mile Mobility Limited	**0.09**	–
	Mahindra Holidays & Resorts India Limited	**–**	6.30
	Mahindra First Choice Wheels Limited	**75.09**	14.75
	MLL Mobility Private Limited (Formerly known as MERU Mobility Tech Private Limited)	**0.13**	0.22
	Mahindra Lifespace Developers Limited	**–**	9.67
	Mahindra Rural Housing Finance Limited	**4.14**	14.05
	Classic Legends Private Limited	**–**	4.97
	Mahindra Defense Systems Limited	**4.70**	–
	Mahindra Manulife Investment Management Private Limited	**8.23**	19.87
	Mahindra Insurance Brokers Limited	**28.66**	9.29
	Mahindra Accelo Limited (Formerly Known As Mahindra Intertrade Limited)	**15.24**	17.60
	Mahindra & Mahindra Financial Services Limited	**595.95**	801.34

(iii) Details of balances at year end between the Company and its related parties are disclosed below:

Particulars	Name of Related Party	As at 31 March 2024	As at 31 March 2023
Trade payables	Mahindra & Mahindra Limited	**1,984.25**	1,288.99
	Mahindra Integrated Business Solutions Private Limited	**9.10**	3.22
	Mahindra Holidays & Resorts India Limited	**–**	0.04
	Mahindra Insurance Brokers Limited	**–**	0.45
	Mahindra & Mahindra Financial Services Limited	**–**	3.34
Other balances-receivables	Mahindra & Mahindra Limited	**48.78**	86.12
	Mahindra Last Mile Mobility Limited	**29.27**	–
	Mahindra Two Wheelers Limited	**2.58**	2.65
	Mahindra Agri Solutions Limited	**1.41**	0.74
	Mahindra Insurance Brokers Limited	**13.16**	–
	Mahindra Lifespace Developers Limited	**0.08**	–
	Mahindra Accelo Limited (Formerly Known As Mahindra Intertrade Limited)	**6.13**	–
	Mahindra Rural Housing Finance Limited	**–**	0.29
	Classic Legends Private Limited	**–**	5.78
	Mahindra First Choice Wheels Limited	**–**	76.24
	Mahindra Manulife Investment Management Private Limited	**–**	5.95
	Mahindra Logistics Limited	**0.62**	0.24
	Mahindra & Mahindra Financial Services Limited	**38.31**	3.38
	MLL Mobility Private Limited (Formerly known as MERU Mobility Tech Private Limited)	**0.65**	0.46
	Mahindra Susten Private Limited	**0.41**	–

Particulars	Name of Related Party	As at 31 March 2024	As at 31 March 2023
Inter corporate deposit	Mahindra & Mahindra Limited	**3002.56**	–
Trade advance	Mahindra & Mahindra Financial Services Limited	**78.62**	–

Note No. 30 - Contingent liabilities and commitments

		(Currency: Indian Rupees in Lakhs)	
Particulars		**As at 31 March 2024**	As at 31 March 2023
(a)	**Contingent liabilities (to the extent not provided for)**		
	Income tax matter: demands against the company not acknowledged as debts and not provided for, relating to issues of taxability and deductibility, in respect of which the company is in appeal.	**143.43**	143.43
(b)	**Capital Commitment**		
	The estimated amount of contracts remaining to be executed on capital account and not provided.	**31.83**	–
(c)	**Lease Commitment**		
	Lease commitments are future cash outflows from the lease contract which are not recorded in the measurement of lease liabilities. These includes potential future payments related to lease of low value asset, lease which are for period less than 12 months and variable lease.		
	- Not later than one year	**49.76**	61.99
	- later than one year and not later than five years	**17.80**	67.56
	- later than five years	**–**	–

Note No. 31 - Leases

As a Lessee

Most of the leases contracted by the Company are related to office premises, godown and item of equipment, as the lessee.

Disclosure Requirement as per Para 53 of the Ind AS -116 : Leases

(A) Additions to right of use assets :

	(Currency: Indian Rupees in Lakhs)	
Particulars	**As at 31 March 2024**	As at 31 March 2023
Right-of-use assets (Refer Note 4)	**–**	1,192.60

(B) Amounts recognised in balance sheet :

	(Currency: Indian Rupees in Lakhs)	
Particulars	**As at 31 March 2024**	As at 31 March 2023
Right-of-use assets	**674.84**	1,013.11
Lease liabilities		
Non-current	**411.55**	749.56
Current	**338.02**	314.60
Total	**749.57**	1,064.16

(C) Movement in lease liabilities during the year

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	**1,064.16**	125.37
Addtions	**–**	1,192.60
Deletions	**–**	–
Finance cost accrued during the year	**84.23**	91.55
Payment of lease liabilities	**(398.82)**	(345.36)
Balance at the end of the year	**749.57**	1,064.16

(D) Amounts recognised in the statement of profit or loss :

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amortisation expense for the year	**338.27**	295.27
Interest expense on lease liabilities	**84.23**	91.55
Expenses relating to short-term leases	**90.55**	131.54

(E) Amounts recognised in the statement of cash flows :

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash outflow for leases	**314.59**	253.81

(F) Maturity analysis of lease liabilities

(Currency: Indian Rupees in Lakhs)

Maturity analysis – contractual undiscounted cash flow	For the year ended 31 March 2024	For the year ended 31 March 2023
Less than one year	**392.66**	398.82
One to five years	**436.20**	817.58
More than five years	**18.90**	30.20
Total undiscounted lease liabilities	**847.76**	1,246.60

Note No. 32 - Ratio disclosure

(Currency: Indian Rupees in Lakhs)

	Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% Variance	Reason for Variance more than +/- 25%
a)	**Current ratio (in times)**	Current assets	Current liabilities	1.14	1.04	9%	–
b)	**Debt-equity ratio (in times)**	Total debt (Borrowings + lease liability)	Shareholder's equity	2.18	4.00	-46%	Repayment towards lease and higher profit for the year.
c)	**Debt service coverage ratio (in times)**	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease payments + Principal repayments	2.59	2.28	14%	–
d)	**Return on equity (in times)**	Net Profits after taxes	Average shareholder’s equity	0.59	0.81	28%	Increase in earnings during the current year as compared to previous year on account of higher sales volume
e)	**Inventory turnover ratio (in times)**	Cost of goods sold	Average inventory = (Opening + Closing balance / 2)	9.29	11.09	-16%	–
f)	**Trade receivable turnover ratio (in times)**	Total sales	Average trade debtors = (Opening + Closing balance / 2)	27.90	40.74	-32%	Increase in trade receivables as at year end as compared to previous year
g)	**Trade payable turnover ratio (in times)**	Total purchases	Average trade payable = (Opening + Closing balance / 2)	24.22	19.32	25%	Increase in trade payables as at year end as compared to previous year
h)	**Net capital turnover ratio (in times)**	Total sales	Average Working capital = (Opening WC+ Closing WC/2) WC= Current assets - Current liabilities	77.83	397.96	80%	Increase in turnover during the current year as compared to previous year
i)	**Net profit ratio (in %)**	Net profit	Total sales	1.7%	1.4%	21%	–
j)	**Return on capital employed (in %)**	Earnings before interest and taxes	Capital employed = Net worth + Total debt	21%	20%	5%	–
k)	**Return on investment (in %)**	Income earned on Investment	Average Investment	0%	13%	-100%	No outstanding investment as at current and previous year end.

Note No. 33 - Unhedged Foreign Currency Exposure

There is no unhedged foreign currency exposure as on 31 March 2024 and 31 March 2023.

Note No. 34 - Other Statutory Information

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

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

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

   i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

   ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

   i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

   ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

f) The Company is not declared wilful defaulter by any bank or financials institution or lender during the year.

g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

h) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

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

j) The Company is using accounting software for maintaining its books of accounts which has feature of recording audit trail and same has operated throughout the year for all relevant transactions recorded in the software. The audit trail feature has not been tampered with and being preserved by the Company as per the statutory requirements for record retention.

Note No. 35 - Corporate social responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
a) Gross amount required to be spent by the Company during the year based on 2% of average net profits of preceeding three financial years.	**4.13**	–
b) Amount spent during the year on:		
Construction/ acquisition of assets held by the Company	**–**	–
On purposes other than above	**4.13**	–
Unspent amount at the end of the year	**–**	–

Driven by the core purpose and in line with CSR vision, Company continued to focus on investing in education of girls (“Nanhi Kali”). The said amount is paid to K.C. Mahindra Education Trust (Related Party). Amount recognised as expense in statement of profit or loss is Rs. 4.13 lakhs.

Note No. 36 - Code on Social Security, 2020

The Indian Parliament had approved the Code on Social Security, 2020 which could impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will complete its evaluation once the rules are notified and will give appropriate impact in the financial statements in the period in which the Code and related rules becomes effective.

Note No. 37 - Others

Previous year’s figures have been regrouped/reclassified wherever necessary.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 17th April, 2024

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

Ramesh G. Iyer — Chairman
DIN: 00220759

Vijay Nakra — Director
DIN: 02638616

Rajiv Walunj — CEO
PAN: AAAPW6647H

Aditya Dixit — CFO
PAN: AJWPD4449H

Ayushi Shah — Company Secretary
Membership No. ACS A58747
Place: Mumbai
Date: 17th April, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Automotive Australia Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mahindra Automotive Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report of Mahindra Automotive Australia Pty Ltd, is in accordance with the *Corporations Act 2001,* including:

(i) Giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Randall Bryson
Director
Brisbane, 10th May, 2024

DIRECTORS' DECLARATION FOR 31 MARCH 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Sachin Arolkar
Director

India, 10th May, 2024

Ashutosh Vidwans
Director

India, 10th May, 2024

AUDITOR'S INDEPENDENCE DECLARATION 31 MARCH 2024

DECLARATION OF INDEPENDENCE BY RANDALL BRYSON TO THE DIRECTORS OF MAHINDRA AUTOMOTIVE AUSTRALIA PTY LTD

As lead auditor of Mahindra Automotive Australia Pty Ltd for the year ended 31 March 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

BDO Audit Pty Ltd

Randall Bryson
Director
Brisbane, 10th May, 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 $	2023 $
Revenue	3	132,326,910	51,951,663
Other income	4	277,930	35,275
Expenses			
Purchases and change in inventories of finished goods and work in progress		(119,949,997)	(40,242,580)
Advertising expense		(3,791,709)	(1,820,468)
Depreciation and amortisation expense	5	(600,643)	(326,668)
Employee benefits expense	5	(2,358,912)	(1,913,321)
Finance costs	5	(126,983)	(42,698)
Freight and cartage		(2,386,187)	(1,145,285)
Other expenses		(2,369,181)	(1,858,580)
Profit before income tax expense		1,021,228	4,637,338
Income tax expense	6	(307,261)	(1,415,930)
Profit after income tax expense for the year		713,967	3,221,408
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		713,967	3,221,408

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 $	2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**3,323,353**	1,697,194
Trade and other receivables	8	**992,916**	679,380
Inventories	9	**60,729,907**	39,748,675
Income tax refund due	6	**541,711**	–
Other assets	10	**870,731**	355,277
Total Current Assets		**66,458,618**	42,480,526
Non-Current Assets			
Property, plant and equipment	11	**1,047,039**	184,792
Right-of-use assets	12	**2,731,413**	2,071,635
Deferred tax	6	**1,463,237**	1,356,050
Total Non-Current Assets		**5,241,689**	3,612,477
Total Assets		**71,700,307**	46,093,003
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**54,048,845**	31,960,454
Borrowings	14	**3,000,000**	–
Lease liabilities	15	**610,192**	475,844
Income tax	6	**–**	1,603,248
Provisions	16	**4,371,009**	3,573,499
Total Current Liabilities		**62,030,046**	37,613,045
Non-Current Liabilities			
Lease liabilities	15	**2,163,154**	1,707,395
Provisions	16	**131,525**	110,948
Total Non-Current Liabilities		**2,294,679**	1,818,343
Total Liabilities		**64,324,725**	39,431,388
NET ASSETS		**7,375,582**	6,661,615
EQUITY			
Issued capital	17	**4,575,000**	4,575,000
Retained profits		**2,800,582**	2,086,615
TOTAL EQUITY		**7,375,582**	6,661,615

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Issued Capital	Retained profits/ (Accumulated losses)	Total equity
	$	$	$
Balance at 1 April 2022	4,575,000	(1,134,793)	3,440,207
Profit after income tax benefit for the year	–	3,221,408	3,221,408
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	3,221,408	3,221,408
Balance at 31 March 2023	**4,575,000**	**2,086,615**	**6,661,615**
Balance at 1 April 2023	4,575,000	2,086,615	6,661,615
Profit after income tax expense for the year	–	713,967	713,967
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	713,967	713,967
Balance at 31 March 2024	**4,575,000**	**2,800,582**	**7,375,582**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 $	2023 $
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		**145,035,015**	56,337,588
Payments to suppliers and employees (inclusive of GST)		**(142,742,937)**	(54,149,419)
		2,292,078	2,188,169
Other income		**424,273**	176,769
Interest and other finance costs paid		**(126,983)**	(42,698)
Income taxes paid		**(2,559,407)**	(760,740)
Net cash from operating activities		**29,961**	1,561,500
Cash Flows From Investing Activities			
Payments for property, plant and equipment	**11**	**(961,055)**	(24,921)
Proceeds from disposal of property, plant and equipment		50,909	–
Net cash used in investing activities		**(910,146)**	(24,921)
Cash Flows From Financing Activities			
Proceeds /(Repayment) of borrowings		**3,000,000**	(700,000)
Proceeds/(repayment) of leases		**(493,656)**	(222,630)
Net cash from/(used in) financing activities		**2,506,344**	(922,630)
Net increase in cash and cash equivalents		**1,626,159**	613,949
Cash and cash equivalents at the beginning of the financial year		**1,697,194**	1,083,245
Cash and cash equivalents at the end of the financial year	**7**	**3,323,353**	1,697,194

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

Mahindra Automotive Australia Pty Ltd (the company) has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(i) <u>**Sale of goods**</u>

Revenue from the sale of agricultural equipment, motor vehicles and parts and accessories is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All other revenue is recognised in accordance with AASB 15 Revenue from contracts with customers (AASB 15), when performance obligation is satisfied and control is transferred. All revenue is stated net of the amount of goods and services tax (GST).

Other income

The company recognises other income as follows:

Interest

Interest revenue is recognised on a time proportional basis, taking into account the effective interest rates applicable to the financial assets.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Trade and other receivables

Trade receivables are initially recognised at transaction price, less any allowance for expected credit loss. The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories

New vehicles

New vehicles are valued at the lower of cost and net realisable value on a unit by unit basis.

Spare parts and accessories

Vehicle spare parts and accessories and agriculture equipment are valued at the lower of cost and net realisable value.

Costs for vehicles comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10-20%
Computer equipment	20-40%
Furniture and fittings	10-20%
Motor vehicles	20-30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Extension options on leases where appropriate are included in the useful life of the right-of-use asset. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The extension and termination options held are exercisable only by the company and not by the respective lessor. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition, except for related party payables which are on terms of between 60 and 180 days.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and any consideration paid is recognised in profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Net realisable value of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Warranty provision

In determining the level of provision required for warranties the company has made judgements in respect of the expected performance of the vehicles, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Note 3. Revenue

	2024 $	2023 $
Revenue from contracts with customers:		
New vehicle sales	**123,902,856**	41,154,152
Parts sales	**7,925,333**	10,656,017
	131,828,189	51,810,169
Other revenue		
Other revenue	**498,721**	141,494
Revenue	**132,326,910**	51,951,663

Disaggregation of revenue from contracts with customers

The disaggregation of revenue from contracts with customers is as follows:

	2024 $	2023 $
Timing of revenue recognition		
Goods transferred at a point in time	**131,828,189**	51,810,169
	131,828,189	51,810,169

Note 4. Other income

	2024 $	2023 $
Net gain on disposal of property, plant and equipment	**37,673**	–
Net gain on disposal of right of use asset	**86,326**	–
Interest received	**153,931**	35,275
Other income	**277,930**	35,275

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 5. Expenses

	2024 $	2023 $
Profit before income tax includes the following specific expenses:		
Freight and cartage	**2,386,187**	1,145,285
Amortisation and depreciation expense		
Amortisation on right-of-use assets	**515,070**	**267,668**
Depreciation expense	**85,573**	**59,000**
Depreciation and amortisation expense	**600,643**	**326,668**
Finance costs		
Interest and finance charges paid/payable on borrowings	**43,880**	**995**
Interest and finance charges paid/payable on lease liabilities	**83,103**	**41,703**
Finance costs expensed	**126,983**	**42,698**
Superannuation expense	**223,138**	**187,577**
Employee benefits expense excluding superannuation	**2,135,774**	**1,725,744**
Employee benefits expense	**2,358,912**	**1,913,321**

Note 6. Income tax

	2024 $	2023 $
Income tax expense		
Current tax	**414,448**	1,952,341
Deferred tax - origination and reversal of temporary differences	**(107,187)**	(536,411)
Aggregate income tax expense	**307,261**	1,415,930
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	**(107,187)**	(536,411)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**1,021,228**	4,637,338
Tax at the statutory tax rate of 30%	**306,368**	1,391,201
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	**893**	**3,574**
	307,261	1,394,775
Current year temporary differences now recognised	**–**	21,155
Income tax expense	**307,261**	1,415,930
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Leases	**(12,580)**	(33,480)
Provisions	**1,350,760**	1,105,334
Accrued expenses	**125,057**	284,196
Deferred tax asset	**1,463,237**	1,356,050
Movements:		
Opening balance	**1,356,050**	819,639
Credited to profit or loss	**107,187**	536,411
Closing balance	**1,463,237**	1,356,050

	2024 $	2023 $
Income tax refund due		
Income tax refund due	**541,711**	–

	2024 $	2023 $
Provision for income tax		
Provision for income tax	**–**	1,603,248

Note 7. Cash and cash equivalents

	2024 $	2023 $
Current assets		
Cash at bank	**3,323,353**	1,697,194

Note 8. Trade and other receivables

	2024 $	2023 $
Current assets		
Trade receivables	**992,916**	**679,380**

NOTE 9. INVENTORIES

	2024 $	2023 $
Current assets		
New vehicles	**36,982,415**	25,430,524
Less: Provision for obsolescence	**–**	(8,000)
New vehicles - at net realisable value	**36,982,415**	25,422,524
Stock in transit- at cost	**18,391,523**	10,216,771
Spare parts and accessories	**5,904,307**	4,563,027
Less: Provision for obsolescence	**(548,338)**	(453,647)
Spare parts and accessories - at net realisable value	**5,355,969**	4,109,380
	60,729,907	39,748,675

During the year obsolescence of inventory was charged of $86,691, this is recognised through changes in inventories in the statement of profit and loss.

Note 10. Other assets

	2024 $	2023 $
Current assets		
Prepayments	**807,398**	355,277
Rental deposits	**63,333**	–
	870,731	**355,277**

Note 11. Property, plant and equipment

	2024 $	2023 $
Non-current assets		
Plant and equipment - at cost	**170,231**	125,357
Less: Accumulated depreciation	**(71,610)**	(56,730)
	98,621	68,627
Fixtures and fittings - at cost	**728,402**	350,705
Less: Accumulated depreciation	**(299,442)**	(274,852)
	428,960	75,853
Motor vehicles - at cost	**529,412**	202,379
Less: Accumulated depreciation	**(28,158)**	(177,760)
	501,254	24,619
Computer equipment - at cost	**91,550**	82,220
Less: Accumulated depreciation	**(73,346)**	(66,527)
	18,204	15,693
	1,047,039	184,792

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment $	Furniture and fittings $	Motor Vehicles $	Computer equipment $	Total $
Balance at 1 April 2023	68,627	75,853	24,619	15,693	184,792
Additions	44,874	401,634	505,217	9,330	961,055
Disposals	–	(4,436)	(8,799)	–	(13,235)
Depreciation expense	(14,880)	(44,091)	(19,783)	(6,819)	(85,573)
Balance at 31 March 2024	98,621	428,960	501,254	18,204	1,047,039

NOTE 12. RIGHT-OF-USE ASSETS

	2024 $	2023 $
Non-current assets		
Land and buildings - right-of-use	**2,960,755**	2,611,381
Less: Accumulated depreciation	**(257,182)**	(578,213)
	2,703,573	2,033,168
Plant and equipment - right-of-use	**53,137**	53,137
Less: Accumulated depreciation	**(25,297)**	(14,670)
	27,840	38,467
	2,731,413	2,071,635

The company leases property, plant and equipment under agreements of between 5 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & Buildings $	Plant & Equipment $	Total $
Balance at 1 April 2023	2,033,168	38,467	2,071,635
Additions	2,071,391	–	2,071,391
Disposals	(896,543)	–	(896,543)
Depreciation expense	(504,443)	(10,627)	(515,070)
Balance at 31 March 2024	2,703,573	27,840	2,731,413

Note 13. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	**51,434,234**	30,072,829
Accrued expenses	**1,706,574**	908,910
Other payables	**908,037**	978,715
	54,048,845	31,960,454

Note 14. Borrowings

	2024 $	2023 $
Current liabilities		
Bank loans	**3,000,000**	–

Bank loan

(i) The bank loan is a short term loan provided to the company under an uncommitted trade advance facility agreement. The current term of the loan is 60 days and will expire on 24 May 2024. The loan is not secured and the variable interest rate is 6.265%, interest is charged daily.

There have been no breaches of terms or default of principal, interest, sinking fund or redemption terms during the current or prior reporting periods.

Note 15. Lease liabilities

	2024 $	2023 $
Current liabilities		
Lease liability	**610,192**	475,844
Non-current liabilities		
Lease liability	**2,163,154**	1,707,395
	2,773,346	2,183,239
Future lease payments		
Future lease payments are due as follows:		
Not later than one year	**700,623**	512,445
Later than one and not later than five years	**2,467,726**	1,825,022
	3,168,349	2,337,467

Significant leasing arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the company. Leased assets include property, plant and equipment. These leases are negotiated for an average term of 10 years and are fixed for an average of 5 years with an option to extend for a further 5 years at the then prevailing market rate.

Note 16. Provisions

	2024 $	2023 $
Current liabilities		
Annual leave	**204,768**	170,970
Lease make good	**365,345**	150,000
Warranties	**580,799**	721,005
Dealer support - Obsolete stock	**–**	316,500
Dealer support - Registration and third party insurance	**2,471,793**	1,204,513
Marketing	**–**	100,000
Dealer support - Signage	**–**	270,000
Other	**748,304**	640,511
	4,371,009	3,573,499

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	$	$
Non-current liabilities		
Long service leave	**131,525**	**110,948**
	4,502,534	**3,684,447**

Marketing

The provision represents the estimated costs of marketing the company's new products. The marketing costs are allocated to profit or loss.

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

Dealer support

The provision represents the present value of the estimated costs that will be incurred with respect to supporting the dealers as per the current dealer agreements. This provision covers a reimbursement to the dealers of registration and third party insurance costs, the estimated costs of signage to be installed at the dealers premises and other general incentives estimated to be payable to the dealers. Each dealer support provision is estimated based on current stock held with the dealers at the end of the period.

Warranties

The provision represents the estimated warranty claims in respect of vehicles sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2024	Lease make good	Warranties	Dealer support- obsolete stock	Dealer support- registration	Marketing	Dealer support- signage	Other
	$	$	$	$	$	$	$
Carrying amount at the start of the year	150,000	721,005	316,500	1,204,513	100,000	270,000	640,511
Additional provisions recognised	–	–	–	9,414,080	–	–	1,026,100
Amounts used	215,345	–	–	(8,146,800)	–	–	(613,503)
Unused amounts reversed	–	(140,206)	(316,500)	–	(100,000)	(270,000)	(304,804)
Carrying amount at the end of the year	365,345	580,799	–	2,471,793	–	–	748,304

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	4,575,000	4,575,000	4,575,000	4,575,000

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 18. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the company is set out below:

	2024	2023
	$	$
Aggregate compensation	383,014	375,120

In addition to this other directors and key management of the entity are paid compensation at ultimate parent level.

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, and its network firms:

	2024	2023
	$	$
Audit services - BDO Audit Pty Ltd		
Audit of the financial statements	45,000	33,000
Other services - BDO Services Pty Ltd		
Preparation of the financial statements and tax return	10,400	9,800
Other accounting and advisory work	1,200	–
	11,600	9,800

Note 21. Contingent assets

At 31 March 2024, the company has no contingent assets (2023: $Nil).

Note 22. Contingent liabilities

In the opinion of the directors, the company did not have any contingent liabilities at 31 March 2024 (2023: $Nil).

Note 23. Commitments

At 31 March 2024, the entity had not entered into any contractual capital commitments (2023: $Nil).

Note 24. Related party transactions

Parent entity

Mahindra & Mahindra Limited is the ultimate parent entity, a publically listed company based in Mumbai, India.

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Transactions with related parties

The following transactions occurred with related parties:

	2024 $	2023 $
Payment for goods and services:		
Purchase of goods from controlling entity and it's subsidiaries	124,616,205	54,858,829
Payment for other expenses:		
Other expenses paid to other related party	78,926	101,405

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2024 $	2023 $
Current receivables:		
Trade receivables from controlling entity and it's subsidiaries	66,000	426,150
Current payables:		
Trade payables to controlling entity and it's subsidiaries	44,686,438	29,510,497

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Events after the reporting period

No matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 26. Non-cash investing and financing activities

	2024 $	2023 $
Addition to the right-of-use assets	2,071,391	880,556

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA TWO WHEELERS LIMITED

To the members of Mahindra Two Wheelers Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Two Wheelers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of

the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on other Legal and Regulatory requirements

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

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

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

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

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

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

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 40 to the Financial Statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

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

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

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

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

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 24125657BKESMT4010

Pune, April 23, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Mahindra Two Wheelers Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 24125657BKESMT4010

Pune, April 23, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships. During the year, the company has granted loans to other party, the details of which are as under –

Particulars	Loans given during the year Rupees
Aggregate amount during the year:	
- Subsidiaries	Nil
- Joint ventures	Nil
- Associates	Nil
- Limited liability partnership firm	Nil
- Other party	Rs 4 Crore
Balance outstanding as at the Balance Sheet date	
- Subsidiaries	Nil
- Joint ventures	Nil
- Associates	Nil
- Limited liability partnership firm	Nil
- Other party	Nil

b) According to the information and explanation given to us, the terms and conditions of the loans granted by the Company to other party is not prejudicial to the company's interest.

c) According to the information and explanations given to us, the other party has been regular in repayment of principal amounts and payments of interest as per the stipulated terms.

d) According to the information and explanations given to us, loan given to other party as mentioned in paragraph (c) above, there is no amount overdue for more than 90 days.

e) According to the information and explanations given to us, the loans granted to the parties mentioned in paragraph (a) above have fallen due during the year but have not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same parties.

f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

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

5) According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Sales Tax, Service Tax , Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited on account of any dispute. The statutory dues in respect of Income tax and other tax as at 31 March 24 which have not been deposited with the appropriate authorities on account of a dispute are as under

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Financial year to which is it pertains	Forum where the disputes is pending
Income Tax Act, 1961	Income tax including interest	146	2014-15	DCIT
Income Tax Act 1961	Income tax including interest	441	2018-19	DCIT
Central sales tax Act	C Form liability	60	2017-18 Q1	Jt Commissioner appeal
West Bengal CST	C form liability	142	2016-18	Jt Commissioner Appeal
GST	Denial of transitional credit	44	2017-18	Commissioner Appeal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d) Based on the information and explanations given to us, we report that the Group has four core Investment companies.

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

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

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

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

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

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

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 24125657BKESMT4010

Pune, April 23, 2024

BALANCE SHEET AS ON MARCH 31, 2024

Rupees in Lakhs

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	3	**956.34**	1,189.84
(b) Financial assets			
(i) Investments	4(A)	**13,491.27**	13,491.27
(ii) Trade receivables	5(A)	**–**	–
(iii) Loans	6	**162.27**	136.50
(c) Non-current Tax assets (net)	8	**346.24**	559.50
(d) Other non-current assets	9	**941.57**	4,749.13
Total non - current assets		**15,897.69**	20,126.24
2 **Current assets**			
(a) Inventories	10	**5,074.55**	5,179.65
(b) Financial assets			
(i) Investments	4(B)	**1,512.69**	2,570.18
(ii) Trade receivables	5(B)	**5,155.58**	3,724.74
(iii) Cash and cash equivalents	11	**180.11**	83.23
(iv) Bank balances other than (iii) above	11	**9,450.14**	4,539.77
(v) Other financial assets	12	**520.65**	188.55
(c) Other current assets	13	**65.87**	89.93
Total current assets		**21,959.59**	16,376.05
Total Assets (1+2)		**37,857.28**	36,502.28
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**8,282.38**	8,282.38
(b) Other equity	15	**17,233.96**	15,823.27
Total equity (a+b)		**25,516.34**	24,105.65
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial Liabilities			
(ia) Lease Liabilities	16A	**367.89**	644.98
(b) Provisions	16	**19.18**	35.01
(c) Deferred tax liabilities (Net)	7	**2,852.04**	2,811.96
Total Non - Current Liabilities		**3,239.11**	3,491.95
2 **Current liabilities**			
(a) Financial liabilities			
(ia) Lease Liabilities	19	**609.31**	555.36
(ii) Trade payables			
(A) Total outstanding dues of Micro and Small enterprises; and	18	**235.09**	332.15
(B) Total outstanding dues of Creditors other than Micro and Small enterprises	18	**7,138.84**	7,094.07
(b) Other current liabilities	20	**1,092.65**	898.46
(c) Provisions	17	**25.94**	24.64
Total Current Liabilities		**9,101.83**	8,904.68
Total Equity and Liabilities (1+2+3)		**37,857.28**	36,502.28

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Place: Pune
Date: April 23, 2024

For and on behalf of the Board of Directors

Nasir Deshmukh
CEO & Wholetime Director
DIN 10354362

Vinod Sahay
Director
DIN 07884268

Niteen Karve
Chief Financial Officer

Poonam Vaze
Company Secretary
ACS: 19158

Place: Mumbai
Date: April 23, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rupees in Lakhs

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	21	**37,186.64**	34,150.35
II	Other income	22	**956.52**	699.88
III	**Total Income (I + II)**		**38,143.16**	34,850.23
IV	**EXPENSES**			
	(a) Purchases of stock-in-trade	23(A)	**22,903.91**	21,632.93
	(b) Changes in inventories of stock-in-trade	23(B)	**105.10**	256.51
	(c) Employee benefits expense	24	**367.21**	377.84
	(d) Finance costs	25	**90.75**	94.21
	(e) Depreciation expense (Note no 3)		**694.26**	648.81
	(f) Other expenses	26	**5,824.75**	5,382.01
	Total Expenses (IV)		**29,985.98**	28,392.31
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		**8,157.18**	6,457.92
VI	**Exceptional Items**		**–**	–
VII	**Profit before extraordinary items and tax (V - VI)**		**8,157.18**	6,457.92
VIII	**Extraordinary items**		**–**	–
IX	**Profit before tax (VII - VIII)**		**8,157.18**	6,457.92
X	**Tax Expense**			
	(a) Current tax	27	**2,042.52**	1,671.43
	(b) Deferred tax	27	**44.89**	103.87
	Total tax expense		**2,087.41**	1,775.30
XI	**Profit after tax for the period from continuing operations (IX - X)**		**6,069.77**	4,682.62
XII	**Profit/(loss) after tax from discontinued operations**		**–**	–
XIII	**Tax expense of discontinuing operations**		**–**	–
XIV	**Profit/(Loss) for the period**		**6,069.77**	4,682.62
XV	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**19.09**	0.71
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**4.80**	0.18
	B (i) Items that may be reclassified to profit or loss			
	(a) Share of other comprehensive income of equity accounted investees		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
	Total Other Comprehensive Income		**23.89**	0.89
XVI	**Total comprehensive income for the period (X + XI)**		**6,093.67**	4,683.51
XVII	**Earnings per equity share (Nominal value per share Rs.0.20)**			
	a) Basic	28	**0.01**	0.01
	b) Diluted		**–**	–

See accompanying notes to the standalone financial statements

In terms of our report attached

For **B. K. Khare & Co**

Chartered Accountants

Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Place: Pune
Date: April 23, 2024

For and on behalf of the Board of Directors

Nasir Deshmukh
CEO & Wholetime Director
DIN 10354362

Vinod Sahay
Director
DIN 07884268

Niteen Karve
Chief Financial Officer

Poonam Vaze
Company Secretary
ACS: 19158

Place: Mumbai
Date: April 23, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Rupees in Lakhs

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities			
Profit before tax for the year		**8,157.18**	6,457.92
Adjustments for:			
Interest on Fixed Deposit		**(643.05)**	(446.29)
Interest on Lease Liability		**86.63**	91.02
Dividend Income from current investments		**(113.81)**	(96.93)
Depreciation & Amortisation		**694.26**	648.81
Interest income on unwinding of security deposit		**(14.63)**	3.36
Provision for doubtful trade receivable		**(99.75)**	(144.68)
Revaluation through OCI		**23.89**	0.89
Bad debt written off		**83.14**	-
Provision for material buy back		**-**	-
Provision for warranty		**3.87**	(5.79)
		8,177.73	6,508.31
Movements in working capital:			
(Increase)/decrease in trade receivables		**(1,414.23)**	(880.56)
(Increase)/decrease in inventories		**105.10**	256.51
(Increase)/decrease in other assets		**151.48**	31.89
Increase/(decrease) in trade payables		**(52.29)**	1,766.33
Increase/(decrease) in provisions		**(18.40)**	(2.31)
Increase/(decrease) in other liabilities		**194.19**	141.38
Increase/(decrease) in financial liabilities		**(770.52)**	(740.99)
Cash generated from operations		**6,373.06**	7,080.56
Income taxes paid		**(1,834.07)**	(1,722.16)
Net cash generated by operating activities	**A**	**4,538.99**	5,358.40
Cash flows from investing activities			
Payments to acquire financial assets - Mutual Fund		**(4,811.61)**	(4,411.36)
Proceeds on sale of financial assets - Mutual Fund		**5,887.54**	3,811.52
Interest received		**310.95**	400.76
Other dividends received		**95.37**	-
Payments for property, plant and equipment		**-**	-
Inter corporate Deposits given		**(400.00)**	(1,600.00)
Inter corporate Deposits received		**400.00**	1,600.00
Payments to acquire financial assets - Fixed deposit		**(5,531.14)**	(7,933.25)
Proceeds on sale of financial assets - Fixed deposit		**4,289.76**	6,036.46
Net cash (used in)/generated by investing activities	**B**	**240.87**	(2,095.87)
Cash flows from financing activities			
Dividends paid on equity shares		**(4,682.97)**	(3,365.48)
Net cash generated by/(used in) financing activities	**C**	**(4,682.97)**	(3,365.48)
Net increase in cash and cash equivalents		**96.88**	(102.96)
Cash and cash equivalents at the beginning of the year		**83.23**	186.18
Cash and cash equivalents at the end of the year (Refer Note 11)	**A+B+C**	**180.11**	83.23

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Place: Pune
Date: April 23, 2024

For and on behalf of the Board of Directors

Nasir Deshmukh
CEO & Wholetime Director
DIN 10354362

Vinod Sahay
Director
DIN 07884268

Niteen Karve
Chief Financial Officer

Poonam Vaze
Company Secretary
ACS: 19158

Place: Mumbai
Date: April 23, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a) Equity share capital

Rupees in Lakhs

Particulars	**Number of Shares**	**Equity share capital (Amount)**
Balance at March 31, 2023	41,41,18,90,946	8,282.38
Changes in equity share capital during the year	–	–
Balance at March 31, 2024	**41,41,18,90,946**	**8,282.38**

b) Other Equity

Rupees in Lakhs

Particulars	**Retained earnings**	**Other comprehensive income (Remeasurements of the defined benefit Plans)**	**Securities premium reserve**	**Capital Reserve**	**Total**
Balance as at March 31, 2023	**6,450.05**	**8,678.00**	**144.31**	**550.91**	**15,823.27**
Profit for the year	6,069.77	–	–	–	6,069.77
Payment of Dividend	(4,682.97)	–	–	–	(4,682.97)
Other comprehensive income for the year, net of Income Tax	–	23.89	–	–	23.89
Balance as at March 31, 2024	**7,836.85**	**8,701.89**	**144.31**	**550.91**	**17,233.96**

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Place: Pune
Date: April 23, 2024

For and on behalf of the Board of Directors

Nasir Deshmukh
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Chief Financial Officer

Poonam Vaze
Company Secretary
ACS: 19158

Place: Mumbai
Date: April 23, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note no. 1. GENERAL INFORMATION

Mahindra Two Wheelers Limited is in the business of trading in spare parts and accessories. It deals in parts required for the range of Two wheelers, passenger light motor vehicle and commercial vehicles manufactured and sold by its Holding Company, Mahindra & Mahindra Limited. The Company undertakes procurement, warehousing management, logistics and sale of spare parts and accessories. It has a network of dealers spread across India to ensure timely availability of spare parts to customers.

The Company has elected not to prepare consolidated financial statements, as Mahindra & Mahindra Limited being the Holding Company prepares consolidated financial statements at Group Level. Copies of the annual report of the Mahindra & Mahindra Limited can be obtained from the Company Secretary, Mahindra & Mahindra Limited, Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

Note no. 2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance:

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

2.2 Basis of preparation and presentation:

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the asset or liability

2.3 Revenue Recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, incentives, volume rebates, and outgoing taxes on sales.

2.4 Leases:

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

2.5 Foreign exchange transactions:

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

2.6 Employee Benefits:

2.6.1 Defined contribution plan

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

2.6.2 Defined benefit plan/leave encashment

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

2.6.3 Other benefits

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

2.7 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and applicable tax laws. Deferred tax is recognised on temporary differences between the carrying amounts assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property Plant & Equipment:

Property Plant & Equipments are carried at cost less depreciation. Cost comprises the purchase price and other attributable costs.

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

Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the useful life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. :

Vehicles	5 years
Plant & Machinery	7 years

2.9 Impairment:

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

2.10 Inventories:

Inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stock-in -trade are valued at lower of cost or net realisable value after provision for obsolescence and other losses, where considered necessary. Cost is determined on the basis of weighted average method.

2.11 Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims. The estimates for accounting of warranties are reviewed and revisions are made as required.

2.12 Financial Instruments:

"Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs, as appropriate, unless they are financial assets in the form of trade receivables that do not contain a significant financing component. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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

<u>Investments in equity instruments at FVTOCI</u>

A financial asset is held for trading if:

1. It has been acquired principally for the purpose of selling it in the near term; or
2. on initial recognition it is part of a portfolio of identified financial instruments or a financial guarantee
3. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

The Company has equity investments in one entity which are not held for trading. The company has elected the FVTOCI irrevocable option for this investment (see note no 4). Fair value is determined in the manner described in note no 30. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit and loss on disposal of the investment.

Dividends on this investment in equity instruments is recognised in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other Income' line item.

Trade Receivable: Trade receivables are initially measured at their transaction price, unless those contain a significant financing component determined in accordance with Ind AS 115 (or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115). They are subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.13 Critical accounting judgements and key sources of estimation uncertainty:

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

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

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

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

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

2.15 Investments:

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

2.16 Segment Reporting:

The Company has single reportable business segment namely Automotive vehicles-related spare parts. The Company has only one reportable geographical segment.

2.17 Recent Accounting Pronouncements

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

i. Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

iii. Ind AS 12 – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

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

Note no. 3 - Property, plant and equipment

Rupees Lakhs

Description of Assets	Plant and Machinery	Computers	Furniture and Fixtures	Vehicles	Right to Use Building	Right to Use Vehicle	Total
I. Gross carrying amount							
Balance as at March 31, 2022	**142.31**	**23.36**	**2.35**	**33.23**	**2,046.98**	**25.43**	**2,273.66**
Additions	–	–	–	–	1,582.80	11.99	1,594.79
Disposals	–	–	–	–	232.21		232.21
Balance as at March 31, 2023	**142.31**	**23.36**	**2.35**	**33.23**	**3,397.57**	**37.42**	**3,636.24**
Additions	–	–	–	–	836.76		836.76
Disposals	–	0.45	–	18.75	2,289.99		2,309.19
Balance as at March 31,2024	142.31	22.91	2.35	14.48	1,944.34	37.42	2,163.81
II. Accumulated depreciation							
Balance as at March 31, 2022	**111.10**	**21.02**	**2.28**	**24.85**	**1,794.93**	**1.70**	**1,955.88**
Depreciation expense for the year	3.74	0.69	0.06	2.75	633.99	7.58	648.81
Eliminated on disposal of assets					158.29	–	158.29
Balance as at March 31, 2023	**114.84**	**21.70**	**2.34**	**27.60**	**2,270.63**	**9.28**	**2,446.40**
Depreciation expense for the year	**2.70**	**0.24**	**–**	**2.75**	**680.48**	**8.09**	**694.26**
Eliminated on disposal of assets				**17.83**	**1,915.36**	**–**	**1,933.19**
Balance as at March 31,2024	**117.54**	**21.94**	**2.34**	**12.52**	**1,035.75**	**17.37**	**1,207.47**
III. Net carrying amount (I-II)							
Balance as at March 31, 2024	**24.77**	**0.97**	**0.00**	**1.96**	**908.59**	**20.05**	**956.34**

Note no. 4(A) - Investments

Particulars	Quantity	Amount	Quantity	Amount
	Rupees Lakhs As at March 31, 2024		Rupees Lakhs As at March 31, 2023	
Non-current				
Unquoted investments (all fully paid)				
Investments in equity instruments of a subsidiary -				
– Mahindra Automobile Distributor Private Limited equity shares of Rs. 10 each	**–**	**–**	–	–
Investments in 0.01% compulsorily convertible preference shares at fair value through other comprehensive income				
– SmartShift Logistics Solutions Private Limited	**1,53,195**	**13,491.27**	1,53,195	13,491.27
Total unquoted investments	**1,53,195**	**13,491.27**	1,53,195	13,491.27
Less: Impairment in value of investments Mahindra Automobile Distributor Private Limited	**–**	**–**	–	–
Total Non Current Investments	**1,53,195**	**13,491.27**	1,53,195	13,491.27

Note no. 4(B) - Investments

Particulars	Quantity	Amount	Quantity	Amount
	Rupees Lakhs As at March 31, 2024		Rupees Lakhs As at March 31, 2023	
Current				
Quoted investments (all fully paid) at fair value through profit or loss				
– Investments in mutual funds	**62,456.05**	**1,512.69**	2,81,140.38	2,570.18
Total quoted investments	**62,456.05**	**1,512.69**	2,81,140.38	2,570.18

Note: Company has invested in Compulsorily convertible preference share of Smartshift logistic Pvt Ltd. The investment is fair valued at the end of the year using option to fair value through OCI. Smartshift being a start up company, current operations of the company are at normative level. In absence of a reliable valuation as on the balance sheet date, company has taken last available valuation as a basis for disclosing fair value of the investment.

Particulars	Quantity	Amount	Quantity	Amount
	Rupees Lakhs As at March 31, 2024		Rupees Lakhs As at March 31, 2023	
Other Disclosures				
Aggregate carrying value of unquoted investments				
a. Equity shares	**–**	**–**	–	–
b. 0.01% compulsorily convertible preference shares of Rs.100 each	**1,53,195**	**13,491.27**	1,53,195	13,491.27
	1,53,195	**13,491.27**	1,53,195	13,491.27

Particulars	Rupees Lakhs As at March 31, 2024 Quantity	Amount	Rupees Lakhs As at March 31, 2023 Quantity	Amount
Aggregate book value of quoted investments				
a. Mutual funds:				
1. ICICI Pru Liquid Fund (DD)			2,28,369	755.11
2. ICICI Pru Over Night Fund (DP)	**32,792**	**423.19**		
3. HDFC Overnight Fund(G)	**9,739**	**343.08**	21,751	718.10
4. SBI Overnight Fund-Reg(G)			11,095	400.35
5. SBI Liqid Fund (G)	**19,925**	**746.42**	19,925	696.61
	62,456	**1,512.69**	2,81,140	2,570.18
Aggregate market value of quoted investments	**62,456**	**1,512.69**	2,81,140	2,570.18
Aggregate amount of impairment in value of investments	**–**	**–**	–	–

Note no. 5(A) - Trade receivables

Particulars	Rupees Lakhs As at March 31, 2024	As at March 31, 2023
Non current		
Trade receivables		
Unsecured, considered good	**–**	–
Total	**–**	–

Note no. 5(B) - Trade receivables

Particulars	Rupees Lakhs As at March 31, 2024	As at March 31, 2023
Current		
Trade receivables		
(a) Unsecured, considered good	**5,155.58**	3,724.74
(b) Unsecured, considered doubtful	**217.04**	316.79
Less: Allowance for bad and doubtful debts (expected credit loss allowance) (Refer note no 29)	**(217.04)**	(316.79)
Total	**5,155.58**	3,724.74

Refer note no. 29 for disclosure related to credit risk, expected credit loss and other related disclosure.

2023-24

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,076.36	17.73	17.62	24.94	235.97	5,372.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-0.44	(9.51)	(21.66)	(185.44)	(217.04)
Total	**5,076.36**	**17.29**	**8.11**	**3.28**	**50.53**	**5,155.58**
(iv) Disputed Trade Receivables considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables – credit impaired						
Total Trade Receivables	**5,076.36**	**17.29**	**8.11**	**3.28**	**50.53**	**5,155.58**

2022-23

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,595.88	57.02	48.27	31.30	309.06	4,041.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	(0.66)	(0.79)	(33.50)	(29.15)	(252.69)	(316.79)
Total	**3,595.22**	**56.23**	**14.77**	**2.15**	**56.38**	**3,724.74**
(iv) Disputed Trade Receivables considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total Trade Receivables	**3,595.22**	**56.23**	**14.77**	**2.15**	**56.38**	**3,724.74**

Note no. 6 - Loans

Rupees Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Non current</u>		
Security deposits		
– Unsecured, considered good	**162.27**	136.50
Total	**162.27**	136.50

Note no. 7 - Deferred tax liability (Net)

Rupees Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability:		
<u>Recognised in other comprehensive income:</u>		
(i) Defined benefit obligations	**10.50**	5.70
(ii) Fair value of Investment in Smartshift Logistics Services Pvt Ltd	**(2,910.33)**	(2,910.33)
Total	**(2,899.83)**	(2,904.63)
Deferred tax asset:		
(i) Property, plant and equipment	**4.90**	5.33
(ii) Defined benefit obligations/Leave	**(8.86)**	1.21
(iii) Provision for doubtful debt	**54.62**	79.73
(iv) Provision for warranty	**5.28**	4.30
(v) Discounting of security deposit	**4.46**	1.27
(vi) Deferred revenue	**–**	–
(vii) Provision for material buy back	**5.95**	27.13
(viii) Difference in ROU and Lease Liability	**12.22**	
(ix) Outstanding MSME laibility disallowed	**0.16**	
(x) Financial asset at Fair value through profit and loss (FVTPL)	**(30.94)**	(26.30)
Total	**47.79**	92.67
Net deferred tax Liability	**(2,852.04)**	(2,811.96)

Movement of deferred tax

Particular	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
As at March 31, 2024				
<u>Deferred tax (liabilities)/assets in relation to</u>				
(i) Defined benefit obligations-gratuity	**6.91**	**(10.07)**	**4.80**	**1.64**
(ii) Fair value of Investment in Resfeber	**(2,910.33)**	**–**	**–**	**(2,910.33)**
(i) Property, plant and equipment	**5.33**	**(0.43)**		**4.90**
(iii) Provision for doubtful debt	**79.73**	**(25.11)**		**54.62**
(iv) Provision for warranty	**4.30**	**0.98**		**5.28**
(v) Discounting of security deposit	**1.27**	**3.19**		**4.46**
(vi) Deferred revenue	**–**	**–**		**–**
(vii) Provision for material buy back	**27.13**	**(21.18)**		**5.95**
(viii) Difference in ROU and Lease Liability	**–**	**12.22**		**12.22**
(ix) Outstanding MSME laibility disallowed	**–**	**0.16**		**0.16**
(x) Financial asset at Fair value through profit and loss (FVTPL)	**(26.30)**	**(4.64)**		**(30.94)**
	(2,811.96)	**(44.89)**	**4.80**	**(2,852.04)**
As at March 31, 2023				
<u>Deferred tax (liabilities)/assets in relation to</u>				
(i) Defined benefit obligations-gratuity	**4.93**	**1.80**	**(0.18)**	**6.91**
(ii) Fair value of Investment in Resfeber	**(2,910.33)**	**–**	**–**	**(2,910.33)**
(iii) Property, plant and equipment	**5.37**	**(0.04)**		**5.33**
(iv) Provision for doubtful debt	**116.32**	**(36.59)**		**79.73**
(v) Provision for warranty	**5.76**	**(1.46)**		**4.30**
(vi) Discounting of security deposit	**0.42**	**0.85**		**1.27**
(vii) Deferred revenue	**–**	**–**		**–**
(viii) Provision for material buy back	**75.17**	**(48.04)**		**27.13**
(ix) Financial asset at Fair value through profit and loss (FVTPL)	**(5.91)**	**(20.39)**		**(26.30)**
	(2,708.27)	**(103.87)**	**(0.18)**	**(2,811.96)**

Note no. 8 - Non Current tax assets (net)

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
Tax refund receivable	**206.51**	419.77
Balances with Income Tax Authorities	**139.73**	139.73
Total	**346.24**	559.50

Note no. 9 - Other non-current assets

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Prepayments	**–**	–
(b) Others:		
(i) Balances with government authorities		
– VAT credit receivable	**16.57**	155.13
(ii) Fixed deposits with maturity more than 12 months	**925.00**	4,594.00
(c) Others assets		
Total	**941.57**	4,749.13

Note no. 10 - Inventories

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-trade (in respect of goods acquired for trading) (lower of cost and net realisable value)	**5,074.55**	5,179.65
Total	**5,074.55**	5,179.65
Included above, goods-in-transit:		
Stock-in-trade (in respect of goods acquired for trading)	**29.36**	13.63
Total goods-in-transit	**29.36**	13.63

Note no. 11 - Cash and cash equivalents

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
(a) Unrestricted balances with banks		
- With scheduled banks		
In current account	**180.11**	83.23
Total cash and cash equivalents	**180.11**	83.23
Other bank balances		
Balances with banks:		
(i) Fixed deposits with maturity less than 12 months	**9,450.14**	4,539.77
Total other bank balances	**9,450.14**	4,539.77

Note no. 12 - Other financial assets

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Current		
Interest accrued on fixed deposits & inter corporate deposit	**520.65**	188.55
Total	**520.65**	188.55

Note no. 13 - Other current assets

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Prepayments	**7.16**	7.85
(b) Balances with government authorities:		
(i) Income Tax Authorities	**–**	(0.18)
(ii) GST Authorities	**5.82**	8.25
	5.82	8.07
(c) Others:		
(i) Advance to suppliers	**40.85**	74.01
(ii) Gratuity (net)	**12.04**	–
	52.89	74.01
Total	**65.87**	89.93

Note no. 14(A) - Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised:		
975,000,000,000 equity shares of Rs 0.02/- each. As per scheme of merger	**195,000.00**	195,000.00
Issued, subscribed and fully paid:		
2,998,389,216 Equity shares of Rs 0.02/- each with voting rights	**599.68**	599.68
Share issuance according to merger:		
4,668,478,380 Equity shares of Rs 0.02/- each with voting rights	**7,682.70**	7,682.70

Note no. 14(B) - Equity share capital

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with voting rights			
MTWL March 31, 2023			
No. of shares	41,41,18,90,946	–	41,41,18,90,946
Amount (Rupees Lakhs)	8,282.38	–	8,282.38

(ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 0.02 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting (AGM), except in the case of interim dividend which is ratified by the shareholders at the AGM.

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

(iii) Details of shares held by the holding company & its nominees

Particulars	No. of Shares Equity Shares with Voting rights
MTWL March 31, 2024	
Mahindra & Mahindra Limited (Holding Company) and its nominees	41,41,18,90,946

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

Class of shares/Name of shareholder	MTWL March 31, 2024 Number of shares held	% holding in that class of shares	% Change during the year
Equity shares with voting rights			
Mahindra & Mahindra Limited (Holding Company) and its nominees	41,41,18,90,946	100.00%	0.45%

Note no. 15 - Other equity

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings	**7,836.85**	6,450.05
Other comprehensive income	**8,701.89**	8,678.00
	16,538.74	15,128.05
a) Securities premium account:		
Balance at the beginning of the year	**144.31**	144.31
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**144.31**	144.31
b) Capital Reserve:		
Balance at the beginning of the year	**550.91**	550.91
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**550.91**	550.91

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Retained earnings		
Adjustment in accordance with scheme of merger arrangement		
Balance at the beginning of the year	**6,450.05**	5,132.91
Deferred tax assets on MADPL Investment		
Add: Profit for the year	**6,069.77**	4,682.62
Less : Share issue expenses	**–**	–
Less: Payment of dividend (Refer note below)	**(4,682.97)**	(3,365.48)
Less: Tax paid on dividend	**–**	–
Closing Balance	**7,836.85**	6,450.05
b) Other comprehensive income		
Balance at the beginning of the year	**8,678.00**	8,677.11
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**19.09**	0.71
Income tax relating to defined benefit plans	**4.80**	0.18
Share of other comprehensive income of equity accounted investees	**–**	–
Income tax relating to equity accounted investees	**–**	–
Closing Balance	**8,701.89**	8,678.00

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
c) Securities premium resrerve		
Balance at the beginning of the year	**144.31**	144.31
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**144.31**	144.31
d) Capital reserve		
Balance at the beginning of the year	**550.91**	550.91
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**550.91**	550.91
Total other equity (a+b+c+d)	**17,233.96**	15,823.27

Note no. 16 - Provisions

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits		
Long-term employee benefits		
a) Compensated absences	**13.58**	19.93
b) Gratuity (net)	**–**	–
c) Others	**5.60**	15.08
Total	**19.18**	35.01

Note no. 16 A- Lease liabilities

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Liability for purchase of property, plant & equipment	**367.89**	644.98
(As per IND AS-116)		
Total	**367.89**	644.98

Note no. 17 - Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
(a) Provision for employee benefits		
(1) Short-term employee benefits		
– Compensated absences	**4.97**	5.75
– Gratuity (net)	**–**	1.79
(b) Other provisions		
(1) Warranty claims (Refer note no 38)	**20.97**	17.10
(2) Other Provisions for Statutory Liabilities	**–**	–
Total	**25.94**	24.64

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims.

The estimate for accounting of warranty are reviewed and revisions are made as required.

Note no. 18 - Trade payables

Rupees in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
Current			
(i)	Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 35)	**235.09**	332.15
(ii)	Total outstanding dues other than micro enterprises and small enterprises	**7,138.84**	7,094.07
Total		**7,373.93**	7,426.22

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 29.

	2023-24 Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	235.09	–	–	–	235.09
(ii) Others	6,251.28	456.21	298.04	133.30	7,138.84
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total Trade Payables	**6,486.37**	**456.21**	**298.04**	**133.30**	**7,373.93**

	2022-23 Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	332.15	–	–	–	332.15
(ii) Others	6,643.62	448.16	2.19	0.10	7,094.07
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total Trade Payables	**6,975.77**	**448.16**	**2.19**	**0.10**	**7,426.22**

Note no. 19 - Other financial liabilities

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial liabilities at amortised cost		
Current		
Trade/Security Deposits	**–**	–
Interest accrued on trade payables		
Liability for purchase of property, plant & equipment	**609.31**	555.36
Total	**609.31**	555.36

Note no. 20 - Other current liabilities

Rupees in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
a.	Advances received from customers	**755.49**	611.46
b.	Others		
	– Statutory dues (Excise duty, service tax, sales tax, TDS etc.)	**337.16**	287.00
Total		**1,092.65**	898.46

Note no. 21 - Revenue from operations

Rupees in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Revenue from sale of products	**37,156.58**	34,065.85
(b)	Other operating revenue		
	– Sale of scrap	**30.06**	84.50
Total		**37,186.64**	34,150.35

Note no. 22 - Other income

Rupees in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Interest income		
	On financial assets at amortised cost	**616.09**	359.03
	Inter corporate deposited cost	**41.59**	83.90
(b)	Net gain/loss on sale of investments (current)	**113.81**	96.93
(c)	Miscellaneous income	**185.03**	160.02
Total		**956.52**	699.88

Note no. 23(A) - Purchases of stock-in-trade

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Bought out spares	**22,903.91**	21,632.93
Total	**22,903.91**	21,632.93

Note no. 23(B) - Changes in inventories of stock-in-trade

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories at the beginning of the year:		
Stock-in-trade	**5,179.65**	5,436.16
	5,179.65	5,436.16
Inventories at the end of the year:		
Stock-in-trade	**5,074.55**	5,179.65
	5,074.55	5,179.65
Net (increase)	**105.10**	256.51

Note no. 24 - Employee benefit expense

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Salaries and wages	**335.80**	356.33
(b) Contribution to provident and other funds	**15.36**	15.00
(c) Share based payments		
Equity-settled share-based payments*	**–**	0.43
(d) Staff welfare expenses	**16.05**	6.08
Total	**367.21**	377.84

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

Note no. 25 - Finance cost

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Interest expense		
– Interest on Lease Liability	**86.63**	91.02
– Interest on delayed payment of Income Tax		
– Interest on trade payables (MSME)	**2.84**	2.03
(b) Others	**1.28**	1.16
Total	**90.75**	94.21

Analysis of interest expenses by category

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Expenses		
(a) On financial liability at amortised cost	**2.84**	2.03
(b) Other interest expenses	**87.91**	92.18

Note no. 26 - Other expenses

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Rent including lease rentals	**–**	44.41
(b) Rates and taxes	**7.22**	7.74
(c) Insurance	**45.25**	30.40
(d) Repairs and maintenance - others	**23.04**	16.23
(e) Freight outward	**1,779.37**	1,881.47
(f) Advertisement & sales promotion expenses	**48.06**	24.09
(g) Travelling and conveyance expenses	**15.83**	15.20
(h) Subcontracting, hire and service charges	**3,584.34**	3,039.78
(i) CSR Expenditure	**100.11**	92.22
(j) Warranty	**31.44**	13.14
(k) Provision for doubtful trade receivables	**(99.74)**	(144.68)
(m) Bad Debts written off	**83.14**	195.22
(l) Auditors remuneration and out-of-pocket expenses		
(i) As auditors	**12.60**	12.60
(ii) For other services	**3.00**	3.00
(iii) For reimbursement of expenses	**0.56**	0.75
(m) Legal and other professional costs	**124.18**	81.83
(n) Royalty	**6.02**	5.31
(o) Packing Expenses	**–**	4.44
(p) Foreign exchange loss (Net)	**3.16**	13.12
(q) Miscellaneous expenses	**57.17**	45.74
Total	**5,824.75**	5,382.01

Note no. 27 - Tax expense

Income tax expense

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax		
Current income tax charge	**2,042.52**	1,671.43
Deferred tax		
In respect of current year origination and reversal of temporary differences	**44.89**	103.87
Total Tax Expense recognised in the statement of profit and loss	**2,087.41**	1,775.30

Numerical Reconciliation between average effective tax rate and applicable tax rate :

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
	Amount	Amount
Profit Before tax from Continuing Operations	**8,157.18**	6,457.92
Enacted Tax Rate	**25.17%**	25.17%
Income Tax using the Company's domestic Tax rate #	**2,053.00**	1,625.33

Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Effect of Non deductible Expenses including CSR expenses and MSMED Interest	**44.66**	111.03
Others	**(10.25)**	38.94
Income Tax recognised in statement of profit and loss from Continuing Operations (Effective Tax Rate)	**2,087.41**	1,775.30

Tax rate considered are as per the tax rates applicable for relevant Assessment Year.

Note no. 28 - Earning per share

Particulars	As at March 31, 2024	As at March 31, 2023
Profit for the year attributable to owners of the Company	**6,069.77**	4,682.62
Weighted average number of equity shares	**41,41,18,90,946**	41,41,18,90,946
Earnings per share from continuing operations - Basic & diluted (face value of Rs.0.20 per share)	**0.01**	0.01

Note no. 29 - Financial instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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

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

	As at March 31, 2024	As at March 31, 2023
Equity	**25,516.34**	24,105.65
Less: Cash and cash equivalents	**180.11**	83.23
	25,336.23	24,022.42

Categories of financial assets and financial liabilities

Rupees in Lakhs

	As at March 31, 2024				As at March 31, 2023			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets								
Investments	**–**	**–**	**13,491.27**	**13,491.27**	**–**	–	13,491.27	13,491.27
Trade Receivables	**–**	**–**	**–**	**–**	**–**	–	–	–
Loans	**162.27**	**–**	**–**	**162.27**	**136.50**	–	–	136.50
Current Assets								
Investments	**–**	**1,512.69**	**–**	**1,512.69**	**–**	2,570.18	–	2,570.18
Trade Receivables	**5,155.58**	**–**	**–**	**5,155.58**	**3,724.74**	–	–	3,724.74
Cash and cash equivalents	**180.11**	**–**	**–**	**180.11**	**83.23**	–	–	83.23
Bank Balances	**9,450.14**	**–**	**–**	**9,450.14**	**4,539.77**	–	–	4,539.77
Other Financial Assets	**520.65**	**–**	**–**	**520.65**	**188.55**	–	–	188.55
Current Liabilities								
Trade Payables	**7,373.93**	**–**	**–**	**7,373.93**	**7,426.22**	–	–	7,426.22
Other Financial Liabilities								
– Non Derivative Financial Liabilities	**609.31**	**–**	**–**	**609.31**	**555.36**	–	–	555.36
– Derivative Financial Liabilities	**–**	**–**	**–**	**–**	**–**	–	–	–

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company . The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management as and when required. The Company does not have significant credit risk exposure to any single counterparty.

The loss allowance provision is determined as follows:

As at March 31, 2024 — **Rupees in Lakhs**

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0%**	**0%**	**78%**	**4%**
Gross carrying amount	**4,862.12**	**232.03**	**278.47**	**5,372.62**
Loss allowance provision	**–**	**0.44**	**216.61**	**217.04**

3 years Average (F24, F23, F22) — **Rupees in Lakhs**

Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	0%	0%	64%	7%
Gross carrying amount (Average)	3,501.02	254.60	444.00	4,199.62
Loss allowance provision (Average)	0.02	0.20	283.21	283.43

Reconciliation of loss allowance provision for Trade Receivables

Rupees in Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Balance as at beginning of the year	**316.79**	461.47
Impairment losses recognised in the year based on lifetime expected credit losses (Net of Recovery)	**(99.75)**	(144.68)
Balance at end of the year	**217.04**	316.79

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rupees in Lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
March 31, 2024				
Non-interest bearing	7,983.24			
Total	**7,983.24**	**–**	**–**	**–**
March 31, 2023				
Non-interest bearing	7,981.58	–	–	–
Total	**7,981.58**	**–**	**–**	**–**

(iii) Maturities of financial assets

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

Rupees in Lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**5 years and above**
March 31, 2024				
Non-interest bearing	**6,848.38**	**–**	**–**	**–**
(i) Investments	**1,512.69**	**–**	**–**	**–**
(ii) Trade receivables	**5,155.58**	**–**	**–**	**–**
(iii) Cash and cash equivalents	**180.11**	**–**	**–**	**–**
(iv) Loans		**–**	**–**	**–**

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 years and above
Fixed interest rate instruments	**9,970.79**	**925.00**	**–**	**–**
(i) Investments	**–**	**–**	**–**	**–**
(ii) Fixed deposits with banks	**9,450.14**	**925.00**	**–**	**–**
(iii) Interest accrued but not received	**520.65**	**–**	**–**	**–**
(iv) Loans				
Total	**16,819.17**	**925.00**	**–**	**–**
March 31, 2023				
Non-interest bearing	6,378.15	–	–	–
(i) Investments	2,570.18	–	–	–
(ii) Trade receivables	3,724.74	–	–	–
(iii) Cash and cash equivalents	83.23	–	–	–
(iv) Loans		–	–	–
Fixed interest rate instruments	4,728.32	4,594.00	–	–
Total	11,106.47	4,594.00	–	–

Currency Risk

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

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

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade Receivables	USD	**–**	331.65
	INR (Rupees Lakhs)	**–**	0.12
	EUR	**–**	–
	INR (Rupees Lakhs)	**–**	–
Trade Payables	USD	**2,75,862.67**	1,980.00
	INR (Rupees Lakhs)	**229.97**	1.63
	EUR	**36,582.12**	1,02,914.04
	INR (Rupees Lakhs)	**32.87**	92.27

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

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade Receivables	USD	**–**	331.65
	INR (Rupees Lakhs)	**–**	0.12
	EUR	**–**	–
	INR (Rupees Lakhs)	**–**	–
Trade Payables	USD	**2,75,862.67**	1,980.00
	INR (Rupees Lakhs)	**229.97**	1.63
	EUR	**36,582.12**	1,02,914.04
	INR (Rupees Lakhs)	**32.87**	92.27

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

Rupees in Lakhs

For the year ended	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2024	**USD/EURO**	**+10%**	**(26.28)**	**(26.28)**
	USD/EURO	**-10%**	**26.28**	**26.28**
March 31, 2023	USD/EURO	+10%	(3.88)	(3.88)
	USD/EURO	-10%	3.88	3.88

Note no. 30 - Fair value measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rupees in Lakhs

Financial assets/financial liabilities measured at Fair value	Fair value as at 31-Mar-24	Fair value as at 31-Mar-23	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial assets						
Mutual fund investments	1,512.69	2,570.17	Level 1	Value published by the respective Asset Management Company which is available in an active market	NA	NA

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

Rupees in Lakhs

Particulars	Level	As at March 31, 2024 Carrying amount	Fair value	As at March 31, 2023 Carrying amount	Fair value
Financial assets					
Financial assets carried at amortised cost					
Security deposit	Level 3	162.27	180.00	136.50	112.55
Investments	Level 3	–	–	–	–
Trade receivables	Level 3	5,155.58	5,155.58	3,724.74	3,724.74
Cash and cash equivalents	Level 1	180.11	180.11	83.23	83.23
Bank balances	Level 1	9,450.14	9,450.14	4,539.77	4,539.77
Other financial assets	Level 3	520.65	520.65	188.55	188.55
Financial liabilities					
Financial liabilities held at amortised cost					
Trade payables	Level 3	7,373.93	7,373.93	7,426.22	7,426.22
Other financial liabilities	Level 3	609.31	609.31	555.36	555.36

Note no. 31 - Related party transactions

1. Name of related party and nature of relationship where control exists

Nature of Relationship	Name of the related party
Parent Company	Mahindra & Mahindra Limited

2. Other parties with whom transactions have taken place during the year

Nature of Relationship	Name of the related party
Fellow subsidiary	Mahindra Heavy Engines Limited
Fellow subsidiary	Mahindra Integrated Business Solutions Private Limited
Fellow subsidiary	Mahindra Defence Systems Limited
Fellow subsidiary	Mahindra Holdings Limited
Fellow subsidiary	Mahindra and Mahindra Financial Services Limited
Fellow subsidiary	Mahindra Logistics Limited
Fellow subsidiary	Lords Freight (India) Private Limited
Fellow subsidiary	NBS International Ltd.
Fellow subsidiary	Mahindra Engineering and Chemical Private Limited
Fellow subsidiary	Mahindra Retail Private Limited
Fellow subsidiary	Mahindra eMarket Limited
Fellow subsidiary	Fifth Gear Ventures Limited
JV of Holding Company	Classic Legends Private Ltd
Associate of Holding Company	Mahindra CIE Automotive Limited
KMP of the Company	Arun Malhotra
KMP of the Company	Shrikant Marathe
KMP of the Company	Mr. Niteen Sudheer Karve
KMP of the Company	Mrs. Poonam Avinash Vaze

Details of transaction between the Company and its related parties are disclosed below

			Rupees in Lakhs
Name of The Related Party	**Nature of transactions**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Mahindra & Mahindra Limited	Sale of goods	**1,208.55**	1,903.01
	Purchase of goods	**2,949.80**	2,216.41
	Receiving of services	**4,120.26**	3,225.96
	Dividend Paid	**4,661.85**	3,350.29
	Reimbursements received from parties	**16,028.10**	6.71
	Reimbursements made to parties (Note no 2)	**459.81**	574.30
Mahindra CIE Automotive Limited	Purchase of goods	**28.24**	8.35
NBS International Ltd.	Sale of goods	**12.14**	47.60
Mahindra Holdings Limited	Dividend Paid	**21.13**	15.19
Mahindra and Mahindra Financial Services Limited	Other expenses	**9.86**	10.47
Mahindra Heavy Engines Limited	Sale of goods	**6.36**	–
	Purchase of Goods	**783.07**	966.22
Classic Legends Private Ltd	Sale of services	**182.45**	184.90
Fifth Gear Ventures Limited	Purchase of services	**–**	7.08
	Sale of goods	**–**	45.29
Mahindra Integrated Business Solutions Private Limited	Receiving of services	**35.05**	30.06
Mahindra Logistics Limited	Receiving of services	**692.65**	986.61
Lords Freight (India) Private Limited	Receiving of services	**9.06**	7.30
Mahindra Defence Systems Limited	Sale of goods	**7.42**	23.22
Arun Malhotra	Director	**6.10**	5.40
Shrikant Marathe	Director	**6.10**	5.40
Mrs. Poonam Avinash Vaze	Company Secretary	**2.16**	2.54

Details of balances between the Company and its related parties are disclosed below

			Rupees in Lakhs
Name of The Related Party	**Nature of Balances**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Mahindra & Mahindra Ltd	Receivables	**2,378.84**	1,764.15
	Payables	**829.29**	560.74
Mahindra CIE Automotive Limited	Payables	**2.92**	0.27
NBS International Ltd.	Payables	**2.57**	2.65
Mahindra and Mahindra Financial Services Limited	Payables	**0.7**	
Mahindra Heavy Engines Limited	Payables	**72.2**	90.11
Mahindra eMarket Ltd	Receivables	**15.68**	15.68
Fifth Gear Ventures Limited	Payables	**3.03**	3.57
Classic Legends Private Ltd	Receivables	**21.46**	18.55
Mahindra Integrated Business Solutions Private Limited	Payables	**2.09**	0.93
Defence Land Systems India Limited	Receivables	**–**	0.36
Mahindra Logistics Limited	Payables	**120.51**	250.94
Lords Freight (India) Private Limited	Receivables	**2.44**	0.01

Notes:

1. The amount outstanding is unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in current or prior years for bad and doubtful debts in respect of the amounts owed by the related party.
2. Related party transactions for the period are at arm's length.

Note no. 32 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.7.46 Lakhs (2023: Rs.8.08 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined Benefit Plans:

Gratuity

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

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

1) Liability Risks

a. Asset-Liability Mismatch Risk-

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

b. Discount Rate Risk-

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

c. Future Salary Escalation and Inflation Risk -

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

2) Asset Risks

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

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

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

	Valuation as at 31-Mar-24	Valuation as at 31-Mar-23
Discount rate(s)	**7.20%**	7.30%
Expected rate(s) of salary increase	**9.00%**	9.00%

Defined benefit plans – as per actuarial valuation on March 31, 2024

			Rupees in Lakhs
		Funded Plan	Funded Plan
		Gratuity	Gratuity
Particulars		March 31, 2024	March 31, 2023
Ia.	**Expense recognised in the Statement of Profit and Loss for the year:**	**5.25**	4.64
1.	Current service cost	**5.12**	4.78
2.	Past Service Credit	**–**	–
3.	Interest cost	**0.13**	(0.14)

Ib.	**Included in other Comprehensive Income**	**(19.09)**	(0.71)
1.	Return on plan assets	**–**	–
2.	Actuarial (Gain)/Loss on account of :	**(19.09)**	(0.71)
-	Demographic Assumptions		
-	Financial Assumptions	**(19.09)**	(0.71)
-	Experience Adjustments		
3.	Others (specify)	**–**	–

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

a. Service Cost:		
Current Service Cost	**5.12**	4.78
Past service cost and (gains)/losses from settlements		
Net interest expense	**0.13**	(0.14)
Components of defined benefit costs recognised in profit or loss	**5.25**	4.64

b. Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amount included in net interest expense)		**–**	–
Actuarial gains and loss arising form changes in financial assumptions		**(19.09)**	(0.71)
Actuarial gains and loss arising form experience adjustments		**–**	–
Components of defined benefit costs recognised in other comprehensive income		**(19.09)**	(0.71)
Total		**(13.84)**	3.93
I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		**12.04**	(1.79)
1.	Present value of defined benefit obligation as at year end	**45.11**	56.14
2.	Fair value of plan assets as at year end	**57.15**	54.35
3.	Surplus/(Deficit)	**12.04**	(1.79)
4.	Current portion of the above	**12.04**	(1.79)
5.	Non current portion of the above		
II.	**Change in the obligation during the year ended**		
1.	Present value of defined benefit obligation at the beginning of the year	**56.14**	49.22
2.	Add/(Less) on account of Scheme of Arrangement/Business		
Transfer		**–**	–
3.	Expenses Recognised in Statement of Profit and Loss		
-	Current Service Cost	**5.12**	4.78
-	Past Service Cost	**–**	–
-	Transfer In/(Out)		
-	Interest Expense (Income)	**4.10**	3.10

Particulars	Funded Plan Gratuity March 31, 2024	Rupees in Lakhs Funded Plan Gratuity March 31, 2023
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	**(20.25)**	(0.95)
5. Benefit payments	**–**	–
6. Present value of defined benefit obligation at the end of the year	**45.11**	56.14

III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**54.35**	51.37
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		
3. Expenses Recognised in Statement of Profit and Loss		
– Expected return on plan assets	**3.97**	3.24
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**(1.16)**	(0.26)
5. Contributions by employer (including benefit payments recoverable)	**–**	–
6. Benefit payments		
7. Fair value of plan assets at the end of the year	**57.15**	54.35

IV. The Major categories of plan assets		
Fund managed by insurer	**100.00%**	100.00%

V. Actuarial assumptions		
1. Discount rate	**7.20%**	7.30%
2. Expected rate of return on plan assets	**7.30%**	6.30%
3. Attrition rate	**12.00%**	20.00%
4. Medical premium inflation	**NA**	NA

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

Rupees in Lakhs

Principal assumption	Changes in assumption	March 31, 2024 Impact on defined benefit obligation: Increase in assumption	March 31, 2024 Impact on defined benefit obligation: Decrease in assumption	March 31, 2023 Impact on defined benefit obligation: Increase in assumption	March 31, 2023 Impact on defined benefit obligation: Decrease in assumption
Discount rate	-1.00%		47.81		58.60
	1.00%	42.69		53.88	
Salary growth rate	-1.00%		43.11		54.39
	1.00%	47.31		58.01	
Withdrawal rate	-1.00%		45.37		56.32
	1.00%	44.87		55.98	

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

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

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

Age	Mortality rate
21	0.000934
22	0.000937
23	0.000936
24	0.000933
25	0.000931

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

Maturity profile of defined benefit obligation:

Particulars	March 31, 2024	March 31, 2023
Within 1 year	**10.91**	11.51
1 - 2 year	**8.39**	15.24
2 - 3 year	**4.54**	11.54
3 - 4 year	**4.71**	8.02
4 - 5 year	**9.29**	7.46
5 - 10 years	**22.73**	29.89

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2024 is as follows:

Particulars	March 31, 2024	March 31, 2023
Asset category:		
Cash and cash equivalents	**0%**	0%
Debt instruments (quoted)	**0%**	0%
Debt instruments (unquoted)	**0%**	0%
Equity instruments (quoted)	**0%**	0%
Deposits with Insurance companies	**100%**	100%
Total	**100%**	100%

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

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

Note no. 33 - Segment Reporting

The Company has single reportable business segment namely Automotive vehicles-related spare parts. All other activities of the Company revolve around its main business. Hence there are no separate reportable primary segments. The Company deals into trading of Spare parts. The Company has only one reportable geographical segment.

Geographic information	As at March 31, 2024	Rupees in Lakhs As at March 31, 2023
Revenue from external customers		
India	**37,177.40**	34,135.24
Outside India	**9.24**	15.11
Total revenue per statement of profit or loss	**37,186.64**	34,150.35

All the non-current assets of the Company are located in India.

Revenue from major products and services

The following is an analysis of the company's revenue from its major products and services:

		Rupees in Lakhs
Particulars	**As at March 31, 2024**	As at March 31, 2023
Sale of spares	37,186.64	34,150.35
Total	37,186.64	34,150.35

Revenues from transactions with a single external customer does not amounts to 10% or more of a Company's revenues during the year.

Since there is single segment there is no difference in measurement of profit & loss and measurement of assets and liabilities.

Note No. 34 - INDAS 116

	Rupees in Lakhs
Maturity Analysis - Contractual Undiscounted Cash Flow	**Total**
Less than one year	661.28
One to Three years	378.93
Three to five years	–
More than five years	
Total undiscounted lease liabilities at Balance sheet date	
later than one year and not later than five years	378.93
later than five years	

Note No. 35 : Transaction with Struck off

				Rupees in Lakhs
Name of struck of Company	**Receivable**	**Payable**	**Other Outstanding Balances Assets**	**Other Outstanding Balances Liabilities**
Sanwaliya Motors Pvt. Ltd.	–	–	–	0.25
Vardhman Motors Pvt. Ltd.	1.08		–	–
Mud Flap Technologies Pvt. Ltd.	–	–	–	0.10

Note: The above information is provided on basis of reasonable diligence done to ascertain relevant companies that have been struck off on the website of the Ministry of Company Affairs.

Note No. 36 : Ratios

						Rupees in Lakhs
Particulars	**Numerator**	**Denominator**	**As at March 31, 2024**	**As at March 31, 2023**	**Variance**	**Reasons**
Current Ratio	Current Assets	Current Liabilities	2.41	1.85	30%	
Debt-Equity Ratio	Total Liabilities	Shareholder's Equity	–	–		
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	–	–		
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Shareholder's Equity	0.24	0.19	22%	On account of increase in revenue from operations
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.49	4.12	9%	On account of higher/increase in operations during the end of the year.
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	8.38	10.63	-21%	
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	3.11	3.35	-7%	
Net capital turnover ratio	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	2.89	4.49	-36%	
Net profit ratio	Net Profit before Tax	Net sales = Total sales - sales return	0.22	0.19	16%	On account of increase in operations
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	0.29	0.24	21%	On account of increase in operations
Return on investment	Interest (Finance Income)	Current Investment	0.06	0.04	28%	Better returns due to market conditions

Note no. 37 - Additional Information to the Financial Statements

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

		Rupees in Lakhs
Particulars	**As at March 31, 2024**	As at March 31, 2023
(i) Principal amount remaining unpaid to MSME suppliers as at the end of the accounting year	**235.09**	332.15
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**2.84**	2.03
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**–**	0.36
(iv) The amount of interest due and payable for the year	**2.84**	2.03
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**7.68**	4.84
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**–**	–

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

Note no. 38 - Provision for Warranty:

		Rupees in Lakhs
Particulars	**As at March 31, 2024**	As at March 31, 2023
Carrying Amount at the beginning of the year	**17.10**	22.88
Add: Additional Provision made during the year (net of reversal)	**31.44**	12.22
Less: Amounts Used during the year	**(27.57)**	(18.00)
Carrying Amounts at the end of the year	**20.97**	17.10

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits

Provision for warranty relates to provision made in respect of certain products, the estimated costs of which is accrued at the time of sale. The products are generally covered under warranty period ranging upto 6 months or 20,000 kms. from the date of fitment, which ever is earlier.

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims.

The estimate for accounting of warranty are reviewed and revisions are made as required.

Note no. 39 - Auditors' remuneration

		Rupees in Lakhs
Particulars	**As at March 31, 2024**	As at March 31, 2023
Audit fees	**12.60**	12.60
Other services	**3.00**	3.00
Out of pocket expenses reimbursed	**0.56**	0.75
Total	**16.16**	16.35

Note no. 40 - Contingent Liability

		Rupees in Lakhs
	As at March 31, 2024	As at March 31, 2023
Particulars As at March 31, 2024	**–**	–
Claims against the company not acknowledged as debt:	**–**	–
(i) Income Tax claims disputed by the company relating to disallowance of sales and promotion expenses ,depreciation and other disalllwance	**464.62**	464.62
	–	–

Note no. 41 - Events after the reporting period

No material events have occurred after the balance sheet date and upto the approval of financial statements by board of directors.

Annual accounts were approved on 23.04.24 by the board of directors.

Note no. 42 - Earnings in foreign exchange

		Rupees in Lakhs
Particulars	**As at March 31, 2024**	As at March 31, 2023
FOB Value of exports	**9.24**	71.16
Total	**9.24**	71.16

Note no. 43 - Employee stock option

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

The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under Parent's ESOP scheme vests in 4/5 instalments on expiry of 12 months, 24 months, 36 months, 48 months and 60 months from the date of grant. The options may be exercised subject to condition of minimum number of option vesting, on specified day over a period of 4/5 years from the date of vesting. Such ESOP expense in respect of employees of the Company is charged by the holding Company over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge is recognised as share based payment expenses under Employee Benefit Expenses.

Note No. 44-Statement showing disclosure for CSR expense

			Rupees in Lakhs
	Particulars	**As at March 31, 2024**	As at March 31, 2023
(i)	Amount required to be spent by the company during the year	**99.15**	91.92
(ii)	Amount of expenditure incurred	**100.11**	92.22
(iii)	Shortfall at the end of the year	**–**	–
(iv)	Total of previous years shortfall	**–**	–
(v)	Reason for shortfall	**NA**	NA
(vi)	Nature of CSR activities	**1. Education of girl child of truck drivers.**	1. Education of girl child of truck drivers.
		2. Education of Girl Child (Nanhi Kali)	2. Education of Girl Child (Nanhi Kali)
		NA	NA
(vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	**NA**	NA
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**–**	–

Note no. 45 -

Pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, at its Meeting held on 4th August, 2023, approved the merger of the Company, a wholly owned subsidiary of Mahindra & Mahindra Limited ("M&M "or "Transferee Company"), with M&M with Appointed Date as 1st April, 2023 as per the Scheme of Merger by Absorption of the Company, Mahindra Heavy Engines Limited and Trringo.com Limited with M&M ("Scheme"). An application for approving the Scheme has been filed with the Hon'ble National Company Law Tribunal, Mumbai Bench for its approval.

Note no. 46 -

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

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
M. No.125657

Place: Pune
Date: April 23, 2024

For and on behalf of the Board of Directors

Nasir Deshmukh
CEO & Wholetime Director
DIN 10354362

Vinod Sahay
Director
DIN 07884268

Niteen Karve
Chief Financial Officer

Poonam Vaze
Company Secretary
ACS: 19158

Place: Mumbai
Date: April 23, 2024

THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AT 31 MARCH 2024

PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE 39/2010

TO THE SHAREHOLDER OF MAHINDRA EUROPE S.R.L.

Report on the audit of the financial statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Europe S.r.l. ("the Company"), which comprises the Balance Sheet as at March 31st, 2024, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended.

In our opinion, the annual Financial Statements at 31 March 2024 comply with the provisions which discipline the criteria for the drafting of the same; they have been drawn up clearly and give a true and correct representation of the Company's equity and financial situation and economic result.

Basis of opinion

We carried out the audit in accordance with international auditing standards (ISA Italy). Our responsibilities under these standards are further described in the Responsibilities of the independent auditors for auditing the financial statements section of this report. We are independent of the Company in accordance with the rules and principles in matters of ethics and independence applicable in the Italian legal system to the auditing of balance. We believe that we have obtained sufficient appropriate audit evidence upon which to base our opinion.

Disclosure reminders

The automotive market, as set out in the Explanatory Note to which reference is made, continues to experience a significant change linked to European legislation which continues to favor engines that use renewable energy over traditional fuels. In this context, the Company had communicated to the sales network, made up of distributors and dealers, the termination of the commercial relationships with 24 months' notice which expired during the current financial year. The Company motivated this decision with the need to modify its business model in relation to the changed market conditions, favoring the large fleet and rental segment. From the information collected, the Company will continue to support customer needs as required by European and national legislation, therefore, through adequate support from the Shareholder and with the confirmation of existing credit lines, it is possible to maintain the assumption of business continuity even in this particular moment of transition.

Responsibility of the Directors and of the Statutory auditor for the financial statements

The Directors are responsible for preparing the financial statements that provide a true and fair view in compliance with the Italian regulations governing the accounting criteria, preparation and, within the terms established by law, for that part of the internal control they deem necessary to enable the preparation of financial statements that do not contain material errors due to fraud or unintentional behavior or events. The Directors are responsible for assessing the Company's ability to continue operate as a going concern and, in preparing the financial statements, for the appropriateness of the use of the going concern assumption, as well as for an adequate information on the subject. The Directors use the going concern assumption in preparing the financial statements unless they have assessed that the conditions exist for the liquidation of the Company or for the interruption of the activity or they have no realistic alternatives to such choices.

The Statutory auditor is responsible for supervising, within the terms established by law, the process of preparing the Company's financial information.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to acquire reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and to issue an audit report that includes our opinion. Reasonable certainty means a high level of certainty which, however, does not provide the guarantee that an audit carried out in accordance with international auditing standards (ISA Italy) will always identify a significant error, if any. Errors may derive from fraud or from unintentional behavior or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions taken by users on the basis of the financial statements. As part of the audit performed in accordance with international auditing standards (ISA Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the audit. Furthermore,

- we have identified and assessed the risks of significant errors in the financial statements, due to fraud or unintentional behavior or events; we have designed and performed audit procedures in response to these risks; we have obtained sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional behavior or events, as fraud may involve the existence of collusion, forgery, intentional omissions, misrepresentations or overrides of internal control;
- we have acquired an understanding of the internal control relevant for the purposes of the audit in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the Company's internal control;

- we have reached a conclusion on the appropriateness of the use by the directors of the going concern assumption and, based on the audit evidence obtained, on the possible existence of a significant uncertainty regarding events or circumstances that may give rise to significant doubts on the ability of the Company to continue to operate as a going concern. In the presence of a material uncertainty, we are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to reflect this circumstance in the formulation of our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may cause the Company to cease to operate as a going concern;
- we have evaluated the presentation, structure and content of the financial statements as a whole, including the information, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

We have communicated to those charged with governance, identified at an appropriate level as required by the Italy ISAs, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control identified in the course of the audit.

Report on other laws and regulations

Judgment pursuant to art. 14, paragraph 2, letter e), of Legislative Decree 39/2010

The Directors of Mahindra Europe S.r.l. are responsible for preparing the management report of Mahindra Europe S.r.l. as at 31 March 2024, including its consistency with the related financial statements and its compliance with the law. We have carried out the procedures indicated in the auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the management report with the financial statements of Mahindra Europe S.r.l. as at 31 March 2024 and on its compliance with the law, as well as to issue a statement on any material misstatements.

In our opinion, the management report is consistent with the financial statements of Mahindra Europe S.r.l. as at 31 March 2024 and is drawn up in compliance with the law. With reference to the declaration referred to in Article 14, paragraph 2, letter e), of Legislative Decree 39/2010, issued on the basis of the knowledge and understanding of the company and the related context acquired during the auditing activity, we have nothing to report.

Roberto Mallardo
RB AUDIT Italia - Audit Partner
(Registration n. 135061)

Rome, May 15th 2024

Financial statement as on 31/03/2024

Balance Sheet	3/31/2024		3/31/2023	
	Euro	**INR/Lakhs**	Euro	INR/Lakhs
Assets				
A) Accounts receivable from shareholders in respect of unpaid share capital	**0**	**0.00**	0	0.00
B) Fixed assets				
I. Intangible assets				
3) Industrial patents & intellectual property rights	**0**	**0.00**	0	0.00
7) Others	**2,800**	**2.53**	3,882	3.50
Total I	**2,800**	**2.53**	3,882	3.50
II. Tangible assets				
2) Plant & Machinery	**19,291**	**17.41**	23,962	21.62
3) Industrial & commercial equipment	**543**	**0.49**	179	0.16
4) Other Assets	**41,992**	**37.89**	82,607	74.54
Total II	**61,826**	**55.79**	106,748	96.32
III. Financial assets				
1) Equity investments in other companies	**262**	**0.24**	262	0.24
2) Receivables				
d) Other companies due beyond 12 months	**10,555**	**9.52**	10,555	9.52
Total III	**10,817**	**9.76**	10,817	9.76
Total fixed assets	**75,443**	**68.08**	1,21,447	109.59
C) Current assets				
I. Stock				
4) Finished goods	**7,022,719**	**6,336.99**	6,076,966	5,483.58
5) Advance	**0**	**0.00**	0	0.00
Total I	**7,022,719**	**6,336.99**	6,076,966	5,483.58
II. Accounts receivable				
1) Trade within 12 months	**7,07,162**	**638.11**	13,70,215	1,236.42
4) Parent Company within 12 months	**15,319**	**13.82**	87,414	78.88
4-bis) Tax receivables within 12 months	**23,459**	**21.17**	44,217	39.90
4-ter) Deferred Tax assets within 12 months	**0**	**0.00**	1,52,608	137.71
5) Others				
due within 12 months	**30,766**	**27.76**	826	0.75
due beyond 12 months	**48,387**	**43.66**	48,387	43.66
Total II	**8,25,093**	**745**	1,703,667	1,537
III. Financial assets other than fixed assets				
IV. Liquid assets				
1) Bank & Post office deposit	**828,966**	**748.02**	6,26,204	565.06
2) Bank cheque	**0**	**0.00**	0	0.00
3) Cash on hand	**3,534**	**3.19**	5,330	4.81
Total IV	**832,500**	**751.21**	631,534	569.87
Total current assets	**8,680,312**	**7,832.72**	8,412,167	7,590.76
D) Accrued income and prepaid expenses				
Total accrued income and prepaid expenses	**66,714**	**60.20**	80,816	72.92
Total assets	**8,822,469**	**7,961.00**	8,614,430	7,773.27

Financial statement as on 31/03/2024 (Cont.)

		3/31/2024		3/31/2023	
		Euro	**INR/Lakhs**	Euro	INR/Lakhs
Liabilities					
A)	**Shareholders' equity**				
I.	Share capital	**14,21,151**	**1,282.38**	14,21,151	1,282.38
II.	Share premium reserve				
III.	Revaluation reserve				
IV.	Legal reserve	**45,299**	**40.88**	35,041	31.62
V.	Reserve for Treasury shares				
VI.	Reserves provided for by the articles on association				
VII.	Other reserves				
	Extraordinary reserve	**1,94,904**	**175.87**	0	0.00
	Advance for share capital				
	Rounding off reserve	**(2)**		(1)	
	Reserve for social initiatives		**0.00**		0.00
VIII.	Retained earnings (loss) carry forwards	**0**	**0.00**	0	0.00
IX.	Profit (loss) for the year	**1,49,165**	**134.60**	2,05,162	185.13
	Total shareholders' equity	**18,10,517**	**1,633.73**	16,61,353	1,499.13
B)	**Provisions for liabilities and charges**				
I.	Retirement benefits & similar obligations				
II.	Taxes, including deferred				
III.	Other	**3,50,149**	**315.96**	27,863	25.14
	Total provision for liabilities & charges	**3,50,149**	**315.96**	27,863	25.14
C)	**Employees' leaving indemnity**				
	Total employees' leaving indemnity	**159,674**	**144.08**	148,613	134.10
D)	**Debt and Payables**				
4)	Banks within 12 months	**654**	**0.59**	9,04,032	815.76
7)	Trade within 12 months	**5,41,274**	**488.42**	14,31,673	1,291.88
11)	Parent Company within 12 months	**57,26,555**	**5,167.39**	40,63,707	3,666.91
12)	Tax payables within 12 months	**60,392**	**54.50**	2,00,121	180.58
13)	Social security within 12 months	**35,156**	**31.72**	19,798	17.86
14)	Other within 12 months	**1,33,171**	**120.17**	1,52,321	137.45
	Total Debt & payables	**64,97,202**	**5,862.78**	67,71,652	6,110.43
E)	**Accrued liabilities and deferred income**				
	Total accrued liabilities and deferred income	**4,927**	**4.45**	4,949	4.47
	Total shareholders' equity and liabilities	**88,22,469**	**7,961.00**	86,14,430	7,773.27

Profit and loss account

	3/31/2024 Euro	3/31/2024 INR/Lakhs	3/31/2023 Euro	3/31/2023 INR/Lakhs
A) Revenues				
1) From sales and services	**80,60,756**	**7,273.66**	1,20,30,781	10,856.04
2) Changes in stocks of work in process, semi-finished and finished products				
3) Work in progress on order				
4) Capitalised internal work in progress				
5) Other revenues and income				
a) Other revenues and income	**5,27,002**	**475.54**	3,63,053	327.60
b) Contribution on trading account				
Total revenues	**85,87,758**	**7,749.21**	1,23,93,834	11,183.64
B) Expenses				
6) Raw materials, subsidiary materials, consumables and goods	**(65,77,271)**	**(5,935.03)**	(1,25,97,522)	(11,367.44)
7) Services	**(13,15,106)**	**(1,186.69)**	(17,96,403)	(1,620.99)
8) Rent/lease	**(1,38,309)**	**(124.80)**	(1,22,386)	(110.44)
9) Personnel costs				
a) salaries and wages	**(5,15,482)**	**(465.15)**	(5,20,845)	(469.99)
b) social contributions	**(1,75,157)**	**(158.05)**	(1,40,789)	(127.04)
c) employees' leaving indemnity	**(34,009)**	**(30.69)**	(42,121)	(38.01)
d) accruals for pension and similar costs				
e) other costs	**(1,353)**	**(1.22)**	(1,711)	(1.54)
Total 9)	**(7,26,001)**	**(655.11)**	(7,05,466)	(636.58)
10) Depreciation and value adjustments				
a) depreciation of intangible assets	**(1,082)**	**(0.98)**	(1,518)	(1.37)
b) depreciation of tangible assets	**(38,668)**	**(34.89)**	(54,983)	(49.61)
c) other value adjustments				
d) write down of accounts receivable recorded among current assets and liquid assets	**0**	**0.00**	0	0.00
Total 10)	**(39,750)**	**(35.87)**	(56,501)	(50.98)
11) Changes in raw materials, subsidiary materials, consumables and goods	**9,45,753**	**853.40**	32,39,459	2,923.14
12) Accruals to provisions for liabilities and charges	**(3,22,286)**	**(290.82)**	0	0.00
13) Other accruals	**0**	**0.00**	0	
14) Other operating costs	**(53,682)**	**(48.44)**	(59,846)	(54.00)
Total expenses	**(82,26,652)**	**(7,423.36)**	(1,20,98,665)	(10,917.29)
Difference between revenues and expenses (A–B)	**3,61,106**	**325.85**	2,95,169	266.35
C) Financial income and expense				
15) Income from shareholdings:				
– in controlled undertakings				
– in affiliated undertakings				
– other income		**0.00**		0.00
Total 15)	**0**	**0.00**	0	0.00
16) Other financial income:				
a) from accounts receivable recorded among fixed assets				
a1) controlled undertakings				
a2) from affiliated undertakings				
a3) from controlling companies				
a4) other financial income				
b) from securities recorded among fixed assets				
c) from securities recorded among current assets				
d) other income:				
d1) from controlled undertakings				

Profit and loss account (Cont.)

	3/31/2024 Euro	3/31/2024 INR/Lakhs	3/31/2023 Euro	3/31/2023 INR/Lakhs
d2) from affiliated undertakings				
d3) from controlling companies				
d4) other income	**57**	**0.05**	94	0.08
Total d)	**57**	**0.05**	94	0.08
Total 16)	**57**	**0.05**	94	0.08
17) Interest and other financial costs:				
a) from controlled undertakings				
b) from affiliated undertakings				
c) from controlling companies				
d) others financial costs	**(1,195)**	**(1.08)**	(19,186)	(17.31)
Total 17)	**(1,195)**	**(1.08)**	(19,186)	(17.31)
17-bis) Current and deferred exchange gains and losses	**2**	**0.00**	7	0.01
Total financial income and expense	**(1,136)**	**(1.03)**	(19,085)	(17.22)
D) Value adjustments of financial assets				
18) Write-ups:				
a) of shareholdings				
b) of financial fixed assets				
c) of securities recorded among current assets				
19) Write downs:				
a) of shareholdings				
b) of financial fixed assets		**0.00**		0.00
c) of securities recorded among current assets				
Total value adjustments to financial assets	**0**	**0.00**	0	0.00
E) Extraordinary income and costs				
20) Income:				
– capital gains on disposals of assets				
– other extraordinary income	**0**	**0.00**	0	0.00
Total 20)	**0**	**0.00**	0	0.00
21) Expenses:				
– losses on disposals of assets	**0**	**0.00**	0	0.00
– taxes of previous years		**0.00**	0	0.00
– other extraordinary costs	**0**	**0.00**	0	0.00
Total 21)	**0**	**0.00**	0	0.00
Total extraordinary income and costs	**0**	**0.00**	0	0.00
Result before taxes (A–B±C±D±E)	**359,970**	**324.82**	276,084	249.13
20) Taxes on the income for the year				
a) Current business year taxes	**(60,615)**	**(54.70)**	(23,062)	(20.81)
b) Taxes on last business year	**2,418**	**2.18**		0.00
c) Deferred tax liabilities and (assets)	**(1,52,608)**	**(137.71)**	(47,860)	(43.19)
23) Profit (loss) of the year	**1,49,165**	**134.60**	2,05,162	185.13

“EURO amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 90.2355 = Euro 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2024”.

A lakh is a unit in the Indian numering system equal to one hundred thousand (100.000).

This Financial Statement is in agreement with results of accountant records.

For The Board of Directors:

Sachin Arolkar

Chairman

Mumbai, 22nd April 2024

Notes to the financial statements at 31/03/2024

Indian Rupees at the exchange rate of INR 90,23 = Eur 1

A lakh is a unit in the Indian numeric system equivalent to one hundred thousand (100.000).

Introduction

Dear Quotaholder,

The financial statements for the fiscal year ended 31/03/2024 is submitted for your verification and approval. The fiscal year FY2024 ended with a profit equal to Euro 149.165 / INR 134,60 Lakhs, net of taxes and after amortization and depreciation for a total of Euro 39.750 / INR 35,87 and provisions for liabilities for a total of Euro 322.286 / INR 290,82 Lakhs.

Area of Business

Your company carries out its activities in the sector of distribution of motor vehicles and spare parts, as official importer of Mahindra vehicles in the European markets like Italy, Spain, & other Eastern Europe countries.

Major events occurred during the company's fiscal year

The significant events that occurred during the year are as follows:

The Company obtained the necessary type-approval extensions with related waivers from the Ministry of Transport for its entire range of vehicles, in line with the requirements of the applicable regulations. The Company obtained the renewal of the existing credit lines with Intesa Sanpaolo and Bank of America Merrill Lynch. The credit lines are mainly used to finance the import of vehicles and spare parts and to finance short-term cash flow. All credit lines are settled at market conditions and guarantee the Company adequate financial resources to run its business. The Company has renewed its agreement with Fiditalia to offer its customers retail financing options to support the sales of vehicles. During the financial year, the Company managed trade credit through the factoring company Ifitalia of the BNP Paribas Group.

The automobile market continues to experience a significant change linked to emerging European market preferences which continues to favor vehicles that use renewable energy source over traditional fuels. Various studies & analysis done by major trade associations, have not yet been able to identify a single consumer preference.

The Board of Directors had approved in February 2022 to re-evaluate and re-structure the European business model of Mahindra Europe over a period of 2yrs; in response to shifting market dynamics and changes in customer preferences. As per prevailing market practice in Europe, Mahindra Europe had given a 2 years notice to dealers / distributors for the termination of the existing relationship. The notice period will be ending on 15th March,2024 for Italian dealers, 14th April, 2024 for Spanish dealers & 28th April, 2024 for distributors in Eastern Europe countries.

The economic uncertainties brought forth during the unprecedented pandemic continues to impact the European Auto industry. The impact is also evident in Mahindra Europe vehicle sales performance for the current year. Consequently, Mahindra Europe is transitioning to a new business model focused on serving fleet customers on a transactional basis, while ensuring ongoing support for our existing customers. This change reflects our strategic pivot towards a more streamlined and focused approach to meet evolving market needs and consumer preferences.

Mahindra Europe will restructure its operations, continuing to provide high-quality service and parts support through a network of authorized service centres. This initiative is part of our broader commitment to uphold and enhance customer satisfaction and support, even as we evolve our business strategies.

Currently, the activities in progress are concentrated on the distribution of the vehicles in the catalog and on assistance activities for the sales network and customers, also through the distribution of spare parts. In this context, and taking into account the ongoing restructuring, as better explained below, it is believed that the assumptions of business continuity still exist.

In Financial Year 2023 major problems arose related to the supply of energy sources and the consequent strong growth in the inflation rate in Italy and in all European countries.

All this led to difficulties for our company in the initial period of the financial year but subsequently, thanks to the constant production of the Kuv100 model and the adjustment of the sales lists, the company achieved a good result in terms of sales and profit.

The Russian-Ukrainian conflict, which broke out in the middle of Europe in February 2022, has not had a negative impact on sales for our company and your company has not carried out activities in contrast with the community recommendations relating to the sanctions gradually imposed to the Russian Federation.

Layout criteria

The criteria adopted for the preparation of the financial statements at 31/03/2024 take into account the changes introduced into Italian legislation by legislative decree 139/2015, through which EU Directive 2013/34 was implemented. As a result Legislative decree 139/2015 amended the Italian accounting principles issued by the Italian Accounting Body OIC (*Organismo Italiano di Contabilità*).

The financial statements have been drawn up in accordance with arts. 2423 of the Italian Civil Code, as appears from these Notes, which have been prepared pursuant to art. 2427 of the Italian Civil Code and are an integral part of the financial statements within the meaning and for the purposes of art. 2423.

Financial statement figures are expressed in whole Euro and INR/Lakhs by rounding off the relevant amounts to the nearest whole number. Any rounding-off differences were recorded under the item "INR/Lakhs Rounding-off reserve" included among the Shareholders' equity. Pursuant to article 2423(6) of the Italian civil code, the notes were drawn up in units of thousands of Euro and INR/Lakhs/ (in whole Euro and INR/Lakhs).

The explanatory note presents the information of the balance sheet and income statement items in the order in which the related items are indicated in the respective financial statements.

Valuation criteria

(article 2427(1)(1) of the Civil Code, OIC 12)

The valuation of the items in the financial statements was made based on general criteria of prudence and competence, on going-concern basis.

The application of the prudence principle involved the individual valuation of the elements making up the individual items or items of the assets or liabilities, to avoid offsetting between losses that should have been recognized and profits that should not be recognized as unrealized.

In compliance with the accrual principle, the effect of transactions and other events has been recognized and attributed to the year to which these transactions and events refer, and not to the year in which the related cash movements take place (collections and payments).

In application of the principle of relevance, the obligations regarding recognition, evaluation, presentation and disclosure were not respected when their observance had irrelevant effects in order to give a true and correct representation.

The consistent application of accounting principles over time ensures the comparability of the company's financial statements drawn up in different fiscal years.

The recognition and presentation of the balance sheet items was made taking into account the substance of the transaction or contract.

The Company has not made use of the right to exempt from the ordinary rules relating to business continuity.

Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code
(article 2423 (5) of the Civil Code)

There have been no exceptional cases that have made it necessary to resort to exceptions pursuant to art. 2423 paragraph 5 of the Civil Code.

Changes in accounting principles

The Company has not changed the accounting principles.

As regards the application of the national accounting standards OIC 15 (credits) and OIC 19 (debts), relatively the application of the amortized cost criterion and the discounting of the expected cash flow of the correspondent nominal value of the credit / debit, the company makes use of the relevant presumptions of irrelevance for credits and debts with a maturity of less than twelve months, the effects being irrelevant with respect to the results that would be obtained with the pre-reform criteria, since the sale and purchase transactions are negotiated with deferred payments at market rates and with a negligible amount of transaction costs.

Problems of comparability and adaptation

The evaluation criteria adopted in the preparation of the financial statements closed on 31/03/2024 were the same used for the preparation of the financial statements for the previous fiscal year, therefore it was not necessary to calculate the previous cumulative effect of the change in principle.

Appraisal criteria applied

(Ref. Art. 2426, first paragraph, Civil Code)

Fixed assets

Intangible assets

These have been recorded at their historical purchase cost net of the relevant yearly amortisation charged to the individual items.

The costs relating to industrial patent rights and intellectual property rights, licenses, concessions and trademarks whose effects regard several different years are depreciated over a period of 5 business years, while the costs for the approval of vehicles are amortized over a period of 3 business years.

Software licenses were recorded in the assets and are amortized over a period of 2 business years.

Improvements to third party assets are amortized with rates depending upon the duration of the contract.

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the asset is written down accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

Tangible assets

These have been recorded at their purchase cost and are adjusted by the relevant accumulated depreciation.

The book value includes any ancillary costs and the costs incurred for the use of the asset, less any trade discounts and any significant cash discounts.

The depreciation charged to profit and loss account has been calculated on the basis of the remaining useful life of the assets, taking into account their use, destination and economic-technical life, which we believe are well reflected by the following rates, unchanged compared to the previous fiscal year and halved in the year in which the asset has entered operation:

Type of Asset	**% Depreciation**
Specific Plants & Equipments	15%
Generic Systems	10%
Electronic Machines	20%
Passenger Vehicles	25%
Commercial Vehicles	20%
Office furniture & equipments	12%
Others	10%

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the fixed assets are written down accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

The company has not made use of the right to suspend the depreciation rates for the 2020 financial year provided for in Article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020.

The company has not made use of the right to revalue tangible fixed assets as required by Article 110 of Law Decree 104/2020 (converted by Law 126/2020).

Finance lease transactions

Finance lease transactions are shown in the financial statements using the net asset method, by charging the lease payments to the profit and loss account on an accruals basis. The additional information required by the law on the representation of finance lease agreements under the financial method is contained in a specific section of the notes.

The Company did not take advantage of the suspension of the payment of leasing fees as provided for in Article 56, paragraph 2, letter c), of Law Decree no. 18/2020 (converted by law no.27 of 24 April 2020), therefore the Company has not rescheduled the duration of the financial lease.

Accounts receivable

The amortised cost method was not applied since its effects are immaterial for the purpose of giving a true and fair view. Therefore, accounts receivables have been recorded at their presumed realisable value, without prejudice for the possibility to apply time discounting. The adjustment of the nominal value of receivables to the assumed realizable value is obtained through a reserve for bad debts, taking into consideration the general and industrial economic conditions and country risk.

Accounts receivable recorded in the financial statements before the fiscal year starting 1 January 2016 have been recorded at their presumed realisable value since, as provided by accounting principle OIC 15, it was decided not to apply the amortised cost method and time discounting.

The nominal value of the accounts receivable was adjusted to the presumed realisable value by a bad debt reserve, having regard also to any indicators of permanent impairment.

Accounts receivable originally due within one year and subsequently transformed into long-term receivables were recorded in the balance sheet among financial assets.

Accounts receivables are written off when the contractual rights to receive the relevant cash flows have been extinguished or when the risks in connection with the payment of the receivables have been transferred.

Accounts payable

The amortised cost method was not applied since its effects are immaterial for the purpose of giving a true and fair view. Therefore, accounts payable have been recorded at their nominal value, without prejudice for the possibility to apply time discounting.

Accounts payable recorded in the financial statements before the fiscal year starting 1 January 2016 have been recorded at their nominal value since, as provided by accounting principle OIC 19, it was decided not to apply the amortised cost method and time discounting.

Accrued income/liabilities – pre payments / deferred income

These have been determined on an accruals basis.

With regard to accrued income / liabilities and prepayments/deferred income of a duration exceeding one year, we checked the conditions for their original entry and adopted any necessary changes.

Inventory

Raw materials, auxiliary materials and finished products have been recorded at the lower of purchase or manufacturing cost and realisable value as inferred from market trend, applying the weighted average cost method for spare parts and the specific cost method for vehicles.

Production cost includes the direct and indirect costs incurred during production, which are necessary for stocks to be in the current place and conditions.

On 31/03/2024 the company has not goods-in-process and work-in-progress goods.

The value thus obtained is then adjusted by the “provision for stock obsolescence” in order to take into account those goods which are expected to be realised at a value lower than cost.

Any stocks which were written down but in respect of which in subsequent years the reasons for the write-down to their realisation value ceased to exist, were restored to their original value.

Securities

The company does not hold any securities.

Shareholdings

The company does not hold any shareholdings in subsidiary and affiliated.

The shareholdings included among current assets, which do not represent a long-term investment, have been valued at the lower of purchase cost and realisable value as inferred from market trend.

Treasury shares

The company does not hold any treasury shares.

Derivative financial instruments

The company does not hold any derivative financial instruments.

Provisions for contingent liabilities and charges

These provisions are set aside for the coverage of losses or liabilities that are certain or likely to arise, but whose amount or date of occurrence could not be determined at the year-end.

The provisions have been measured on a prudential and accruals basis and no generic funds without economic justification were created.

Any potential liabilities were carried to the financial statements and recorded in the relevant provisions as they were considered likely to arise and their amount could be reasonably estimated.

Provision for employees’ leaving indemnity (TFR)

This consists of the amounts actually accrued in favour of the employees pursuant to the law and the current collective bargaining agreements, taking into account any elements of remuneration paid on a continuous basis.

The provision includes the total payments accrued for employees at the year-end net of any advances paid, and assuming termination of their employment relationship at such date.

The provision does not include any amounts accrued starting from 1 January 2007 that have been paid into complementary pension schemes pursuant to legislative decree no. 252 dated 5 December 2005 (or transferred to the special-purpose fund managed by the Italian social security authority - INPS).

Income taxes

The provision for taxes has been set aside on an accruals basis and includes the following:

- accruals in respect of the taxes paid or to be paid for the year, determined at the current rates and in accordance with the rules in force;
- the amount of deferred tax assets or liabilities in respect of temporary differences which arose or were written off in the year;
- any adjustments to the balance of deferred taxes to account for changes in the tax rates occurred/for the introduction of the new tax during the year.

Deferred IRES assets and liabilities are calculated on the temporary differences between the assets and liabilities determined in accordance with civil code principles and the corresponding tax values, solely with regard to the company.

Current IRAP and any deferred IRAP assets and liabilities are determined solely with regard to the company.

Recognition of income

Proceeds from sales are recognised at the time of the transfer of ownership which usually coincides with the delivery or forwarding of the goods;

Financial income and income from the provision of services is recognised on an accruals basis.

Revenue and proceeds, costs and charges related to transactions in foreign currency are determined at the exchange rate in force at the date when the relevant transaction takes place.

Only the accrued portion of the income and costs related to buy/sell-back transactions, including the difference between the spot price and the forward price, is recognised.

Adjustment criteria

The company not applied the adjustment criteria.

Criteria for the translation of accounts in foreign currency

Accounts payable and receivable denominated in foreign currency and recorded at the exchange rates in force on the date of the transaction, are retranslated at the exchange rates ruling at the year-end as determined by Bank of Italy.

In particular, assets and liabilities which constitute assets and liabilities in foreign currency are recorded at the spot exchange rate ruling at the year-end and the relevant exchange gains and losses have been taken to the Profit and Loss Account under item 17bis “Exchange gains and losses”.

Any net gain deriving from the adjustment of the items in foreign currency to the year-end exchange rates is included in the result for the year and, at the time of the financial statements approval and appropriation of the operating result to the legal reserve, the part which is not offset against the loss for the year, if any, is apportioned to a reserve which is not distributable until the gain is realised.

Non-current assets and liabilities in foreign currency are recorded at the exchange rate ruling at the time of purchase.

No significant effects of the changes to the exchange rates occurred between the year-end and the financial statements preparation date. (article 2427(1)(6-bis) of the Civil Code).

Commitments, guarantees and potential liabilities

Commitments, which are not recorded in the balance sheet, consist of obligations assumed by the company vis-à-vis third parties and arising from legal arrangements with mandatory effects but not yet implemented by either party. Commitments include both commitments in respect of which both the relevant execution and amount is known (for instance, on buy/sell-back transactions) and commitments which are definitely going to be executed but whose amount is unknown (for example, agreement with a price adjustment clause). The amount of the commitments is their nominal value as inferred from the relevant documentation.

The company didn’t provide guarantees include personal guarantees and collaterals.

I. Intangible assets

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
2.800	3.882	(1.082)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
2,53	3,50	(0,98)

Analysis of changes in intangible assets

(article 2427(1)(2) of the Civil Code)

EUR

	Industrial patent rights	**Other intangible assets**	**Total intangible assets**
Opening balance	0		
Purchase value		3.882	3.882
Value in Balance sheet		3.882	3.882
Changes in the Year			
Increases in the year			
Amortization in the year		1.082	1.082
Total changes		(1.082)	(1.082)
Closing balance	0		
Purchase value		2.800	2.800
Value in Balance Sheet		2.800	2.800

INR

	Industrial patent rights	**Other intangible assets**	**Total intangible assets**
Opening balance			
Purchase value		3,50	3,50
Value in Balance sheet		3,50	3,50
Changes in the Year			
Increases in the year			
Amortization in the year		0,98	0,98
Total changes		(0,98)	(0,98)
Closing balance			
Purchase value		2,53	2,53
Value in Balance Sheet		2,53	2,53

The Company did not deem it appropriate to suspend the amortization rates for the year 2021 and did not make use of the right to re-value intangible assets or exemptions from the statutory valuation criteria.

Reclassifications

(article 2427(1)(2) of the civil code)

No reclassification has been made from the prior year’s financial statements presentation.

Write-downs and reversals of write-downs made during the year

(article 2427(1)(2) and (3-bis) of the Civil Code)

No write-down and reversals of write-downs has been made during the year.

Composition of start-up and expansion costs and development costs

(Article 2427(1)(3) of the civil code)

No Start-up and expansion costs and Development costs has been made.

Contributions toward investments

The Company has not received capital grants from Government.

II. Tangible assets

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
61.826	106.748	(44.922)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
55,79	96,32	(44,59)

EUR

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Opening balance				
Purchase value	123.357	169.471	321.044	613.872
Accumulated depreciation	99.395	169.292	238.437	507.124
Book Value	23.962	179	82.607	106.748
Changes during the year				
Increases in the year		932		932
Reclassifications (of Book Value)				
Decreases for disposals and divestments (of the book value)				
Amortization for the year	4.398	568	33.702	38.668
Total changes	(4.671)	364	(40.615)	(44.922)
Closing balance				
Purchase value	125.377	165.712	271.916	563.005
Accumulated depreciation	106.086	165.169	229.924	501.179
Book Value	19.291	543	41.992	61.826

INR

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Opening balance				
Purchase value	111,31	0,15	289,68	553,90
Accumulated depreciation	89,68	152,75	215,14	457,58
Book Value	21,62	0,16	74,54	96,32
Changes during the year				
Increases in the year		0,84		0,84
Reclassifications (of Book Value)				
Decreases for disposals and divestments (of the book value)				
Amortization for the year	3,97	0,51	30,41	34,89
Total changes	(4,21)	0,33	(36,65)	(40,53)
Closing balance				
Purchase value	113,13	149,52	245,35	508,00
Accumulated depreciation	95,72	149,03	207,46	452,21
Book Value	17,41	0,49	37,89	55,79

The Company has not made use of the right not to charge the depreciation rates for the year 2021 to the income statement, furthermore the Company has not made use of the right to obtain the revaluation of tangible fixed assets.

No review of the useful life of capital assets has been made during the financial year.

Increases and decreases refers to the purchase and sale of company vehicles.

Write-downs and reversals of write-downs made during the year

(article 2427(1)(2) and (3-*bis*) of the Civil Code)

No tangible fixed assets were subject to previous revaluations or devaluations.

Total revaluations of tangible assets at the year-end

(Article 2427(1)(2) of the civil code)

No monetary revaluations has been made.

Contributions toward investments

The company during the year ended 31/03/2024 has not applied for contributions toward investments.

Finance lease transactions

The company has in place one main finance lease agreements. We set out below the information regarding the lease agreements pursuant to article 2427 (1)(22) of the civil code:

- lease agreement no. 00928065/001 dated 09/06/2009;
- term of the agreement 216 months;
- asset industrial building;
- cost of the asset in INR/Lakhs 1.532,38 / Euro 1.698.300
- initial higher lease payment (maxicanone) of INR/Lakhs 229,86 / Euro 254.745 made on 11/06/2009;

EUR

Description	Amount
Aggregate amount of finance leased assets at the year-end	934.065
Amount of depreciation that would have been charged in the year	50.949
Value adjustments and write-ups that would have been recognised in the year	(45.144)
Net present value of outstanding finance lease payments at the year-end	468.445
Financial costs accrued for the year based on the effective interest rate	21.647

Description	INR Amount
Aggregate amount of finance leased assets at the year-end	842,81
Amount of depreciation that would have been charged in the year	45,97
Value adjustments and write-ups that would have been recognised in the year	(40,73)
Net present value of outstanding finance lease payments at the year-end	422,68
Financial costs accrued for the year based on the effective interest rate	19,53

The company has not requested the suspension of the leasing installments provided for in Article 56 of Law Decree no. 18/2020.

III. Financial assets

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
10.817	10.817	0

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
9,76	9,76	

Movements in equity investments, other securities and fixed asset derivative financial instruments

EUR

	Undertakings under control by the controlling companies	**Total shareholdings**
Opening balance		
Purchase value	262	262
Balance at	262	262
Closing balance		
Purchase value	262	262
Balance at	262	262

INR

	Undertakings under control by the controlling companies	**Total shareholdings**
Opening balance		
Purchase value	0,23	0,23
Balance at	0,23	0,23
Closing balance		
Purchase value	0,23	0,23
Balance at	0,23	0,23

Securities

The securities recorded among financial fixed assets constitute a long-term strategic investment for the company.

The securities in other companies are recorded at the purchase or subscription cost.

The securities recorded at purchase cost have not been written down as a result of a permanent value impairment and no cases occurred in which the original value of a written-down securities was restored.

The company don't has securities in controlled or affiliated companies.

No destination of securities under fixed assets was changed.

No restrictions are put by any investing company on securities recorded under fixed assets, nor pre-emptive or preferential rights exist thereupon.

No significant transaction was carried out with companies belonging to CONAI, CONOU and Ecotyre Groups.

No fixed equity investments have undergone a change of destination.

Variations and Accounts Receivables

EUR

	Other companies	**Total accounts receivable**
Opening balance	10.555	10.555
Changes during the year		
Closing balance	10.555	10.555
Due within one year		
Due after more than one year	10.555	10.555

INR

	Other companies	**Total accounts receivable**
Opening balance	9,52	9,52
Changes during the year		
Closing balance	9,52	9,52
Due within one year		
Due after more than one year	9,52	9,52

No revaluations, write-downs and write-backs were made.

Receivables of a commercial nature have been entered in the item receivables from others for an amount of Euro 130 / INR 0,12 Lakhs refer to the caution deposits made to Italian suppliers of Electricity, Water & Gas, originally collectable at the end of the existing contract according to the conditions normally applied on the market.

The changes that occurred during the year are as follows.

EUR

	31/03/2023	**Changes**	**31/03/2024**
Other companies	10.555		10.555
Total	**10.555**		**10.555**

INR

	31/03/2023	**Changes**	**31/03/2024**
Other companies	9,52		9,52
Total	**9,52**		**9,52**

Eur 10,425 / INR 9,41 refers to the payment of a security deposit of sums potentially owed at the Social Court of Madrid.

The company has not signed a centralized group Treasury contract to optimize the use of financial resources (cash pooling contract).

Breakdown of the accounts receivable by geographical area

The following table shows a breakdown of the accounts receivable at 31/03/2024 by geographical area (article 2427(1)(6) of the Civil Code).

EUR

Accounts receivable by geographical area	**From other companies**	**Total**
Italy	130	130
Spain	10.425	10.425
Total	10.555	10.555

INR

Accounts receivable by geographical area	From other companies	Total
Italy	0,12	0,12
Spain	9,41	9,41
Total	9,52	9,52

Analysis of the value of financial fixed assets

EUR

Description	accounting value	Fair value
Investments in other companies	262	262
Credits to other	10.555	10.555

INR

Description	accounting value	Fair value
Investments in other companies	0,24	0,24
Credits to other	9,52	9,52

Detail of the value of immobilized investments in other companies

EUR

Description	accounting value	Fair value
CONAI	12	12
Ecotyre	50	50
Conou	200	200
Total	262	262

INR

Description	accounting value	Fair value
CONAI	0,01	0,01
Ecotyre	0,05	0,05
Conou	0,18	0,18
Total	0,24	0,24

Detail of the value of the loans immobilized towards others

EUR

Description	accounting value	Fair value
security deposit	10.555	10.555
Total	10.555	10.555

INR

Description	accounting value	Fair value
security deposit	9,52	9,52
Total	9,52	9,52

The financial statements do not include financial fixed assets whose amount is higher than their fair value.

C) Current assets

I. Inventory

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
7.022.719	6.076.966	945.753

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
6.336,60	5.483,25	853,35

EUR

Description	Opening balance	Changes during the year	Closing balance
Finished products and goods	6.076.966	945.753	7.022.719
Total	**6.076.966**	**945.753**	**7.022.719**

INR

Description	Opening balance	Changes during the year	Closing balance
Finished products and goods	5.483,25	853,35	6.336,60
Total	**5.483,25**	**853,35**	**6.336,60**

Accounting policies have been applied consistently with the prior year as explained in the introduction to these notes.

The adopted assessment does not significantly differ from the one using the current cost approach.

The increase in vehicles in stock is majorly due to sales of the KUV100 model.

The item vehicles in stock refers to cars in storage at the Ariccia headquarters and at the depository company located in Livorno.

There are no commitments contractually undertaken for works and services still to be performed at year end.

The Company has not used its stock obsolescence provision.

Any contractual undertakings in respect of works and services to be carried out at the year-end.

II. Accounts receivable

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
825.093	1.703.667	(878.574)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
744,48	1.537,22	(792,74)

Changes and expiration of receivables entered in the circulating assets

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
					EUR
From customers	1.370.215	(663.053)	707.162	707.162	
From controlling companies	87.414	(72.095)	15.319	15.319	
Tax credits	44.217	(20.758)	23.459	23.459	
Deferred tax assets	152.608	(152.608)	0	0	
Other accounts receivable	49.213	29.940	79.153	30.766	48.387
Total	1.703.667	(878.574)	825.093	776.706	48.387

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
					INR
From customers	1236,34	(598,27)	638,07	638,07	
From controlling companies	78,87	(65,05)	13,82	13,82	
Tax credits	39,90	(18,73)	21,17	21,17	
Deferred tax assets	137,70	(137,70)	0,00	0,00	
Other accounts receivable	44,40	27,01	71,42	27,76	43,66
Total	1537,22	(792,74)	744,48	700,82	43,66

The company took advantage of the possibility not to follow the amortised cost method and not to time discount accounts receivable.

Therefore, accounts receivable have been recognised at their presumed realisable value.

The item “Credits towards the Controlling company” includes the credit for repairs and services rendered on behalf or to the benefit of the parent company.

The deferred tax assets of INR/Lakhs 137,70 Eur 152.608 used by the company relating to previous tax losses, of which INR/Lakhs 99,41 Eur 110,170 for the reduction on operating taxes and the remaining part equal to INR/Lakhs 38,29 Eur 42,438 for the reversal of deferred tax assets, as following the change of operating business, starting from the next financial year, the company have confidence in that the requirement of reasonable certainty of future taxable income such as to reabsorb the deferred tax assets no longer exists.

Break-down of the accounts receivable by geographical area

The following table shows a break-down of the accounts receivable at 31/03/2024 by geographical area (article 2427(1)(6) of the Civil Code):

Accounts receivable by geographical area	From customers	From controlling company	From Tax paid in advance	Deffered Tax Assets	Other accounts receivable	Total
						EUR
ITALY	691.942		23.459	0		794.554
INDIA		15.319				15.319
SPAIN	13.481					13.481
AUSTRIA	1.739					1.739
TOTAL	**707.162**	**15.319**	**23.459**	**0**		**825.093**

Accounts receivable by geographical area	From customers	From controlling company	From Tax paid in advance	Deffered Tax Assets	Other accounts receivable	Total
						INR
ITALY	624,34		21,17			716,93
INDIA	0,00	13,82				13,82
SPAIN	12,16					12,16
AUSTRIA	1,57					1,57
TOTAL	**638,07**	**13,82**	**21,17**			**744,48**

The nominal value of the accounts receivable has been adjusted by a bad debts reserve that during the year changed as follows:

EUR

Description	Bad debt reserve pursuant to article 2426 of the civil code	Total
Balance at 31/03/2023	62.196	62.196
Amount used in the year	(26.566)	(26.566)
Amount accrued in the year		
Balance at 31/03/2024	**35.630**	**35.630**

INR

Description	Bad debt reserve pursuant to article 2426 of the civil code	Total
Balance at 31/03/2023	56,12	56,12
Amount used in the year	23,97	23,97
Amount accrued in the year	0,00	0,00
Balance at 31/03/2024	**32,15**	**32,15**

No account receivable with significant amount, not transferred with recourse and not accounts receivable put up as collateral of own accounts payable or commitments.

There are not receivables sold "with recourse" as at 31/03/2024.

IV. Cash-in-hand, cash-at-bank and cash equivalents

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
832.500	631.534	200.966

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
751,16	569,83	181,33

EUR

Description	Opening balance	Changes during the year	Closing balance
Bank and postal deposits	626.204	202.762	**828.966**
Cash and cash equivalents	5.330	(1.796)	**3.534**
Total	631.534	200.966	**832.500**

INR

Description	Opening balance	Changes during the year	Closing balance
Bank and postal deposits	565,02	182,95	**747,98**
Cash and cash equivalents	4,81	(1,62)	3,19
Total	569,83	181,33	**751,16**

The balance reflects the cash-in-hand, cash-at-bank and cash equivalents at the year-end.

D) Accrued income/prepayments

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
66.714	80.816	(14.102)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
60,20	72,92	12,72

They constitute the adjustment to costs and income pertaining to more than one fiscal year, incurred and earned before actual payment or collection and calculated on an accrual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/03/2024, there were no accrued income/prepayments of a duration exceeding five years.

EUR

	Prepayments	Total
Opening balance	80.816	**80.816**
Changes during the year	(14.102)	**(14.102)**
Closing balance	66.714	**66.714**

INR

	Prepayments	Total
Opening balance	72,92	**72,92**
Changes during the year	(12,72)	**(12,72)**
Closing balance	60,20	**60,20**

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

EUR

Description	Amount
Insurance and road tax	**5.870**
Prepaid rate for lease	**44.817**
multifunction copier rental	**0**
Software maintanance	**4.834**
Maintenance expenses	**5.216**
Others	**5.396**
Advertisement expenses	**581**
TOTAL	**66.714**

INR

Description	Amount
Insurance and road tax	**5,30**
Prepaid rate for lease	**40,44**
multifunction copier rental	**0,00**
Software maintanance	**4,36**
Maintenance expenses	**4,71**
Others	**4,87**
Advertisement expenses	**0,52**
TOTAL	**60,20**

The maxi rent paid equal to INR 215,26 / Euro 254.745 relates to the financial leasing contract of the industrial building contract in 2009, for which reference should be made to the relevant paragraph of these notes to accounts.

Liabilities

A) Shareholder equity

(article 2427(1)(4),(7) and (7-bis) of the Civil Code)

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
1.810.517	1.661.353	149.164

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
1.633,63	1.499,04	134,59

EUR

		Allocation of the profit for the previous fiscal year		Other changes				
	Opening balance	Allocation of dividends	Other allocations	Iincreases	Decreases	Reclassifications	Profit for the fiscal year	Closing balance
Share capital	1.421.151							1.421.151
Legal reserve	34.041			10.258				45.209
Extraordinary reserve	0			194.904				194.904
Others …	(1)	(1)						(2)
Total various other reserves	(1)	(1)		194.904				194.902
Retained earnings (losses carried forward)								
Profit (Loss) for the year	205.162					(205.162)	149.165	149.165
Total	1.661.353	(2)		205.162		(205.162)	149.165	1.810.517

INR

		Allocation of the profit for the previous fiscal year		Other changes				
	Opening balance	Allocation of dividends	Other allocations	Iincreases	Decreases	Reclassifications	Profit for the fiscal year	Closing balance
Share capitalal	1282,30			9,26				128,26
Legal reserve	30,72			175,86				40,79
Extraordinary reserve	0,00			0,00				175,86
Others …	0,00			175,86				0,00
Total various other reserves	0,00	0,00		0,00				175,86
Retained earnings (losses carried forward)	0,00			0,00				0,00
Profit (Loss) for the year	185,12			18,19		(185,12)	134,59	134,59
Total	1499,04	0,00		9,26		(185,12)	134,59	1633,63

Use of shareholders' equity

The items of the shareholders' equity are broken down as follows according to their origin, possible use, distributability and use made in the three prior years (article 2427(1)(7-bis) of the Civil Code)

EUR

Nature/description	Amount	Origin/nature	Possible use (*)	Available amount (**)	Amount used for cover losses	Amount used for other reasons
Share capital	1.421.151	Subscription of Company Quote	B	1.421.151		
Share premium reserve			A,B,C,D			
Revaluation surplus			A,B			
Legal reserve	45.299	Profit	A,B	45.299		
Reserves provided for by the articles of association						
Other reserves	–					
Extraordinary reserve	194.904	Profit	A,B,C,D	194.904		
Various other reserves	(2)			(2)		
Total various other reserves	194.902			194.902		
Retained earnings (losses carried forward)						
Total	**1.661.352**			**1.661.352**		
Non-distributable share						
Residual distributable share				1.661.352		

INR

Nature/description	Amount	Origin/nature	Possible use (*)	Available amount (**)	Amount used for cover losses	Amount used for other reasons
Share capital	128,26		B	128,26		
Share premium reserve	0,00		A,B,C,D	0,00		
Revaluation surplus	0,00		A,B	0,00		
Legal reserve	40,87	Profit	A,B	40,87		
Reserves provided for by the articles of association	0,00			0,00		
Other reserves	175,86			0,00		
Extraordinary reserve	0,00			175,86		
Various other reserves	175,86			0,00		
Total various other reserves	0,00			175,86		
Retained earnings (losses carried forward)	1499,04			0,00		
Total	**128,26**			**1499,04**		
Non-distributable share				**0,00**		
Residual distributable share				1499,04		

(*) A: for capital increase; B: for loss coverage; C: for distribution to shareholders; D: for other obligations imposed by the articles of association

(**) After deduction of the negative reserve for treasury shares, if any, and of tax loss carryovers.

Information on the creation and use of shareholders' equity

As provided by article 2427(1)(4) of the civil code, we set out below the information on the creation and use of shareholders' equity items:

EUR

	Share capital	Legal reserve	Reserve	Result for the year	Total
At the beginning of the prior year	1.421.151	34.510	(1)	531	1.456.191
– other appropriations		531			
increases					
reclassification				(531)	(531)
Result of the prior year				205.162	
At the prior year-end	1.421.151	35.041	(1)	205.162	1.661.353
Appropriation of the result for the year					
– other appropriations					
increases		10.258	194.904		205.162
decreases			(1)		(1)
Reclassifications				(205.162)	(205.162)
Current year's result				149.165	
At the current year-end	1.421.151	45.299	194.902	149.165	1.810.517

INR

	Share capital	Legal reserve	Reserve	Result for the year	Total
At the beginning of the prior year	1282,30	31,14		0,48	1313,92
– other appropriations	0,00	0,48		0,00	0,00
– Increases	0,00	0,00		0,00	0,00
– Reclassifications	0,00	0,00		(0,48)	(0,48)
Result of the prior year	0,00	0,00		185,12	0,00
At the prior year-end	1282,30	31,62		185,12	1499,04
Appropriation of the result for the year	0,00	0,00		0,00	0,00
– other appropriations	0,00	0,00		0,00	0,00
Other changes	0,00	9,26		0,00	185,12
– Increases	0,00	0,00	175,87	0,00	0,00
– Decreases	0,00	0,00		185,12	185,12
– Reclassifications		0,00		(134,59)	0,00
Current year's result		40,87		134,59	(1633,63)
At the current year-end	1282,30	31,14	175,87	0,48	1313,92

The share capital amounts to Euro 1.421.151 - INR/Lakhs 1282,30 and is made up of quotas with a nominal value of 1 Euro, held by and fully available to the sole shareholder as no burdens exist on them. At year-end the shares subscribed are paid in as the total amount of the share capital was fully paid-up.

B) Provision for contingent liabilities and charges
(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
350.149	27.863	322.286

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
315,94	25,14	290,80

EUR

	Provision for pension and similar benefits	Provision for taxes, including deferred taxes	Derivative financial instruments	Other provisions companies	Total
Value at the beginning of the year				27.863	27.863
Changes in the year:				322.286	322.286
Increases as a result of changes in the fair value					
Decreases as a result of changes in the fair value					
Total changes					
Value at the end of the year				350.149	350.149

INR

	Provision for pension and similar benefits	Provision for taxes, including deferred taxes	Derivative financial instruments	Other provisions companies	Total
Value at the beginning of the year				25,14	25,14
Changes in the year:				290,80	290,80
Increases as a result of changes in the fair value				0,00	0,00
Decreases as a result of changes in the fair value				0,00	0,00
Total changes				0,00	0,00
Value at the end of the year				315,94	315,94

The increases are in connection with the accrual for the year, while decreases consist of amounts used in the year.

The item "Other provisions" at 31/03/2024, of INR/Lakhs 315,94 Eur 350.149 is composed as follows: (article 2427(1)(7) of the civil code).

Description	EUR As at 31/03/2024
Fund for warranties	**27.863**
Fund for legal claim	**130.007**
Fund for tax claim	**192.279**
TOTAL	**350.149**

Description	INR As at 31/03/2024
Fund for warranties	**25,14**
Fund for legal claim	**117,31**
Fund for tax claim	**173,49**
TOTAL	**315,94**

The increases relate to provisions for the year. The company set aside during the year:

Euro 130.007 INR/Lakhs 117,31 against legal risks arising in the Spanish market and to cover any claims raised by a former external professional of the company;

Euro 192.279 INR/Lakhs 173,49 for risks for tax assessment by the Revenue Agency for greater tax base relating to the financial year ended 03/31/2019 and relating to transfer pricing disputes with the Parent Company

The accrual to these provisions was justified by the fact that (i) the other provisions were made to the Warranty fund, because it has been considered not adequate to cover contract discrepancies between what has been acknowledged by the Company and what has been received by the Parent company.

During the year, the value of the provision for warranty was reinstated for a value deemed appropriate.

C) Indemnity for Employees leaving the Company
(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
159.674	148.613	11.061

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
144,07	134,09	9,98

The difference can be described as follows.

EUR

	Indemnity for Employees leaving company
Value at the beginning of the year	**148.613**
Changes in the year:	**13.012**
Decrease for utilization	**(1.951)**
Total changes	**(11.061)**
Value at the end of the year	**159.674**

INR

	Indemnity for Employees leaving company
Value at the beginning of the year	**134,09**
Changes in the year:	**11,74**
Decrease for utilization	**1,76**
Total changes	**9,98**
Value at the end of the year	**144,07**

The provision consists of the amounts payable at 31/03/2024 to the employees on the company's payroll at that date, net of any advances paid.

This consists of the amounts accrued in favour of the employees pursuant to the law and the current collective bargaining agreements, taking into account any elements of remuneration paid on a continuous basis.

The provision includes the total amounts accrued at 31 December 2006 for employees at the year-end, net of any advances paid, and assuming termination of their employment relationship at such date.

The provision does not include any amounts accrued starting from 1 January 2007 that have been paid into complementary pension schemes pursuant to legislative decree no. 252 dated 5 December 2005 (or transferred to the special-purpose fund managed by the Italian social security authority - INPS).

During the year, the company accrued € 34.009 INR/Lakhs 30,69 for this indemnity, of which € 22.948 INR/Lakhs 20,71 transferred to the complementary pension fund and € 11.061 INR/Lakhs 9,98 to the TFR fund. The use of Euro 1.951/ INR/Lakhs 1,76 refers to the liquidation of four employees who left the job during the year.

In the year after 31/03/2024 employees are not expected to receive an estimated employees' leaving indemnity as a result of incentivised dismissals and corporate reorganisation plans.

D) Accounts payable
(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
6.497.202	6.771.652	(274.450)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
5.862,43	6.110,06	(247,64)

The balance can be broken down by due date as follows (article 2427(1)(6) of the Civil Code):

EUR

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year
Accounts payable to banks	904.032	(903.378)	654	654
Accounts payable to suppliers	1.431.673	(890.399)	541.274	541.274
Accounts payable to controlling companies	4.063.707	1.662.848	5.726.555	5.726.555
Taxes payable	200.121	(139.729)	60.392	60.392
Accounts payable to social security institutions	19.798	15.358	35.156	35.156
Other accounts payable	152.321	(19.150)	133.171	133.171
Total	**6.771.652**	**(274.450)**	**6.497.202**	**6.497.202**

INR

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year
Accounts payable to banks	815,71	(815,12)	0,59	0,59
Accounts payable to suppliers	1291,80	(803,41)	488,39	488,39
Accounts payable to controlling companies	3666,68	1500,39	5167,07	5167,07
Taxes payable	180,57	(126,08)	54,49	54,49
Accounts payable to social security institutions	17,86	13,86	31,72	31,72
Other accounts payable	137,44	(17,28)	120,16	120,16
Total	**6109,79**	**(247,64)**	**5862,43**	**5862,43**

The balance of the accounts payable to banks at 31/03/2024, in an amount of NR/Lakhs 0,59 / Eur 654 total amount debit for credit card, corresponds to the full payable including principal amount, interest and ancillary charges which have come to maturity and can be collected.

The item "Advances" includes any advances from customers on goods and services not yet supplied or rendered; this item includes advance payments, as earnest money or otherwise, received in connection with the sale of tangible, intangible and financial fixed assets.

Accounts payable from suppliers are recognised at their nominal value of net of trade discounts; cash discounts are recorded upon payment. The nominal value of these payables has been adjusted in case of returns or allowances (invoice adjustments) by the corresponding amount agreed with the other party.

The company took advantage of the possibility not to follow the amortised cost method and/or not to time discount accounts payable since 2016.

The company adopted the following accounting policies: no time discounting of accounts payable due within one year; no time discounting of accounts payable if the effective interest rate does not significantly differ from market rate; no adoption of the amortised cost method for accounts payable due within one year, no adoption of the amortised cost method if transaction costs, commission fees and any other difference between initial value and value on expiry are of negligible amount.

Regarding the accounts payable to controlled companies and undertakings under control by the controlling companies, we note that they refer to vehicles' and spare parts' supplies under normal market conditions.

The item "Tax liabilities" only includes the actual taxes payable, while any likely tax liabilities or tax liabilities whose amount or date of occurrence is doubtful or deferred tax liabilities, are recorded in item B.2 of the liabilities section of the balance sheet (Provision for taxes).

The accounts payable falling due within one year does not include accounts payable backed by covenants. No significant changes occurred in the amount of Tax liabilities.

In the tax payables item are registered IVA debt € 31.283 INR/Lakhs 28,23 and WHT € 10.316 INR/Lakhs 9,31.

Breakdown of the accounts payable by geographical area

The following table shows a breakdown of the accounts payable at 31/03/2023 by geographical area (article 2427(1)(6) of the Civil Code).

EUR

	Accounts payable to banks	Accounts payable to suppliers
Italy	**654**	**513.514**
Spain		**20.471**
Slovacchia		**5.621**
Ireland		**903**
Albania		**653**
Altri		**112**
Total	**654**	**541.274**

INR

	Accounts payable to banks	Accounts payable to suppliers
Italy	**0,59**	**463,34**
Spain		**18,47**
Slovacchia		**5,07**
Ireland		**0,81**
Albania		**0,59**
Altri		**0,10**
Total	**0,59**	**488,39**

Accounts payable secured by collaterals on corporate assets
The accounts payable are not secured by collaterals on corporate assets (article 2427(1)(6) of the Civil Code):

EUR

	Accounts payable secured by collaterals on corporate assets					
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	Total accounts payable secured by collaterals on corporate assets	Accounts payable not secured by collaterals on corporate assets	Total
Accounts payable to banks					654	654
Accounts payable to suppliers					541.274	541.274
Accounts payable to controlling companies					5.726.555	5.726.555
Taxes payable					60.392	60.392
Accounts payable to social security institutions					35.156	35.156
Other accounts payable					133.171	133.171
Total					**6.497.202**	**6.497.202**

INR

	Accounts payable secured by collaterals on corporate assets					
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	Total accounts payable secured by collaterals on corporate assets	Accounts payable not secured by collaterals on corporate assets	Total
Accounts payable to banks					0,59	0,59
Accounts payable to suppliers					488,39	488,39
Accounts payable to controlling companies					5167,07	5167,07
Taxes payable					54,49	54,49
Accounts payable to social security institutions					31,72	31,72
Other accounts payable					120,16	120,16
Total					**5862,43**	**5862,43**

Debt restructuring operations
The company did not do any debt restructuring.

E) Accrued liabilities/Deferred income

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
4.927	4.949	(22)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
4,45	4,47	(0,02)

EUR

	Accrued liabilities	Deferred income	Total
Opening balance	**4.949**		4.949
Changes during the year	**(22)**		(22)
Closing balance	**4.927**		4.927

INR

	Accrued liabilities	Deferred income	Total
Opening balance	**4,47**		4,47
Changes during the year	**(0,02)**		(0,02)
Closing balance	**4,45**		4,45

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

Description	EUR **Value**
TARIP	**1.045**
IMU	**3.882**
Total	**4.927**

Description	INR **Value**
TARIP	**0,94**
IMU	**3,50**
Total	**4,45**

They constitute the adjustment to costs and income calculated on an annual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/03/2024, there were no accrued liabilities/deferred income of a duration exceeding five years.

Profit and loss account

The changes in the income statement items compared to the previous year are shown below.

A) Revenue

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
8.587.758	12.393.834	(3.806.076)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
7.748,73	11.182,96	(3.434,22)

EUR

Description	Balance at 31/03/2024	Balance at 31/03/2023	Difference
From sales and services	**8.060.756**	12.030.781	(3.970.025)
Other revenues and proceeds	**527.002**	363.053	163.949
Total	**8.587.758**	12.393.834	(3.806.076)

INR

Description	Balance at 31/03/2024	Balance at 31/03/2023	Difference
From sales and services	**7273,22**	10855,37	(3582,15)
Other revenues and proceeds	**475,51**	327,58	147,93
Total	**7748,73**	11182,96	(3434,22)

The reason for the changes is explained in the Directors' report.

Services rendered refer to reimbursements for Warranties issued on the European market and for trade incentives or marketing expenses and homologation expenses.

Revenue by activity
(Article 2427(1)(10) of the civil code)

EUR

Activity	31/03/2024
Sale of vehicles	**5.905.931**
Sale of spares	**1.528.765**
Sale of accessories	**83.877**
Service supplies	**542.183**
Total	**8.060.756**

INR

Activity	31/03/2024
Sale of vehicles	**5328,92**
Sale of spares	**1379,40**
Sale of accessories	**75,68**
Service supplies	**489,21**
Total	**5328,92**

Revenue by geographical area
(Article 2427(1)(10) of the civil code)

EUR

Area	31/03/2024
Italy	**7.729.247**
Spain	**180.260**
Hungary	**40.758**
Bosnia	**22.912**
Slovacchia	**24.539**
Croatia	**16.071**
Serbia	**13.461**
Austria	**11.814**
France	**5.637**
Greece	**5.736**
Bulgaria	**4.567**
Others	**5.754**
Total	**8.060.756**

INR

Area	31/03/2024
Italy	**6974,10**
Spain	**162,65**
Hungary	**36,78**
Bosnia	**20,67**
Slovacchia	**22,14**
Croatia	**14,50**
Serbia	**12,15**
Austria	**10,66**
France	**5,09**
Greece	**5,18**
Bulgaria	**4,12**
Others	**5,19**
Totale	**7273,22**

The company has not entered revenue of an exceptional amount or incidence.

B) **Expenses**

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
8.226.652	12.098.665	(3.872.013)

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
7.422,91	10.916,63	(3.493,72)

EUR

Description	Balance at 31/03/24	Balance at 31/03/23	Difference
Raw materials, subsidiary materials and goods	**6.577.271**	12.597.522	(6.020.251)
Services	**1.315.106**	1.796.403	(481.297)
Rent/lease	**138.309**	122.386	15.923
Salaries and wages	**515.482**	520.845	(5.363)
Social security contributions	**175.157**	140.789	34.368
Employees' leaving indemnity	**34.009**	42.121	8.112
Other personnel costs	**1.353**	1.711	(358)
Amortisation of intangible assets	**1.082**	1.518	(436)
Depreciation of tangible assets	**38.668**	54.983	(16.315)
Changes to stocks of raw materials	**(945.753)**	(3.239.459)	2.293.706
Provision for risks	**322.286**	0	322.286
Miscellaneous running costs		59.846	
Total	**8.226.652**	12.098.665	(3.872.013)

INR

Description	Balance at 31/03/24	Balance at 31/03/23	Difference
Raw materials, subsidiary materials and goods	**5934,67**	11366,74	(5432,07)
Services	**1186,62**	1620,89	(434,27)
Rent/lease	**124,80**	110,43	14,37
Salaries and wages	**465,12**	469,96	(4,84)
Social security contributions	**158,04**	127,03	31,01

Description	Balance at 31/03/24	Balance at 31/03/23	INR Difference
Employees' leaving indemnity	**30,69**	40,71	7,32
Other personnel costs	**1,22**	1,54	(0,32)
Amortisation of intangible assets	**0,98**	1,37	(0,39)
Depreciation of tangible assets	**34,89**	49,61	(14,72)
Changes to stocks of raw materials	**(853,35)**	(2922,96)	2069,61
Provision for risks	**290,80**	0,00	290,80
Miscellaneous running costs	**0,00**	54,00	0,00
Total	**7422,91**	10916,63	(3493,72)

Costs of raw materials, subsidiary materials, consumables and goods and costs of services

They are closely related to the information provided in the Directors' report and to point A (Revenue) of the Profit and loss account.

Personnel costs

This item includes all employee costs, including bonuses, promotions, cost-of-living increases, untaken holidays and the provisions made pursuant to the law and the national collective bargaining agreements.

During the financial year the Company has not used help from Government to mitigate the adverse economic effect related to Covid-19 like extraordinary redundancy fund (C.I.G.S.).

The reduction in personnel costs is due to the leaving of 2 human resources.

Depreciation of tangible assets

Depreciation has been calculated on the basis of the useful life of the assets and their contribution to the production process.

The Company accrued the depreciation related the financial year closed as at 31/03/2024.

Other write-downs of fixed assets

The item is not reflected in the present financial statements.

Write-downs of accounts receivable included among current assets and of liquid assets

The item is not reflected in the present financial statements.

Accruals to provisions for contingent liabilities and charges

The company set aside during the year:

Euro 130.007 INR/Lakhs 11,74 against legal risks arising in the Spanish market and to cover any claims raised by a former external professional of the company;

Euro 192.279 INR/Lakhs 173,49 for risks for tax assessment by the Revenue Agency for higher tax base relating to the financial year ended 31/03/2019 and relating to disputes on transfer prices with the Parent Company.

Other accruals

The item is not reflected in the present financial statements.

Miscellaneous running costs

They refer to taxes other than income tax, subscriptions and other charges.

The company has not entered expenses for exceptional amount or incidence.

C) Financial income and costs

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
(1.136)	(19.085)	17.949

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
(1,03)	(17,22)	16,22

Financial income

EUR

Description	Balance at 31/03/2024	Balance at 31/03/2023	Difference
Other income	**57**	94	(37)
(Interest and other financial costs)	**(1.195)**	(19.186)	17.991
Exchange gains and losses	**2**	7	(5)
Total	**(1.136)**	**(19.085)**	**17.949**

INR

Description	Balance at 31/03/2024	Balance at 31/03/2023	Difference
Other income	**0,05**	0,08	(0,03)
(Interest and other financial costs)	**(1,08)**	(17,31)	16,23
Exchange gains and losses	**0,00**	0,01	(0,00)
Total	**(1,03)**	**(17,22)**	**16,20**

Other financial income

Description	EUR Total
Bank and postal interest	57
Other proceeds	
TOTAL	**57**

Description	INR Total
Bank and postal interest	0,05
Other proceeds	
TOTAL	**0,05**

Interest and other financial costs

Description	EUR Total
Bank interest	1.178
Other proceeds	
TOTAL	**1.178**

Description	INR Total
Bank interest	1,06
Other proceeds	
TOTAL	**1,06**

Exchange gains and losses

The total amount of exchange gains on the income statement of INR/Lakhs 0.00 / Eur 5 refers to exchange differences between forward contracts and spot contracts on the date on which the contract was concluded. There are no gains on unrealized exchange rates at the end of the year.

The total amount of foreign exchange losses resulting in the income statement equal to Eur 2 INR/Lakhs 0.00 refers to exchange differences between forward contracts and spot contracts on the date the contract was signed.

Revaluations and write-downs of financial assets and liabilities

The item is not reflected in the present financial statements.

Taxes on the income of the period

EUR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
210.805	70.922	139.883

INR

Balance at 31/03/2024	Balance at 31/03/2023	Difference
190,21	63,99	126,22

EUR

Taxes	Balance at 31/03/24	Balance at 31/03/23	Difference
Current taxes:	**60.615**	23.062	37.553
IRES	**21.417**	2.656	18.761
IRAP	**39.198**	20.404	18.794
Deferred tax liabilities/ (assets)	**0**	2	(2)
previous period taxes	**(2.418)**		(2.418)
advance taxes	**152.608**	47.860	104.748
IRES	**152.608**	47.860	104.748
Total	**210.805**	**70.922**	**139.883**

INR

Taxes	Balance at 31/03/24	Balance at 31/03/23	Difference
Current taxes:	**54,69**	20,81	33,88
IRES	**19,32**	2,40	16,93
IRAP	**35,37**	18,41	16,96
Deferred tax liabilities/ (assets)	**0,00**	0,00	0,00
previous period taxes	**(2,18)**	0,00	(2,18)
advance taxes	**137,70**	**43,18**	94,51
IRES	**137,70**	43,18	94,51
Total	**190,21**	**63,99**	**126,22**

Taxes pertaining to the financial year have been entered.

We set out below the reconciliation between the theoretical tax liability per the financial statements and the tax liability:

Reconciliation between the theoretical tax liability per the financial statements and the tax liability (IRES)

EUR

Description	Value	Tax
Pre-tax result	359.970	
Theoretical tax liability (%)	24	86.393
Temporary differences taxable in future years:		
Non deductible share of credit write-off		
Business expenses	1.418	
Imu		
deductible interest		
total	**1.418**	
Reversal of temporary differences of prior years		
Leasing auto		
Business expenses	(1.064)	
Imu		
interest	(181.122)	
Bad Debts utilization		
Total	**(182.186)**	
Differences which will not be reversed in future years		
Capital gain	(2.735)	
Reversal of bad debts		
Iper depreciation	(12.283)	
ACE	(25.521)	
Tax losses from previous years 80%	(459.040)	
Irap	(10.292)	
Indemnity for employees leaving		
Insurance reimbursement		
Not deductible expenses	445.429	
Total	**(64.442)**	
Taxable income	114.760	
current taxes on income for the year		21.417

INR

Description	Value	Tax
Pre-tax result	324,80	
Theoretical tax liability (%)	24	
Temporary differences taxable in future years:		
Non deductible share of credit write-off		
Business expenses	1,28	
Imu		
deductible interest		
Total	**1,28**	
Reversal of temporary differences of prior years		
Leasing auto		
Business expenses	(0,96)	
Imu		
interest	(163,43)	
Bad Debts utilization		
Total	**(164,39)**	

Description	Value	INR Tax
Differences which will not be reversed in future years		
Capital gain	(2,47)	
Reversal of bad debts		
Iper depreciation	(11,08)	
ACE	(23,03)	
Tax losses from previous years 80%	(414,19)	
Irap	(9,29)	
Indemnity for employees leaving		
Insurance reimbursement		
Not deductible expenses	401,91	
Total	(58,15)	
Taxable income	103,55	
current taxes on income for the year		

Determination of the IRAP taxable amount

EUR

Description	Value	Tax
Difference between revenue and expenses	1.409.393	
Costs not relevant for IRAP	1.120.183	
Revenue not relevant for IRAP	(1.716.342)	
Total	**813.234**	
Theoretical tax liability (%)	4,82	39.198
Temporary difference deductible in future years:	**0**	

EUR

Description	Value	Tax
Irap taxable amount	813.234	
Current IRAP for the year		39.198

INR

Description	Value	Tax
Difference between revenue and expenses	1271,70	
Costs not relevant for IRAP	1010,74	
Revenue not relevant for IRAP	(1548,66)	
total	**733,78**	
Theoretical tax liability (%)	4,82	35,37
Temporary difference deductible in future years:		
Irap taxable amount	733,78	
Current IRAP for the year		35,37

Pursuant to article 2427(1)(14) of the civil code, we set out below the required information on deferred tax assets and liabilities:

Deferred tax assets and liabilities

The main temporary differences that led to the recognition of deferred and prepaid taxes are indicated in the following table together with the related effects.

The company used deferred tax assets for Eur 152.608 INR 137,70 relating to previous tax losses, of which Eur 110.170 INR 99,41 for the reduction on operating taxes and the remaining part equal to Eur 42.438 INR 38,29 for the reversal of deferred tax assets, as following the change of operating business, starting from the next financial year, the company believes that the requirement of reasonable certainty of future taxable income such as to reabsorb the deferred tax assets no longer exists.

Recording of deferred tax assets and liabilities and relevant effects:

EUR

	31/03/2024 Amount of temporary differences IRES	31/03/2024 Tax effect IRES	31/03/2024 Amount of temporary differences IRAP	31/03/2024 Tax effect IRAP	31/03/2023 Amount of temporary differences IRES	31/03/2023 Tax effect IRES	31/03/2023 Amount of temporary differences IRAP	31/03/2023 Tax effect IRAP
Warranty fund								
Business losses								
Total								
Net deferred tax liabilities (assets)								
Tax losses	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect
– for the year								
– carried over from prior years	392.611				652.324			
TOTAL	**392.611**				**652.324**			
Losses carried forward	176.825				635.867			
Tax rate	**24**	**42.438**			**24**	**152.608**		

INR

	31/03/2024 Amount of temporary differences IRES	31/03/2024 Tax effect IRES	31/03/2024 Amount of temporary differences IRAP	31/03/2024 Tax effect IRAP	31/03/2023 Amount of temporary differences IRES	31/03/2023 Tax effect IRES	31/03/2023 Amount of temporary differences IRAP	31/03/2023 Tax effect IRAP
Garantee fund								
Business losses								
Total								
Net deferred tax liabilities (assets)								
Tax losses								
– for the year								
– carried over from prior years	**354,25**				588,59			
TOTAL	354,25				588,59			
Losses carried forward	159,55				573,74			
Tax rate	**24**	**38,29**			**24**	137,70		

Tax loss Information

EUR

	Current			Previous		
	Amount	Tax rate	Early taxes detected	Amount	Tax rate	Early taxes detected
Tax losses						
Of the year						
of previous exercises	635.867			652.234		
Total tax losses	635.867			652.234		
tax losses carried forward recoverable with reasonable certainty	176.825	24	42.438	635.867	24	152.608

INR

	Current			Previous		
	Amount	Tax rate	Early taxes detected	Amount	Tax rate	Early taxes detected
Tax losses						
Of the yeat						
of previous exercises	573,74			588,51		
Total tax losses	573,74			588,51		
tax losses carried forward recoverable with reasonable certainty	159,55	24	38,29	573,74	24	137,70

The company has not adjusted the credit for deferred tax assets to the higher value resulting from the tax return and deriving from carry-forward tax losses from previous years, in fact despite the existence of the conditions required by the accounting principles for the accounting of the future tax benefit, in particular reasonable certainty that in the future the company will achieve taxable income sufficient to allow the absorption of such losses, the amount recorded in the financial statements was deemed appropriate. The directors have approved the budget for the next financial year and consider it appropriate, for the reasons previously illustrated, to continue the existence of the business continuity assumption.

Employee information

(article 2427(1)(15) of the Civil Code)

Compared to the previous year the personnel broken down by category has changed as shown below:

Staff	31/03/2024	31/03/2023	Change
Executives	**1**	1	
Middle Manager	**1**	1	
Employees	**6**	6	
Labourers	**4**	4	
Others	**0**	0	
Total	**12**	**12**	

The national collective bargaining agreement for companies in the commercial sector applies.

Industrial relations are good and there are no litigations with employees still working or dismissed.

	Executives	Middle manager	Employees	Workers	Others	Total
Average	1	1	6	4	0	**12**

Remunerations, advances, and credits granted to directors and statutory auditors, as well as commitments assumed on their behalf

EUR

	Directors	Statutory Auditor
Remunerations	5.469	14.768
Advances		
Credits		
Commitments assumed on their behalf as a result of any type of guarantee provided		

INR

	Directors	Statutory Auditor
Remunerations	4,93	13,33
Advances		

Credits

Commitments assumed on their behalf as a result of any type of guarantee provided

Information concerning the Auditor's fees

(article 2427(1)(16-bis) of the civil code)

As required by law, we set out below the amount of fees charged for services rendered by the audit company firm and by entities that are members of its network:

Description	EUR Fee
Audit of annual accounts	9.936
Total fees due to the auditor or audit company	9.936

Description	INR Fee
Audit of annual accounts	8,97
Total fees due to the auditor or audit company	8,97

The members of the Board of Directors renounced the remuneration due for the position held in the Mahindra group companies.

The independent Director's fee is Eur 5.469 INR/Lakhs 4,93.

Information on significant events which occurred after the end of the financial year

Overcome the emergency situation from the SARS Covid-19 infection, during 2022 the problems inherent in the Russian-Ukrainian military conflict and the explosion in the inflation rate arose at an international level, in particular as regards energy supply costs. Our company was not affected by the conflict, not being involved in the markets referred to, while the increase in the costs of raw materials and international transport were absorbed with adjustments to the sales price lists.

The Company has entered into commercial agreements with leading Italian rental companies to maintain and strengthen its position on the market.

In light of the information provided in these notes and in the Directors' Report, the Board of Directors believes that the adverse events will not affect the Company's ability to continue as a going concern over the next 12 months.

Information on the company which prepares the consolidated financial statements for the larger/smaller set of companies which the company is a member of in a capacity as controlled undertaking

As required by law, we set out below the information pursuant to article 2427(1)(22-quinquies and sexies) of the civil code.

Description	Larger set	Smaller set
Company name	Mahindra & Mahindra Ltd	Mahindra Overseas Investment Company Ltd
Registered office	India	Mauritius
Tax code		
Place of filing of a copy of the consolidated financial statements	India	Mauritius

Group

Your company belongs to the Mahindra Group and is subject to the management and the coordination of MAHINDRA & MAHINDRA Ltd pursuant to article 2497-bis of the Italian Civil Code.It is controlled by Mahindra Overseas Investment Company (Mauritius) Limited, which is totally controlled by Mahindra & Mahindra Ltd.

The Company does not own shares of parent companies, neither directly nor through third parties or trust companies.

The table below shows essential data from the last financial statements approved by Mahindra & Mahindra Ltd. Values are expressed in thousand INR/LAKS. Please note that Mahindra & Mahindra Ltd prepares yearly consolidated Financial Statements.

Description	Latest available financial statements	EUR Financial statements prior to the latest available ones
BALANCE SHEET		
ASSETS		
A) Accounts receivable from shareholders in respect of unpaid share capital		
B) Fixed assets	4.445.591	3.986.380
C) Current assets	2.320.114	2.122.452
Total assets	6.765.705	6.108.832
LIABILITIES:		
A) Shareholders' equity:		
Share capital	76.494	76.652
Reserves	3.698.240	3.266.327
Profit (loss) for the year	617.343	561.197
TOTAL	4.392.077	3.904.176
B) Provisions for liabilities and charges		
C) Employees' leaving indemnity		
D) Accounts payable	2.373.628	2.204.656
E) Accrued liabilities and deferred income		
Total liabilities	6.765.705	6.108.832
PROFIT AND LOSS ACCOUNT		
A) Revenue	7.100.274	6.503.652
B) Expenses	6.269.840	5.758.875
C) Financial income and costs	(14.558)	(14.455)
D) Value adjustments to financial assets	(3.817)	55.863
Taxes on income for the year	196.302	224.988
Profit (loss) for the year	615.757	561.197

Description	Latest available financial statements	INR/Lakhs Financial statements prior to the latest available ones
BALANCE SHEET		
ASSETS		
A) Accounts receivable from shareholders in respect of unpaid share capital		
B) Fixed assets	4011,26	3596,91
C) Current assets	2093,44	1915,09
Total assets	6104,70	5512,00
LIABILITIES:		
A) Shareholders' equity:		
Share capital	69,02	69,16
Reserves	3336,92	2947,21
Profit (loss) for the year	557,03	506,37
TOTAL	3962,97	3522,74
B) Provisions for liabilities and charges		
C) Employees' leaving indemnity		
D) Accounts payable	2.141,72	1.989,26
E) Accrued liabilities and deferred income		
Total liabilities	6.104,70	5.512,00

INR/Lakhs

Description		Latest available financial statements	Financial statements prior to the latest available ones
PROFIT AND LOSS ACCOUNT			
A)	Revenue	6406,58	5868,25
B)	Expenses	5657,28	5196,23
C)	Financial income and costs	(13,14)	(13,04)
D)	Value adjustments to financial assets	(3,44)	50,41
Taxes on income for the year		177,12	203,01
Profit (loss) for the year		555,60	506,37

Appropriation of the profit for the year

We hereby suggest that the QuotaHolder allocate the profit of the year Eur 149.165 INR/Lakhs 134,59 to legal reserve for Eur 29.833 INR/Lakhs 26,92 and extraordinary reserve for Eur 119.332 INR/Lakhs 107,67.

Final considerations

These financial statements, composed of the balance sheet, profit and loss account and notes, are a true and fair view of the company's state of affairs and economic result for the year and are in accordance with the underlying accounting records.

We invite the Quota Holder to approve the financial statements in their current form and all the single items, year.

The Chairman of the Board of Directors
Sachin Arolkar

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements to the shareholder of Mahindra and Mahindra South Africa Proprietary Limited

Opinion

We have audited the financial statements of Mahindra and Mahindra South Africa Proprietary Limited (the company) set out on pages herein, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mahindra and Mahindra South Africa Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mahindra and Mahindra South Africa Proprietary Limited annual financial statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

Auditors' responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the annual financial information of the entity or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Leonie Els
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor

25 April 2024
Building 4, Summit Place
221 Garstfontein Road
Menlyn
0181

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note(s)	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	**39,154,562**	26,379,595
Right-of-use assets	4	**977,090**	2,417,313
Deferred tax	5	**21,200,668**	34,981,637
		61,332,320	63,778,545
Current Assets			
Loans receivable	7	**3,565,000**	2,665,000
Inventories	8	**1,100,683,172**	1,479,533,385
Trade and other receivables	9	**193,560,081**	134,351,303
Cash and cash equivalents	10	**2,328,354**	76,916,575
Current tax receivable		**4,281,454**	–
		1,304,418,061	1,693,466,263
Total Assets		**1,365,750,381**	1,757,244,808
Equity and Liabilities			
Equity			
Share capital	11	**52,000,000**	52,000,000
Reserves	12	**(19,245,759)**	(17,447,252)
Retained income		**159,776,509**	144,265,629
		192,530,750	178,818,377
Liabilities			
Non-Current Liabilities			
Lease liabilities	13	**16,365**	1,763,933
Contract Liabilities	14	**188,906,228**	163,824,013
Provisions	15	**24,263,481**	97,087,749
		213,186,074	262,675,695
Current Liabilities			
Lease liabilities	13	**1,675,206**	2,189,769
Contract Liabilities	14	**92,260,180**	74,571,955
Provisions	15	**39,903,353**	19,053,382
Trade and other payables	16	**708,257,079**	1,210,154,611
Bank overdraft	10	**117,937,739**	5,305,271
Current tax payable		**–**	4,475,748
		960,033,557	1,315,750,736
Total Liabilities		**1,173,219,631**	1,578,426,431
Total Equity and Liabilities		**1,365,750,381**	1,757,244,808

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2024 R	2023 R
Revenue	17	**3,579,067,060**	3,939,689,362
Cost of sales	18	**(3,228,043,490)**	(3,629,982,591)
Gross profit		**351,023,570**	309,706,771
Other operating income		**9,659,746**	2,132,751
Other operating gains (losses)		**4,606,344**	(1,965,452)
Other operating expenses		**(303,264,422)**	(214,074,397)
Operating profit	19	**62,025,238**	95,799,673
Investment income	20	**4,496,617**	11,676,287
Interest expense	21	**(19,030,006)**	(16,775,034)
Profit before taxation		**47,491,849**	90,700,926
Taxation	22	**(13,780,969)**	(24,764,774)
Profit for the year		**33,710,880**	65,936,152
Other comprehensive income:			
Exchange differences on translating foreign operations		**(1,798,507)**	(847,553)
Other comprehensive income for the year net of taxation		**(1,798,507)**	(847,553)
Total comprehensive income for the year		**31,912,373**	65,088,599

STATEMENT OF CHANGES IN EQUITY

	Share capital	Foreign currency translation reserve	Retained income	Total equity
	R	R	R	R
Balance at 01 April 2022	**52,000,000**	**(16,599,699)**	**93,929,477**	**129,329,778**
Profit for the year	–	–	65,936,152	65,936,152
Other comprehensive income	–	(847,553)	–	(847,553)
Total comprehensive income for the year	–	**(847,553)**	**65,936,152**	**65,088,599**
Dividends	**–**	**–**	**(15,600,000)**	**(15,600,000)**
Total distributions to owners of company recognised directly in equity	–	**–**	**(15,600,000)**	**(15,600,000)**
Balance at 01 April 2023	**52,000,000**	**(17,447,252)**	**144,265,629**	**178,818,377**
Profit for the year	–	–	33,710,880	33,710,880
Other comprehensive income	–	(1,798,507)	–	(1,798,507)
Total comprehensive income for the year	–	**(1,798,507)**	**33,710,880**	**31,912,373**
Dividends	–	–	(18,200,000)	(18,200,000)
Total distributions to owners of company recognised directly in equity	**–**	**–**	**(18,200,000)**	**(18,200,000)**
Balance at 31 March 2024	**52,000,000**	**(19,245,759)**	**159,776,509**	**192,530,750**
Note(s)	11	12		

STATEMENT OF CASH FLOWS

	Note(s)	2024 R	2023 R
Cash flows from operating activities			
Cash generated from operations	23	**(149,313,943)**	(68,226,495)
Interest received	20	**4,496,617**	11,676,287
Interest paid	21	**(18,756,097)**	(16,775,034)
Tax paid	24	**(8,757,202)**	(33,348,058)
Net cash from operating activities		**(172,330,625)**	(106,673,300)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	**(755,397)**	(21,989,540)
Proceeds from sale of property, plant and equipment	3	**9,299,880**	7,811,402
Cash advanced in loans receivable	7	**(900,000)**	(2,665,000)
Net cash from investing activities		**7,644,483**	(16,843,138)
Cash flows from financing activities			
Lease liabilities paid	**13**	**(2,536,040)**	(2,946,829)
Dividends paid		**(18,200,000)**	(15,600,000)
Net cash from financing activities		**(20,736,040)**	(18,546,829)
Total cash movement for the year		**(185,422,182)**	(142,063,267)
Cash and cash equivalents at the beginning of the year		**71,611,304**	214,522,124
Translation of foreign operations		**(1,798,507)**	(847,553)
Cash and cash equivalents at the end of the year	10	**(115,609,385)**	71,611,304

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa as amended.

The annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions.

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of all assets are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	4 years
Computer software	Straight line	5 years
Furniture and fixtures	Straight line	3 years
Leasehold improvements	Straight line	3 years
Motor vehicles	Straight line	4 years
Motor vehicles - Held for rental	Straight line	4 years
Office equipment	Straight line	6 years
Plant and machinery	Straight line	3 years

Contract liabilities

The fair value of contract liabilities from service plans is management‘s best estimate of the company's future income and cost based on the estimated service cost that would occur for the selected models over a period of three to five years adjusted for inflation and possible price increases in parts and labour used in the service of the selected model.

Provision for warranties

Warranty provisions are management's best estimate of the company's liability (after the expected reimbursement from the manufacturer) on vehicles under two, three or five year warranties based on the current year warranty claims occurred. The cost per day calculated on those claims is used to estimate the future cost for the remaining warranty days under consideration.

The warranty provision has been discounted to present value and the incremental amount pertaining to the current financial year has been adjusted in cost of sales.

Fair value estimation

The fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments do not reasonably approximate their value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

Recoverability of receivables

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. Management has incorporated the effect of COVID-19 into the assessment of the recoverability of trade receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

Determination of net realisable value of inventory

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The write down is included in cost of sales.

1.3 Financial instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any, except for financial instruments at fair value through profit or loss which exclude transaction costs.

The material accounting policies for each type of financial instrument held by the company are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Trade and other receivables include amounts which have been denominated in India Rupees and US Dollars, however these are minimal. Foreign exchange gains or losses are recognised in profit or loss.

Gains or losses arising on the derecognition of trade and other receivables are included in profit or loss in derecognition gains (losses) on financial assets at amortised cost, the details of which are included in note 19.

Impairment - Expected credit losses and write offs

Loss allowances are recognised for expected credit losses on trade and other receivables.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL).

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The company writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the company's recovery procedures. Any recoveries made are recognised in profit or loss.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Trade and other payables include amounts which have been denominated in India Rupees and US Dollars, however these are minimal. Foreign exchange gains or losses are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The company derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non- cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value on the net realisable value.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.7 Impairment of assets

Management assesses, at the end of each reporting period, whether there is any indication that an asset, such as property, plant and equipment, may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised for an asset (or a cash-generating unit) if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts. For cash generating units, the impairment loss is allocated to reduce the carrying amount of goodwill included in the cash-generating unit and then to the other assets on a pro-rata basis.

Impairment losses are recognised immediately in profit or loss.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.10 Revenue from contracts with customers

Revenue comprises consideration received or receivable on contracts entered into with customers for the sale of goods and services in the ordinary course of the entities' activities. The performance obligation is identified as the distinct goods and services as agreed in the contract(s). Revenue is shown net of trade discounts, volume rebates and value added tax and is recognised when the entity satisfies its' performance obligations as set out in the contracts entered into with its customers. Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation and this is determined at the amount as depicted in the contract for the exchange of the goods and services. Where a contract has multiple performance obligations, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

The principles of IFRS 15 are applied using the following five-step model:

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

Revenue streams

- Sale of spares
- Sales of vehicles
- Sale of service plan
- Sale of agricultural produce
- Sale of construction equipment
- Commission income and recoveries

Revenue is recognised when an entity satisfies a performance obligation as control is passed, either over time or at a point in time. The above revenue is recognised at a point in time, except for Service plans which is recognised over time. Service Plan is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

Contract liabilities relates to Service Plan Revenue and is reflected under Liabilities in the Statement of Financial Position.

Amounts not yet invoiced, for which revenue has been recognised are reflected under trade and other receivables.

Costs incurred on assembly of vehicles which do not yet meet the revenue recognition criteria are capitalised to inventories as work-in-progress and are expensed when the five principles of IFRS 15 are met.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.12 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

1.14 Levies

IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. The company has inventory stored in a bonded warehouse where duties, levies and taxes are due once the inventory leaves the bonded warehouse, or 24 months, whichever are earlier.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	The impact of the amendments is not material.
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	Disclosure of accounting policies have been updated to only include material accounting policies applicable to the entity.
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2024	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Computer equipment	**3,253,655**	**(3,103,503)**	**150,152**	3,062,478	(2,516,820)	545,658
Computer software	**4,590,394**	**(4,590,394)**	**–**	4,590,394	(3,818,409)	771,985
Furniture and fixtures	**4,716,161**	**(4,497,106)**	**219,055**	4,336,835	(4,336,835)	–
Leasehold improvements.	**1,024,690**	**(1,024,690)**	**–**	1,024,690	(1,024,690)	–
Motor vehicles	**53,953,725**	**(15,461,110)**	**38,492,615**	35,898,470	(11,213,306)	24,685,164
Motor vehicles - Held for rental	**764,886**	**(764,886)**	**–**	764,886	(764,886)	–
Office equipment	**1,255,229**	**(962,489)**	**292,740**	1,100,155	(776,183)	323,972
Plant and machinery	**407,577**	**(407,577)**	**–**	3,270,615	(3,217,799)	52,816
Total	**69,966,317**	**(30,811,755)**	**39,154,562**	54,048,523	(27,668,928)	26,379,595

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	**545,658**	**212,659**	**(1,790)**	**(606,375)**	**150,152**
Computer software	**771,985**	**–**	**–**	**(771,985)**	**–**
Furniture and fixtures	**–**	**387,665**	**(8,676)**	**(159,934)**	**219,055**
Motor vehicles	**24,685,164**	**26,316,040**	**(3,383,460)**	**(9,125,129)**	**38,492,615**
Office equipment	**323,972**	**155,074**	**–**	**(186,306)**	**292,740**
Plant and machinery	**52,816**	**–**	**(52,816)**	**–**	**–**
	26,379,595	**27,071,438**	**(3,446,742)**	**(10,849,729)**	**39,154,562**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	623,197	291,535	–	(369,074)	545,658
Computer software	1,489,210	192,800	–	(910,025)	771,985
Furniture and fixtures	96,981	188,804	–	(285,785)	–
Leasehold improvements	60,130	–	–	(60,130)	–
Motor vehicles	9,766,681	21,074,438	(1,870,838)	(4,285,117)	24,685,164
Motor vehicles-Held for rental	127,480	–	–	(127,480)	–
Office equipment	186,466	241,963	–	(104,457)	323,972
Plant and machinery	156,773	7,208	(36,262)	(74,903)	52,816
	12,506,918	21,996,748	(1,907,100)	(6,216,971)	26,379,595

During the year an amount of R26 316 040 (2023: R0) was included in the vehicle additions, which was transferred from Inventory to Property, Plant and Equipment and is excluded from the cash additions as well as the cash generated from operations in the statement of cash flows.

4. Right-of-use assets

The company leases various buildings as the need arises. Lease contracts are typically made for fixed periods between 3 years to 5 years. Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease contracts do not impose any covenants.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2024			2023		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Buildings and infrastructure	**7,475,668**	**(6,498,578)**	**977,090**	7,475,668	(5,058,355)	2,417,313

Reconciliation of right-of-use assets - 2024

	Opening balance	Additions	Terminations	Depreciation	Total
Buildings and infrastructure	**2,417,313**	**–**	**–**	**(1,440,223)**	**977,090**

Reconciliation of right-of-use assets - 2023

	Opening balance	Additions	Terminations	Depreciation	Total
Buildings and infrastructure	5,004,858	122,775	(894,268)	(1,816,052)	2,417,313

5. Deferred tax

Deferred tax asset

	2024	2023
Deferred revenue less Section 24C allowance	**1,518,299**	1,287,338
Lease liabilities	**455,553**	1,066,329
Prepaid expenses	**(410,937)**	(216,340)
Provisions	**19,613,142**	33,496,984
Right-of-use assets	**(263,814)**	(652,674)
Tax losses available for set off against future taxable income	**288,425**	–
Total deferred tax asset	**21,200,668**	34,981,637

Reconciliation of deferred tax asset

	2024	2023
	R	R
At beginning of year	**34,981,637**	30,076,134
Increases (decrease) in tax loss available for set off against future taxable income -	**288,425**	–
gross of valuation allowance Taxable / (deductible) temporary difference on interest on deferred revenue	**230,961**	292,757
Taxable / (deductible) temporary difference on lease liabilities	**(610,776)**	(199,884)
Taxable / (deductible) temporary difference on prepaid expenses	**(194,597)**	(146,681)
Taxable / (deductible) temporary difference on property, plant and equipment	**–**	(633,661)
Taxable / (deductible) temporary difference on provisions	**(13,883,842)**	5,158,515
Taxable / (deductible) temporary difference on right-of-use assets	**388,860**	434,457
	21,200,668	34,981,637

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

Management expects sufficient future taxable income in the company to enable the company to realise the deferred tax asset.

6. Retirement benefits

Defined contribution plan

It is the policy of the company to provide retirement benefits to all its employees. A defined contribution provident fund which is subject to the Pensions Fund Act exists for this purpose. The scheme is funded

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

by company and employee contributions only, which are charged to the income statement as they are incurred. The total company contributions to such scheme in 2024 was R2 704 582 (2023: R2 718 398).

The company is under no obligation to cover any unfunded benefits.

7. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, if any, as follows:

Supplier enterprise development loan	3,565,000	2,665,000

The loan is unsecured, interest free and repayable on demand.

Exposure to credit risk

Loans receivable inherently exposes the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Fair value of loans receivable

The fair value of loans receivable approximates their carrying amounts.

8. Inventories

	2024 R	2023 R
Agricultural produce	**621,345**	4,017,643
Goods in transit	**180,537,973**	21,868,840
Motor vehicles	**779,475,106**	1,318,979,385
Spares	**151,351,370**	152,467,090
	1,111,985,794	1,497,332,958
Provision for write down of inventories to net realisable value - motor vehicles, spares and agricultural produce	**(11,302,622)**	(17,799,573)
	1,100,683,172	1,479,533,385

Inventory pledged as security

Inventories were pledged as security for overdraft facilities of the company. Refer to note 29 for full details on the facilities granted to the company.

9. Trade and other receivables

	2024 R	2023 R
Financial instruments:		
Trade receivables	**145,344,707**	130,046,156
Deposits	**839,061**	1,106,275
Non-financial instruments:		
Prepayments	**47,376,313**	3,198,872
Total trade and other receivables	**193,560,081**	134,351,303

Financial instrument and non-financial instrument components of trade and other receivables

	2024 R	2023 R
At amortised cost	**146,183,768**	131,152,431
Non-financial instruments	**47,376,313**	3,198,872
	193,560,081	134,351,303

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for overdraft facilities of the company. Refer to note 29 for full details on the facilities granted to the company.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk the company deals with reputed banks and customers and also demands bank guarantees or purchase credit insurance where applicable.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 9 days (2023: 9 days). No interest is charged on outstanding trade receivables.

The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix has been applied to appropriate groupings of receivables based on shared credit risk characteristics. There is no material expected credit losses on application of the provision matrix for the businesses.

Furthermore, the company writes off a receivable where there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the company recovery procedure, considering legal advice where appropriate. In the current year there has been no receivables that have been written-off.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

10. Cash and cash equivalents

	2024 R	2023 R
Cash and cash equivalents consist of:		
Cash on hand	**21,196**	51,956
Bank balances	**2,307,158**	76,864,619
Bank overdraft	**(117,937,739)**	(5,305,271)
	(115,609,385)	76,611,304
Current assets	**2,328,354**	76,916,575
Current liabilities	**(117,937,739)**	(5,305,271)
	(115,609,385)	76,611,304

There is a cession amounting to R125 139 (2023: R125 139) relating to the First National Bank Account (Account number: 74865277774).

The carrying amount of cash and cash equivalents reasonably approximates its fair value.

All cash balances are placed with reputable financial institutions which have positive credit ratings. Therefore, there is no significant credit risk associated with cash and cash equivalents.

11. Share capital

	2024 R	2023 R
Authorised		
70,000,000 Ordinary shares with no par value	**70,000,000**	70,000,000
Reconciliation of number of shares issued:		
Reported as at 01 April 2023	**52,000,000**	52,000,000
Issued		
52,000,000 Ordinary shares with no par value	**52,000,000**	52,000,000

12. Foreign currency translation reserve

The Kenya Branch operations in Shilling has been translated to ZAR based on the exchange rate. The foreign currency reserve is a result of the foreign currency translation.

	2024 R	2023 R
Kenya Branch operations	**(19,245,759)**	(17,447,252)

13. Lease liabilities

	2024 R	2023 R
The maturity analysis of lease liabilities is as follows:		
- within one year	**1,675,206**	2,189,769
- in second to fifth year inclusive	**16,365**	1,763,933
	1,691,571	3,953,702

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

	2024 R	2023 R
The lease liability classification at year end is as follows:		
Non-current liabilities	**16,365**	1,763,933
Current liabilities	**1,675,206**	2,189,769
	1,691,571	3,953,702

The lease liability relates to the right-of-use assets disclosed under note 4.

The company leases various buildings as the need arises under operating leases.

Lease contracts are typically made for fixed periods between 3 years and 5 years.

Interest is based on the incremental borrowing rate of 10.25% for the South African Office and the training centre leases.

Interest is based on the incremental borrowing rate of 9% for the basement parking rental.

	2024 R	2023 R
Analysis of movement in lease liabilities		
Balance on 01 April	**3,953,702**	5,727,078
New leases	**–**	122,775
Terminations	**–**	(333,888)
Capital repayments	**(2,262,131)**	(1,562,263)
- Lease payments	**(2,536,040)**	(1,994,923)
- Interest charges	**273,909**	432,660
Balance on 31 March	**1,691,571**	3,953,702

For details of the exposure to liquidity risk related to finance lease liabilities, as well as the maturity analysis of the gross amounts payable, refer to note 28.

14. Contract liabilities

	2024 R	2023 R
Summary of contract liabilities		
Service plan	**281,166,408**	238,395,968
Reconciliation of contract liabilities		
Opening balance	**238,395,968**	151,991,770
Raised in current year	**131,410,455**	151,815,700
Revenue in current year	**(88,640,015)**	(65,411,502)
	281,166,408	238,395,968
Split between non-current and current portions		
Non-current liabilities	**188,906,228**	163,824,013
Current liabilities	**92,260,180**	74,571,955
	281,166,408	238,395,968

Nature: Certain vehicles are sold with a service plan. This service plan then covers certain services for a predetermined number of years and kilometres travelled. The income from these service plans is deferred and recognised as these services are performed.

Assumptions: The fair value of contract liabilities from service plans is management's best estimate of the company's future income and cost based on the estimated service cost that would occur for the selected models over a period of three to five years adjusted for inflation and possible price increases in parts and labour used in the service of the selected model.

15. Provisions

Reconciliation of provisions – 2024

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Provision for warranty claims	**116,141,131**	**2,484,504**	**(28,127,822)**	**(26,330,979)**	**64,166,834**

Reconciliation of provisions – 2023

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Provision for warranty claims	99,001,649	29,477,042	(18,896,134)	6,558,574	116,141,131
Non-current liabilities				24,263,481	97,087,749
Current liabilities				39,903,353	19,053,382
				64,166,834	116,141,131

Nature: This provision is raised due to the fact that certain vehicles, Gensets and Tractors sold are sold under a warranty, thus this provision estimates cost that would occur in the future for repairs under warranties.

Assumptions: Warranty provisions are managements best estimate of the company's liability (after the expected reimbursement from the manufacturer) on vehicles under two or three year warranties based on three years actual historical sales and warranty claims occurred. The warranty period for Gensets and Tractors being a twelve month period from date of sale.

Further, the warranty provision has been discounted to present value and the incremental amount pertaining to the current financial year has been adjusted in cost of sales.

16. Trade and other payables

	2024 R	2023 R
Financial instruments:		
Accrued expenses	**104,852,213**	72,008,053
Accrued leave pay	**3,208,987**	3,388,774
Other payables	**1,445,415**	1,844,199
Sundry payables	**2,690,611**	2,395,197
Trade payables	**593,080,490**	1,123,019,761
Non-financial instruments:		
VAT	**2,979,363**	7,498,627
	708,257,079	1,210,154,611

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

17. Revenue

	2024 R	2023 R
Revenue from contracts with customers		
Sale of goods	**3,576,422,814**	3,936,070,790
Commissions received	**2,644,246**	3,618,572
	3,579,067,060	3,939,689,362

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

	2024	2023
	R	R
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
The amount included in revenue arising from exchanges of goods or services included in revenue are as follows:		
Sale of spares	**362,794,836**	273,831,954
Sale of vehicles	**3,080,410,495**	3,503,079,332
Sale of service plan	**88,640,015**	65,411,502
Sale of agricultural produce	**-**	5,106,335
Sale of construction equipment	**22,650,000**	48,413,022
Sale of farm equipment	**21,927,468**	40,228,645
Commissions income and recoveries	**2,644,246**	3,618,572
	3,579,067,060	3,939,689,362
Timing of revenue recognition:		
At a point in time	**3,490,427,045**	3,874,277,860
Over time	**88,640,015**	65,411,502
	3,579,067,060	3,939,689,362

Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date

The transaction price which has been allocated to performance obligations which are unsatisfied or partially unsatisfied at the reporting date are presented below, together with the expected timing of satisfying the performance obligations:

2024

	1 year	2 years	3-5 years
Transaction price allocated to:			
Service plan	**92,260,180**	**80,573,132**	**108,333,096**

2023

	1 year	2 years	3-5 years
Transaction price allocated to:			
Service plan	74,571,955	66,560,585	98,278,969

18. Cost of sales

	2024	2023
	R	R
Sale of goods	**3,228,043,490**	3,629,982,591

19. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditors' remuneration - external

	2024	2023
	R	R
Audit fees	**742,000**	656,458
Adjustment for previous year	**43,500**	40,000
Tax compliance services	**29,625**	29,710
	815,125	726,168

Leases

	2024	2023
	R	R
Short term leases	**897,500**	1,408,681
Total lease expenses	**897,500**	1,408,681

Other operating gains

	2024	2023
	R	R
Loss (profit) on exchange differences	**1,246,795**	5,014,380
Profit on sale of property, plant and equipment	**(5,853,139)**	(3,048,928)

Expenses by nature

The operating expenses are analysed by nature as follows:

	2024	2023
	R	R
Depreciation	**12,289,952**	8,033,023
Employee costs	**51,303,807**	53,930,797

20. Investment income

	2024	2023
	R	R
Interest income		
From investments in financial assets:		
Bank	**4,496,617**	11,676,287

21. Interest expense

	2024	2023
	R	R
Bank and other	**833,895**	33,195
Lease liabilities	**273,909**	432,660
Vehicle purchase credit	**17,922,202**	16,309,179
Total finance costs	**19,030,006**	16,775,034

22. Taxation

Major components of the tax expense

	2024	2023
	R	R
Current		
Local income tax – current period	**–**	29,670,277
Deferred		
Deferred income tax – current period	**13,780,969**	(4,905,503)
	13,780,969	24,764,774

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2024	2023
	R	R
Accounting profit	**47,491,849**	90,700,926
Tax at the applicable tax rate of 28% (20231: 28%)	**12,822,799**	24,489,250
Tax effect of adjustments on taxable income		
Non deductible expenses*	**20,887**	429,075
Non taxable operations - Kenya	**937,283**	(153,551)
	13,780,969	24,764,774

* Non-deductible expenses include foreign travel expenses, donations and deprecation on leasehold improvements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

23. Cash used in operations

	2024 R	2023 R
Profit before taxation	**47,491,849**	90,700,926
Adjustments for non-cash items:		
Depreciation	**12,289,952**	8,033,023
Profit on sale of assets	**(5,853,139)**	(3,048,928)
Movements in provisions	**(51,974,298)**	17,139,482
Adjust for items which are presented separately:		
Interest income	**(4,496,617)**	(11,676,287)
Interest expense	**19,030,006**	16,775,034
Changes in working capital:		
(Increase) decrease in inventories	**352,534,174**	(952,686,389)
(Increase) decrease in trade and other receivables	**(59,208,778)**	(37,275,086)
Increase (decrease) in trade and other payables	**(501,897,532)**	717,407,532
Increase (decrease) in contract liabilities	**42,770,440**	86,404,198
	(149,313,943)	(68,226,495)

24. Tax paid

	2024 R	2023 R
Balance at beginning of the year	**(4,475,748)**	(8,153,529)
Current tax recognised in profit or loss	**–**	(29,670,277)
Balance at end of the year	**(4,281,454)**	4,475,748
	(8,757,202)	(33,348,058)

25. Commitments

Short term leases

	2024 R	2023 R
Minimum lease payments due		
- first year	**408,225**	573,680

Operating lease payments represents rentals payable by the company for short term leases of its premises (residential and office properties). Short term leases are leases with a lease term of 12 months or less. No contingent rent is payable.

26. Related parties

Relationships

Holding company	Mahindra & Mahindra Limited
Fellow subsidiaries	Erkunt Tractor Ind Inc.
	Mahindra Racing UK Limited
Members of key management	Vijay Nakra
	Rajeev Goyal
	Rajesh Gupta
	Sandip Kulkarni

Related party balances

	2024 R	2023 R
Amounts included in Trade receivable regarding related parties		
Mahindra & Mahindra Limited	**17,942,494**	14,653,397
Rajesh Gupta	**–**	402,361
	17,942,494	15,055,758

	2024 R	2023 R
Amounts included in Trade Payable regarding related parties		
Erkunt Tractor Ind Inc.	**478,930**	335,784
Mahindra & Mahindra Limited	**507,544,783**	1,044,052,928
Mahindra Racing UK Limited	**–**	53,760
	508,023,713	1,044,442,472
Amounts included in goods-in-transit		
Mahindra & Mahindra Limited	180,537,973	**21,868,840**

Related party transactions

	2024 R	2023 R
Purchases from (sales to) related parties		
Erkunt Tractor Ind Inc.	**593,091**	13,507,446
Mahindra & Mahindra Limited	**1,733,222,287**	2,863,865,452
	1,733,815,378	2,877,372,898

Other expenses paid to related parties

	2024 R	2023 R
Mahindra Racing UK Limited	**–**	53,760

Commission received from related parties

	2024 R	2023 R
Mahindra & Mahindra Limited	**262,042**	358,597

27. Directors' emoluments

Executive

2024 Directors' emoluments	Salary	Performance pay	Benefits and allowances	Total
Services as director or prescribed officer				
Rajesh Gupta	**2,804,670**	**300,054**	**615,954**	**3,720,678**
Sandip Kulkarni	**1,349,470**	**328,377**	**160,716**	**1,838,563**
	4,154,140	**628,431**	**776,670**	**5,559,241**

2023 Directors' emoluments	Salary	Performance pay	Benefits and allowances	Total
Services as director or prescribed officer				
Rajesh Gupta	2,487,648	279,935	967,422	3,735,005
Sandip Kulkarni	2,345,050	306,591	373,388	3,025,029
	4,832,698	586,526	1,340,810	6,760,034

Vijay Nakra (Chairman) and Rajeev Goyal did not earn any emoluments for their services as a director of the entity.

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024	Note(s)	Amortised cost	Total	Fair value
Loans receivable	7	**3,565,000**	**3,565,000**	**3,565,000**
Trade and other receivables	9	**146,183,768**	**146,183,768**	**146,183,768**
Cash and cash equivalents	10	**2,328,354**	**2,328,354**	**2,328,354**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

		152,077,122	**152,077,122**	**152,077,122**

2023	Note(s)	Amortised cost	Total	Fair value
Loans receivable	7	2,665,000	2,665,000	2,665,000
Trade and other receivables	9	131,152,431	131,152,431	131,152,431
Cash and cash equivalents	10	76,916,575	76,916,575	76,916,575
		210,734,006	210,734,006	210,734,006

Categories of financial liabilities

2024	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	**13**	**–**	**1,691,571**	**1,691,571**	**1,691,571**
Trade and other payables	**16**	**705,277,716**	**–**	**705,277,716**	**705,277,716**
		705,277,716	**1,691,571**	**706,969,287**	**706,969,287**

2023	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	13	–	3,953,702	3,953,702	3,953,702
Trade and other payables	16	1,202,655,984	–	1,202,655,984	1,202,655,984
		1,202,655,984	3,953,702	1,206,609,686	1,206,609,686

Capital risk management

The company's capital management objectives are:

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

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

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

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

Liquidity risk

The company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day- to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Short-term liquidity needs for a 120-day or less are identified monthly.

Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The company has contractual maturities which are summarised below:

31 March 2024	Current	Within 6 months	Within 1 year	2 - 5 years
Trade and other payables	**705,277,737**	**702,389,649**	**–**	**–**
Lease liabilities	**–**	**–**	**1,675,206**	**16,365**
	705,277,737	**702,389,649**	**1,675,206**	**16,365**

31 March 2023	Current	Within 6 months	Within 1 year	2 - 5 years
Trade and other payables	1,202,655,984	1,200,114,404	–	–
Lease liabilities contractual maturities	–	–	2,189,769	1,763,933
	1,202,655,984	1,200,114,404	2,189,769	1,763,933

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Foreign currency risk

Most of the company's transactions are carried out in Rands. Exposure to currency exchange rates arise from the operations in Kenya, as well as the company's overseas purchases and sea freight, which are primarily denominated in US Dollars and Indian Rupees.

Foreign currency denominated financial assets and liabilities, translated in Rands at the closing rate, are as follows:

Foreign currency exposure at the end of the reporting period

	2024 R	2023 R
Assets (Included in Trade and other receivables and Cash and cash equivalents)		
Bank balance (2024: USD 24 203 EGP 5 407; 2023: USD 49 400 EGP 6 853 KES 4 671 298))	**472,975**	892,424
Mahindra and Mahindra Limited (2024: USD 528 818 INDR 498 912; 2023: USD 529 763)	**10,078,014**	9,519,735
Liabilities (Included in Trade and other payables)		
Deloitte India (2024: USD 10 000; 2023: USD 0)	**188,443**	–
Erkunt (2024: Euro 25 551; 2023: Euro 19 792)	**499,406**	386,851
Hoegh Autoliners (2024: USD 0; 2023: USD 313 692)	**–**	5,636,988
Mahindra and Mahindra Limited (2024: USD 704 939; INR 3 572 952; 2023: USD 198 575; INR 4 809 152)	**14,091,957**	4,618,265

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year and equity in regards to the company's financial assets and financial liabilities and the US Dollar Rand exchange rate.

It assumes a +3.2% and -1.7% change of the Rand / US Dollar exchange rate for the year ended 31 March 2024 (2023: +11.8% and -7.6%). This has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the company's foreign currency financial instruments held at balance sheet date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

If the Rand had weakened against the US Dollar by 1.7% (2023: 7.6%) then this would have had the following impact:

	2024	2023
	R	R
Net results for the year	**136,787**	17,466

If the Rand had strengthened against the US Dollar by 3.2% (2023: 11.8%) then this would have had the following impact:

	2024	2023
	R	R
Net results for the year	**(74,616)**	(27,096)

Exposure to foreign exchange rates vary during the year depending on the volumes of overseas transactions. Nonetheless, the analysis above is considered to be representative of the company's exposure to currency risk.

Interest rate risk

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2% and -2% (2023: +2% and -2%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the company's financial instruments held at each balance sheet date. All other variables are held constant.

	2024	2024	2023	2023
Net results for the year	**3,192,527**	**(3,192,527)**	2,905,311	(2,905,311)

29. Banking facilities

The company avails credit facilities from First National Bank Limited which has sanctioned a ZAR facility of R 100 million for working capital borrowings. At the year end, the company has utilised R 117 486 693 of the facility from First National Bank. (2023: R 5 305 272).

The above facility has been secured as follows:

- General notarial bond over inventory.
- Cession of debtors.

30. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The entity has maintained a net asset position and holds sufficient funds to finance future operations. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

31. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

INDEPENDENT AUDITOR'S REPORT

To the Automobili Pininfarina GmbH, Munich

Audit Opinions

We have audited the annual financial statements of Automobili Pininfarina GmbH, Munich, which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Automobili Pininfarina GmbH, Munich, for the financial year from 1 April 2023 to 31 March 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Director for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Munich, 7 May 2024

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier	Andrea Stoiber-Harant
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2024

ASSETS

	EUR	31/03/2024 EUR	31/03/2023 EUR
A. FIXED ASSETS			
I. Intangible fixed assets			
1. Purchased concessions, industrial property rights and similar rights and assets, and licenses in such assets		**62,488.31**	145,266.12
II. Tangible fixed assets			
1. Other equipment, operating and office equipment	**2,479,512.57**		4,383,806.76
2. Prepayments and assets under construction	**976,661.17**		1,263,135.17
		3,456,173.74	5,646,941.93
III. Investments			
Shares in affiliates		**37,140.18**	37,140.18
B. CURRENT ASSETS			
I. Inventories			
1. Raw materials and supplies	**2,110,682.07**		2,366,207.50
2. Work in progress	**4,453,008.60**		5,936,580.54
3. Finished products	**1,429,047.52**		1,249,285.37
4. Advance payments made on inventories	**652,593.42**		627,377.62
		8,645,331.61	10,179,451.03
II. Receivables and other assets			
1. Trade receivables	**3,993,775.62**		7,489.39
2. Other assets	**1,829,091.99**	**5,822,867.61**	1,876,485.51
			1,883,974.90
III. Cash-in-hand, bank balances, and checks		**2,869,153.10**	3,344,548.86
C. PREPAID EXPENSES		**490,450.53**	251,776.17
D. NET LOSS NOT COVERED BY EQUITY		**6,676,640.78**	8,057,286.36
		28,060,245.86	29,546,385.55

EQUITY AND LIABILITIES

	EUR	31/03/2024 EUR	31/03/2023 EUR
A. EQUITY			
I. Subscribed capital	**210,000,000.00**		190,000,000.00
II. Capital reserve	**20,525,000.00**		20,525,000.00
III. Accumulated losses brought forward	**(218,582,286.36)**		(185,482,533.15)
IV. Net loss for the financial year	**(18,619,354.42)**		(33,099,753.21)
V. Net loss not covered by equity	**6,676,640.78**		8,057,286.36
		0.00	0.00
B. CONTRIBUTIONS MADE FOR THE DECIDED INCREASE IN EQUITY		**6,400,000.00**	8,400,000.00
C. PROVISIONS			
1. Tax provisions	**121,167.00**		0.00
2. Other provisions	**7,540,743.00**		5,884,130.03
		7,661,910.00	5,884,130.03
D. LIABILITIES			
1. Advance payments received on orders	**2,858,995.00**		1,200,000.00
2. Trade payables	**5,066,842.60**		11,615,367.12
3. Other liabilities	**4,856,303.69**		2,446,888.40
of which tax	**195,431.60**		266,138.35
of which relating to social security	**238,672.17**		214,093.20
		12,782,141.29	15,262,255.52
E. DEFERRED INCOME		**1,216,194.57**	0.00
		28,060,245.86	29,546,385.55

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01 APRIL 2023 TO 31 MARCH 2024

		Financial Year		Prior year	
		EUR	**EUR**		EUR
1.	Gross profit		**19,353,779.50**		4,287,048.07
2.	Personnel expenses:				
	a) Wages and salaries	**(12,583,224.48)**		(13,678,558.49)	
	b) Social security, post-employment and other employee benefit costs	**(2,547,641.32)**	**(15,130,865.80)**	**(2,227,583.50)**	(15,906,141.99)
3.	Amortization of intangible assets depreciation and write-downs of tangible fixed assets		**(2,438,373.37)**		(7,599,149.80)
4.	Other operating expenses		**(19,924,398.95)**		(13,577,274.98)
5.	Other interest and similar income		**7,877.58**		1,854.54
6.	Interest and similar expenses		**(136,539.54)**		(10,928.17)
7.	Income taxes		**(338,569.00)**		(217,402.00)
8.	**Earnings after tax**		**(18,607,089.58)**		(33,021,994.33)
9.	Other taxes		**(12,264.84)**		(77,758.88)
10.	**Net loss**		**(18,619,354.42)**		(33,099,753.21)

CASH FLOW STATEMENT FROM APRIL 01, 2023 TO MARCH 31, 2024

	Financial Year EUR	Previous Year EUR
Net loss for the period	**(18,619,354)**	(33,099,753)
+ Depreciation, amortisation and write-downs of fixed assets	**2,438,373**	7,599,150
+/- Increase/Decrease in provisions	**1,656,613**	1,517,127
+/- Interest income / expenses	**128,662**	(1,855)
+/- Increase/Decrease of Inventory	**1,534,119**	(6,825,294)
+/- Increase/Decrease in other assets	**(4,056,400)**	91,079
+/- Increase/Decrease in trade payables other liabilities	**2,240,398**	6,893,147
Cash flows from operating activities	**(14,677,589)**	(23,826,399)
- Purchase of intangible fixed assets	**(3,518,380)**	(7,739,877)
- Purchase of tangible fixed assets	**(150,765)**	(11,390)
+ Interest received	**7,878**	0
Cash flows from investing activities	**(3,661,268)**	(7,751,267)
+ Cash receipts from issue of capital and funding	**18,000,000**	31,500,000
- Interest paid	**(136,540)**	1,855
Cash flows from financing activities	**17,863,460**	31,501,855
Net change in cash fund (total cash flows)	**(475,396)**	(75,811)
+/- Cash funds at beginning of period	**3,344,549**	3,420,360
Cash funds at end of period	**2,869,153**	3,344,549

NOTES TO THE FINANCIAL STATEMENTS

General details relating to the financial statements

The company was formed based on the articles of association dated 05 February 2018

The financial statements have been prepared in accordance with the provisions of the German Commercial Code *[Handelsgesetzbuch - HGB]* applicable to business corporations and the Limited Liability Companies Act *[GmbH-Gesetz - GmbHG]*.

According to the size classes defined in Sec. 267 Commercial Code *[Handelsgesetzbuch – HGB]* the company falls into the category of a medium-sized corporation.

As in the prior year, the statement of profit and loss for the financial year 2022/2023 is prepared according to the nature of expense method pursuant to Section 275 (2) HGB.

The exemption options for medium-sized corporations pursuant to Sections 286 and 288 (2) HGB were exercised in part.

At the end of the financial year, there was a deficit of EUR 6,676,640.78 (prior year: EUR 8,057,286.36) not covered by equity, which is compensated by the contributions of EUR 6,400,000.00 (prior year: EUR 8,400,000.00) made to implement the resolved capital increase and the resolved contributions of EUR 3,600,000.00 which are not yet paid in.

Details relating to the identification of the company according to the Court of Registration

Business name acc. to Court of Registration:	Automobili Pininfarina GmbH
Registered office acc. to Court of Registration:	Munich
Register entry:	Commercial Register
Registrar of Companies:	Munich Local Court
Register number:	HRB 239596

Details relating to accounting policies

Accounting and valuation principles

Purchased intangible fixed assets are recognised at acquisition cost and, if they have a limited life, are amortized subject to straight-line depreciation.

Internally generated assets are valued at manufacturing cost according to Sec 255 (2a) HGB, i.e. included as assets in the balance sheet with the expenses incurred as of development. After completion and from the beginning of sales, they are amortised over the expected useful life using the straight-line method. The expected useful life is determined based on the sales period of the developed vehicles. The Company did not make use of the option regarding the capitalisation of costs according to Sec. 255 (2) sentence 3 HGB.

The Company does not engage in basic research. Hence, a separation of research and development is not required. Occasionally, feasibility studies are conducted before the development of a vehicle which are not capitalised. After completion of the feasibility study, development costs recorded if the following criteria are fulfilled:

- It is very probable that the planned intangible asset is created
- The development costs can be attributed reliably to the specific intangible asset
- No prohibition within the sense of Sec. 248 (2) sentence 2 HGB

The Company starts capitalising the development costs as soon as these criteria are met.

Property plant and equipment were recognised at acquisition costs subject to straight-line depreciation. Straight-line regular depreciation was applied pro rata temporis in accordance with the expected useful life.

Low-value assets with acquisition costs of up to EUR 800 are expensed as incurred in the year of their acquisition, assuming that it is disposed of in the year of acquisition.

Financial assets were valued at acquisition cost.

If the value of fixed assets as determined based on the principles mentioned above is expected to exceed the fair value as of reporting date permanently, this is taken into account by an impairment.

Inventories were recognised at manufacturing costs in conformity with the lower of cost or market principle.

Receivables and other assets are valued at nominal value and reflect all identifiable risks.

Prepayments and accrued income include expenditures before the reporting date representing costs for a certain time after this date.

The option for recognising an asset for deferred tax assets according to Sec. 274 (1) sentence 2 HGB was not exercised.

Other provisions were created for all identifiable risks and contingent liabilities and are recognised at the settlement amount required, according to prudent commercial judgement.

Deferred income consists of payments received prior to balance sheet date and represents income for a certain period thereafter

Assets and liabilities denominated in foreign currencies are translated at the closing rate on the reporting date in accordance with Sec. 256a HGB.

Liabilities were reported at the settlement amount.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the balance sheet

Development of assets for individual fixed assets items.

The depreciation applicable to the individual items for the financial year can be derived from the development of assets.

Research and development

The development expenditure incurred in the financial year was capitalised. It concerns the internally generated intangible assets described in the following. In the financial year, no research costs incurred.

Internally generated intangible assets

Expenses for internally generated intangible assets were capitalised at their manufacturing costs in the amount of EUR 14,062.00. The manufacturing costs amount to a total of EUR 120,798,559.25 (Prior year: EUR 120,784,497.25).

Due to a permanent impairment within the sense of Sec. 253 (3) sentence 5 HGB as of reporting date an extraordinary amortization of internally generated intangible assets in the amount of EUR 14,062.00 (prior year: EUR 5,290,488.44) were recognised.

Other liabilities - Customer advances

Payments by customers are recognised predominantly as other liabilities. The contributions do not constitute advances within the sense of German Commercial Law as they do not relate to a binding order. Advances made amount to a total of EUR 3,048,995.00 (prior year: EUR 1,770,000.00) of which EUR 190,000.00 (prior year: EUR 570,000.00) is reported under other liabilities. Other liabilities include liabilities to affiliated companies in the amount of EUR 4,155,332.11 (prior year: EUR 1,354,192.23) and are attributable to deliveries and services.

Share capital

The Company's share capital registered in the Commercial Register and fully paid up as of 31/03/2024 amounts to EUR 210,000,000.00. EUR 10,000,000.00 of an additional capital increase in the amount of EUR 6,400,000.00 in the past financial year were already paid in but not yet registered into the commercial register. Moreover, EUR 3,600,000 had been resolved but not yet paid in.

Authorized capital

The nominal amount of the authorised capital (resolution of the shareholders' meeting of 13/09/2021; Authorised Capital 2022/I) was EUR 25,000,000 and an additional EUR 5,000,000 (resolution of the shareholders' meeting of 30 August 2022; Authorised Capital 2022/II). By 31/03/2024 the authorized capital had been fully used.

Notes on provisions and deferred income

Other provisions amount to a total of EUR 7,540,743.00 (prior year: EUR 5,884,130.03). They include provisions for outstanding invoices and provisions for personnel. Income for dependent guarantees has been accrued since the financial year.

Remaining maturities

Payables due within one year amount to EUR 13,998,336.86 (prior year: EUR 15,262,255.52). Trade receivables and other assets have a remaining maturity of up to one year (EUR 5,701,700.71, prior year: EUR 1,883,974.90,).

Notes to the income statement

Notes on income and expenses in exceptional amounts or of exceptional incidence

Expenses in exceptional amounts or of exceptional incidence significant within the meaning of Sec. 285 No. 31 HGB include in detail:

- Event expenses in the amount of EUR 2,453,280.59 (prior year: EUR 2,668,838.71)
- External services in the amount of EUR 3,748,531.40 (prior year: EUR 4,907,383.37)

Income from currency translation is recorded in the statement of profit and loss under "Gross profit" in the amount of EUR 16,485.77 (prior year: EUR 145,299.52). Expenses from currency translation are recorded separately under "Other operating expenses" in the amount of EUR 177,908.87 (prior year: EUR 357,631.08) shown separately. In addition, the item "Other operating expenses" includes expenses relating to other periods in the amount of EUR 38,374.66 (previous year: EUR 99,232.90), while "Gross profit" includes income relating to other periods in the amount of EUR 488,977.80 (previous year: EUR 2,672.00).

Other disclosures

Average number of staff employed in the financial year

The average number of staff employed by the company during the financial year was 116 (prior year: 117).

	2024	2023
DESIGN & ENIGNEERING	**56**	58
OTHER DEPARTMENTS	**60**	59
Total	**116**	117

Other financial obligations

Other financial obligations within the meaning of Section 285 no. 3a HGB result from leasing contracts in the amount of EUR 502,466.00 and rent payments from long-term contracts in the amount of EUR 600,962.26.

Names of the managing directors

During the reporting year, the management of the company was in the hands the following persons:

Director: Dellacha, Paolo, CEO, *01.01.1975 (from 03.02.2023)

In accordance with Sec. 286 (4) HGB, the Company did not disclose the information pursuant to section 285 No. 9 characters a) and b) HGB.

Information on shareholding in other companies of at least 20 percent of the shares

In accordance with Sec. 285 No. 11 HGB, the following companies are included:

Company name, place of business	Share	Profit or loss	Equity
		EUR	EUR
Automobili Pininfarina Americas Inc. Delaware	100 %	(426)	7.960,41

Group affiliation

Automobili Pininfarina GmbH (based in: Munich) prepares consolidated financial statements for the smallest group of companies. Mahindra & Mahindra Limited (based: Mumbai) prepares consolidated financial statements for the largest group of companies. The consolidated financial statements are available on the homepage of the parent company (https://www.mahindra.com/investor-relations/reports).

Suggestion of the appropriation of profits

In accordance with the shareholders, the Company proposes the following appropriation of profits:

The net loss for the financial year amounts to EUR 18,619,354.42. It is carried forward to the next year.

Signature of management

Munich, 7 May 2024   Paolo Dellacha

STATEMENT OF MOVEMENT OF FIXED ASSETS FOR FINANCIAL YEAR 2023/24

	Acquisition/ Production costs as at 01/04/2023	Additions	Transfers	**Acquisition/ Production costs as at 31/03/2024**	Depreciations/ Amortizations as at 01/04/2023	Additions	**Depreciations/ Amortizations as at 31/03/2024**	**Book Value as at 31/03/2024**	Book Value as at 01/04/2023
I. Intangible Assets									
1. Self-created industrial property rights and similar rights and values	120,784,497	14,062	0	**120,798,559**	120,784,497	14,062	**120,798,559**	0	0
2. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	556,697	0	0	**556,697**	411,431	82,778	**494,209**	**62,488**	145,266
3. Prepayments on intangible assets	79,000	0	0	**79,000**	79,000	0	**79,000**	**0**	0
Subtotal	121,420,194	14,062	0	**121,434,256**	121,274,928	96,840	**121,371,768**	**62,488**	145,266
II. Tangibles Assets									
1. Other equipment, operating and office equipment	7,842,510	150,765	286,474	**8,279,750**	3,458,703	2,341,534	**5,800,237**	**2,479,513**	4,383,807
2. Prepayments and assets under construction	2,028,215	0	(286,474)	**1,741,741**	765,079	0	**765,079**	**976,661**	1,263,135
Subtotal	9,870,725	150,765	0	**10,021,490**	4,223,783	2,341,534	**6,565,316**	**3,456,174**	5,646,942
III. Long-term financial assets									
Shares in affiliated companies	37,140	0	0	**37,140**	0	0	**0**	**37,140**	37,140
Subtotal	37,140	0	0	**37,140**	0	0	**0**	**37,140**	37,140
Total	131,328,059	164,827	0	**131,492,886**	125,498,711	2,438,373	**127,937,084**	**3,555,802**	5,829,348

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,

Automobili Pininfarina Americas Inc.

Opinion

We have audited the accompanying financial statements of Automobili Pininfarina Americas Inc. (the "Company"), which comprise the balance sheets as of March 31, 2024, and March 31, 2023, and the related statements of (loss) income, stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of March 31, 2024 and March 31, 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV CPA LLP

Atlanta, Georgia

April 18, 2024

BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

	As of	
	March 31, 2024	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	**1,428,104**	9,470,157
Receivable from parent *(Refer note H)*	**4,492,618**	1,444,381
Prepaid and other current assets	**121,107**	137,130
Total assets	**6,041,829**	11,051,668
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Advance from customers	**5,762,489**	11,029,975
Other current liabilities	**270,734**	12,625
Total liabilities	**6,033,223**	11,042,600
Stockholder's equity		
Common stock	**40,000**	40,000
$25 par value; 2000 shares authorized as of March 31, 2024 and March 31, 2023; 1600 shares issued and outstanding as of March 31, 2024 and March 31, 2023		
Accumulated deficit	**(31,394)**	(30,932)
Total stockholder's equity	**8,606**	9,068
Total liabilities and stockholder's equity	**6,041,829**	11,051,668

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF (LOSS) INCOME

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
Revenue, net	**31,060**	25,759
Expenses		
General and administrative expenses	**29,581**	24,533
Total expenses	**29,581**	24,533
Income before tax	**1,479**	1,226
Current tax expense	**1,941**	720
Net (loss) income	**(462)**	506

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Net (loss) income	**(462)**	506
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Unrealised foreign exchange gain	**(50,198)**	–
Changes in operating assets and liabilities		
Receivables from parent	**(3,048,237)**	(324,421)
Prepaid expense and other current assets	**16,023**	(137,130)
Advance from customers	**(5,217,288)**	3,450,065
Other current liabilities	**258,109**	6,900
Net cash (used in) provided by operating activities	**(8,042,053)**	2,995,920
Net (decrease) increase in cash and cash equivalents	**(8,042,053)**	2,995,920
Cash and cash equivalents at the beginning of the year	**9,470,157**	6,474,237
Cash and cash equivalents at the end of the year	**1,428,104**	9,470,157
Supplementary cash flow information		
Income taxes paid	**–**	500

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF STOCKHOLDER'S EQUITY

(All amounts are stated in United States Dollars, except number of shares)

	Common stock					
	Authorized		**Issued & outstanding**			
	Shares	**Value**	**Shares**	**Value**	**Accumulated deficit**	**Total stockholder's equity**
Balance as of April 01, 2022	2,000	50,000	1,600	40,000	(31,438)	8,562
Net income for the year	–	–	–	–	506	506
Balance as of March 31, 2023	**2,000**	**50,000**	**1,600**	**40,000**	**(30,932)**	**9,068**
Balance as of April 01, 2023	**2,000**	**50,000**	**1,600**	**40,000**	**(30,932)**	**9,068**
Net loss for the year	–	–	–	–	(462)	(462)
Balance as of March 31, 2024	**2,000**	**50,000**	**1,600**	**40,000**	**(31,394)**	**8,606**

(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements

NOTE A – NATURE OF OPERATIONS

Automobili Pininfarina Americas Inc. (hereinafter referred to as “APA” or “the Company”) was converted to a Delaware corporation on January 23, 2019 through the conversion of a Delaware Limited Liability Company, under the name of Harkey Acquisition, LLC. The Company is a wholly owned subsidiary of Automobili Pininfarina GmbH (hereinafter referred to as “the Parent Company”).

The Parent Company acquired 100% membership interest of Harkey Acquisition, LLC (hereinafter referred to as “the LLC”) on January 15, 2019 from Oakland Standard Co., LLC (“the Seller”). No capital contribution was made by the Seller in the LLC. Post acquisition, a plan of conversion to a Corporation was adopted and the LLC was converted and renamed as “Automobili Pininfarina Americas Inc.”.

The Parent Company plans to provide business support services for the distribution, directly or indirectly, to retail customers, of a luxury vehicle known as the Battista. The distribution of Battista will take place in the United States of America.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a) The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America (‘US GAAP’) to reflect the financial position, results of operations and cash flows of the Company.

   b) The financial statements are for the years ended March 2024 and March 31, 2023.

   c) All amounts are stated in United States Dollars, unless specified otherwise.

2. *Use of estimates*

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management’s estimates for recognition of deferred tax assets and accruals at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision in accounting estimates are recognized prospectively in the current and future periods.

3. *Cash and cash equivalents*

   Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 for each insured bank for each account per depositor.

4. *Income taxes*

   In accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized. . All deferred tax assets and liabilities, along with any related valuation allowance, are classified as noncurrent on the balance sheet.

5. *Revenue recognition*

   The Company provides business support services to the Parent Company. The Company determines the standalone prices using the expected cost-plus margin approach. Cost includes specific direct costs like professional charges and other charges like bank charges. Margin is computed using data related to historical margins and prevalent market conditions. Revenues from business support services are recognized over a period of time as the services are performed.

6. *Fair value measurements and financial instruments*

   Assets and liabilities recorded at fair value in the financial statements are categorized based on the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels that are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

   Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

   Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Notes to Financial Statements

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents and other current liabilities. The estimated fair value of cash and cash equivalents and other current liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments is held for trading purposes.

7. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As of	
	March 31, 2024	March 31, 2023
Balances with banks	**1,428,104**	9,470,157
Total	**1,428,104**	9,470,157

NOTE D – PREPAID AND OTHER CURRENT ASSETS

Other current liabilities include the following:

	As of	
	March 31, 2024	March 31, 2023
State tax refund receivable	**121,107**	–
Prepaid expenses	**–**	137,130
Total	**121,107**	137,130

NOTE E – ADVANCES FROM CUSTOMERS

The Company has entered into contracts with multiple customers, wherein the Company will sell a Luxury Vehicle Batistta ("the vehicle") to the customers. The vehicle will be manufactured by the Parent Company and sold to the Company. The Company in turn will sell the vehicle to the customers through a dealer. Pursuant to the aforesaid arrangement the customer will pay advances on milestone basis to the Company. As of March 31, 2024, the aggregate advances received from the customers amounted to $ 5,762,489 (March 31, 2023: $11,029,975).

NOTE F – OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As of	
	March 31, 2024	March 31, 2023
Payables for expenses	**252,855**	–
Accrued expenses	**12,900**	12,325
Provision for taxation	**2,241**	300
Warranty provision	**2,738**	–
Total	**270,734**	12,625

NOTE G – INCOME TAXES

For the year ended March 31, 2024 and March 31, 2023, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Current taxes		
Federal tax	**691**	–
State tax	**1,250**	720
Provision for income taxes	**1,941**	720

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As of	
	March 31, 2024	March 31, 2023
Non-current deferred tax assets		
Net operating losses	**–**	580
Startup costs	**6,404**	5,776
Total deferred tax assets	**6,404**	6,356

	As of	
	March 31, 2024	March 31, 2023
Deferred tax liability		
Unrealised forex gain/loss	**2,170**	–
Total deferred tax assets	**2,170**	–

	As of	
	March 31, 2024	March 31, 2023
Net deferred taxes	**8,574**	6,356
Less: valuation allowance	**(8,574)**	(6,356)
Total deferred tax assets	**–**	–

Notes to Financial Statements

Realization of net deferred tax assets is dependent upon the generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences, and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the current year and previous year losses, the management believes that it is more likely than not that the deferred tax assets may not be realized during the foreseeable future and accordingly, a valuation allowance of $8,574 and $6,356 has been recorded as of March 31, 2024 and March 31, 2023, respectively.

No deferred tax assets were recognized as of March 31, 2024, and March 31, 2023.

The Company has federal net operating losses of Nil and $ 3,429 as of March 31, 2024, and March 31, 2023, respectively.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of March 31, 2024, and March 31, 2023.

The tax years of 2020 and 2022 remain subject to examination by the taxing authorities.

NOTE H – RELATED PARTY TRANSACTIONS

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

- Automobili Pininfarina GmbH- the Parent Company

	March 31, 2024	March 31, 2023
Transactions for the year		
Purchase of the vehicle	**21,354,422**	7,957,565
Purchase of the extended warranty	**1,051,983**	115,722
Amounts transferred to the Parent Company during the year	**25,454,642**	8,397,708
Balance		
Receivable from parent	**4,492,618**	1,444,381

NOTE I – COMMON STOCK

Common stock authorized, issued and outstanding

The authorized share capital of the Company consists of 2,000 common shares of par value $ 25 each as of March 31, 2024, and March 31, 2023.

Common stock issued as of March 31, 2024, and March 31, 2023, was 1,600 shares of $ 25 each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held as per the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE J – REVENUE, NET

The following table presents revenue disaggregated by source of revenue and classification:

	For the year ended	
	March 31, 2024	March 31, 2023
Business support services : Agency revenue	**31,060**	25,759
	31,060	25,759

NOTE K – FAIR VALUE MEASUREMENTS

Financial assets and liabilities held by the Company are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

NOTE L – RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes and the Company's ability to execute on its business plan.

NOTE M – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA RACING UK LIMITED

Opinion

We have audited the financial statements of Mahindra Racing UK Limited (the 'Company') for the year ended 31 March 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on management's assessment of risk and management's processes for identifying and responding to the risks of fraud in the entity;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Yogan Patel FCA (Senior statutory auditor)
for and on behalf of

MHA

Senior Statutory Auditor

London, United Kingdom

Date: 10 May 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales

(Registered number OC312313)

STATEMENT OF INCOME & RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 (restated) £
INCOME			
Turnover	4	**29,133,957**	25,224,047
Cost of sales		**(17,879,177)**	(15,809,420)
Gross Profit		**11,254,780**	9,414,627
Administrative expenses		**(11,209,189)**	(7,997,662)
Other operating income	5	**1,253,276**	1,534,803
Operating Profit	6	**1,298,867**	2,951,768
Interest receivable and similar income	10	**46,546**	81,969
Interest payable and similar expense	11	**(137,408)**	(60,303)
Profit before tax		**1,208,005**	2,973,434
Profit for the financial year		**1,208,005**	2,973,434
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year		**1,208,005**	2,973,434

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

The notes on pages herein form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2024

REGISTERED NUMBER: 09052210

	Note		2024 £		2023 (restated) £
Fixed Assets					
Intangible assets	13		**2**		2
Tangible assets	14		**1,662,562**		2,667,455
			1,662,564		2,667,457
Current Assets					
Debtors: amounts falling due within one year	15	**10,623,766**		6,800,281	
Cash at bank and cash equivalents		**611,238**		1,979,236	
		11,235,004		8,779,517	
Creditors: amounts falling due within one year	16	**(10,077,171)**		(10,014,582)	
Net Current liabilities			**1,157,833**		(1,235,065)
Total assets less current liabilities			**2,820,397**		1,432,392
Provisions for liabilities					
Other provisions	17	**(360,000)**		(180,000)	
			(360,000)		(180,000)
Net Assets			**2,460,397**		1,252,392
Capital & Reserves					
Called up share capital	18		**20,000**		20,000
Profit & Loss Account	19		**2,440,397**		1,232,392
			2,460,397		1,252,392

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

F. Bertrand
Director

Date : 9th May 2024

The notes on pages herein form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Called up Share Capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2023	20,000	1,232,392	1,252,392
Comprehensive income for the year			
Profit for the year	–	1,208,005	1,208,005
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	1,208,005	1,208,005
Total transactions with owners	–	–	–
At 31 March 2024	20,000	2,440,397	2,460,397

The notes on pages herein form part of these financial statements.

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

	Called up Share Capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	20,000	(1,741,042)	(1,721,042)
Comprehensive income for the year			
Profit for the year	–	2,973,434	2,973,434
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	2,973,434	2,973,434
Total transactions with owners	–	–	–
At 31 March 2023	20,000	1,232,392	1,252,392

The notes on pages herein form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General Information

Mahindra Racing UK Limited is a private company limited by shares, incorporated in England and Wales within the UK. The address of the registered office and the registration number are given in the company information page of these financial statements.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's Statement of Financial Position has been adapted and prepared in accordance with Section 4.2A of Financial Reporting Standard 102.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17{d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Mahindra & Mahindra Ltd as at 31 March 2024 and these financial statements may be obtained from Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income within "other operating income"

2.4 Revenue

Sponsorship revenue, apart from the parent company, is recognised evenly over each race season in line with the number of races that have taken place prior to the period end, or to the extent that it is probable that the economic benefits will flow to the Company in line with the sponsorship agreement. Sponsorship revenue received from the parent company is recognised when it is due. Value in kind sponsorship is recognised in accordance with fulfillment of conditions per sponsorship agreements. Sponsorship revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating Lease : the Company as lessee

Rentals paid under operating leases are charged to the Statement of income on a straight line basis over the lease term.

2.6 Research and development

Expenditure on development is recognised as an expense when incurred and are not capitalised.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Intangible Assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long term leasehold property - Lower of lease period and useful life

Plant & Machinery - 33% straight line

Furniture & Fittings - 20% straight line

Office equipment - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for Liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.17 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Going Concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty that they can continue to adopt the going concern basis in preparing the annual report and accounts.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Dilapidations provision

Dilapidation provision has been recognised on a yearly basis in line with the signed lease contract which will be expiring in 2027.

Depreciation rates

Management apply judgement on the esimated useful life of each class of fixed assets and their useful lives.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024	2023
	£	£
Sponsorship income and race prize monies	**27,785,946**	23,078,513
Sale of goods, services and support to third parties	**1,348,011**	2,145,534
	29,133,957	25,224,047

Analysis of turnover by country of destination:

	2024	2023
	£	£
Europe	**1,348,011**	4,598,319
Rest of the world	**27,785,946**	20,625,728
	29,133,957	25,224,047

5. Other operating income

	2024	2023
	£	£
R&D tax credit income	**1,253,276**	1,534,803
	1,253,276	1,534,803

6. Operating profit / (loss)

The operating profit /(loss) is stated after charging :

	2024	2023
	£	£
Research & Development charged as an expense	**1,928,117**	1,479,014
Exchange differences	**(17,085)**	(206,144)
Other operating lease rentals	**319,560**	47,624
Depreciation	**1,171,507**	807,794

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	**16,000**	14,000

8. Employees

	2024	2023
	£	£
Wages & Salaries	**4,652,283**	3,282,062
Social security costs	**547,157**	437,625
Cost of defined contribution scheme	**264,352**	175,842
	5,463,792	3,895,529

The average monthly number of employees, including the directors, during the year was as follows:

	2024	2023
	Nos.	Nos.
Employees	**51**	42
Directors	**2**	2
	53	**44**

9. Directors' remuneration

	2024	2023
	£	£
Directors' emoluments	**617,914**	354,803
Company contributions to defined contribution pension schemes	**62,137**	17,119
	680,051	371,922

During the year retirement benefits were accruing to 2 directors (2023 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £490,522 (2023 - £246,938).

The pension contributions paid in respect of the highest paid director amounted to £24,167 (2023 - £12,036).

10. Interest Receivable

	2024	2023
	£	£
Other interest receivable	**46,546**	81,969
	46,546	81,969

11. Interest Payable and Similar expenses

	2024	2023
	£	£
Bank interest payable	**137,408**	60,303
	137,408	60,303

12. Taxation

	2024	2023
	£	£
Total current tax	–	–
Deferred tax	–	–
Total deferred tax	–	–
Tax on profit	–	–

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2023 - the same as) the standard rate of corporation tax in the UK of 25% (2023 - 19%) as set out below:

	2024	2023
	£	£
Profit / (loss) on ordinary activities before tax	**1,208,005**	2,973,434
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	**302,001**	564,953
Effects of:		
Capital Allowances for year in excess of depreciation	**222,410**	(238,749)
Utilisation of tax losses	**(566,586)**	(263,250)
RDEC claim	**(313,319)**	(291,613)
R&D expenditure	**420,908**	224,810
Capital items expensed	**–**	2,260
Other tax effects	**(65,414)**	1,589
Total tax charge for the year	**–**	**–**

As at 31 March 2024 there are trading losses of £846,012 (2023: £3,112,357) which can be utilised against future trading profits.

13. Intangible assets

Costs	**Patents**
	£
At 1 April 2023	**2**
At 31 March 2024	**2**
Net Book Value	
At 31 March 2024	2
At 31 March 2023	2

14. Tangible fixed assets

	Long term lease hold property £	Plant & Machinery £	Fixture & Fittings £	Office Equipment £	Total £
Cost or valuation					
At 1 April 2023	798,220	3,180,874	290,452	388,549	4,658,095
Additions	80,092	56,489	20,652	9,381	166,614
Assets written off	–	(109,099)	–	–	(109,099)
At 31 March 2024	**878,312**	**3,128,264**	**311,104**	**397,930**	**4,715,610**
Depreciation					
At 1 April 2023	295,676	1,108,646	279,776	306,542	1,990,640
Charge for the year on owned assets	115,291	977,154	7,571	71,491	1,171,507
Depreciation on assets written off	–	(109,099)	–	–	(109,099)
At 31 March 2024	**410,967**	**1,976,701**	**287,347**	**378,033**	**3,053,048**
Net book value					
At 31 March 2024	**467,345**	**1,151,563**	**23,757**	**19,897**	**1,662,562**
At 31 March 2023	502,544	2,072,228	10,676	82,007	2,667,455

15. Debtors

	2024	2023
	£	£
Trade Debtors	**531,961**	264,965
Amounts owed by group undertakings	**909,607**	788,058
Other debtors	**2,825,640**	1,660,270
Prepayments and accrued income	**6,356,558**	4,086,988
	10,623,766	6,800,281

16. Creditors : Amounts falling due within one year

	2024	2023
	£	£
Bank loans	**2,000,000**	2,000,000
Trade Creditors	**4,332,547**	2,430,978
Amounts owed to group undertakings	**372,904**	–
Other taxation & social security	**185,421**	162,608
Other creditors	**48,379**	33,705
Accruals & Deferred income	**3,137,920**	5,387,291
	10,077,171	10,014,582

The bank loans are secured by guarantee from the Company's ultimate parent company Mahindra & Mahindra Limited.

17. Provisions

	Dilapidation
At 1 April 2023	180,000
Charged to profit or loss	180,000
At 31 March 2024	**360,000**

18. Share Capital

	2024	2023
	£	£
Allotted, called up and fully paid		
20,000 (2023 - 20,000) Ordinary shares of £1.00 each	**20,000**	20,000

19. Reserves

Profit and loss account

The profit and loss account represents the net accumulated profits and losses, after the deduction of dividends and adjustments.

20. Prior year re-statement

The previous year R&D tax credit was incorrectly included as part of tax credit instead of as other operating income.

In addition, dilapidation provision was included in creditors instead of being disclosed as a provision.

None of the above has had any impact on the results of the year ended 31 March 2023 previously reported.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £264,352 (2023 - £175,842). Contributions totaling £47,889 (2023 - £33,705) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£	£
Not later than 1 year	**204,870**	204,870
Later than 1 year and not later than 5 years	**700,487**	905,357
	905,357	1,110,227

23. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

24. Controlling party

The company's immediate parent undertaking is Mahindra Overseas Investment Company (Mauritius) Limited, a company incorporated in Mauritius. The ultimate parent undertaking is Mahindra & Mahindra Limited, a company incorporated in India.

The company's results are included in the consolidated financial statements of Mahindra & Mahindra Limited which are publicly available from Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Turnover		**29,133,957**	25,224,047
Cost of Sales		**(17,879,177)**	(15,809,420)
Gross profit		**11,254,780**	9,414,627
Gross profit %		**38.6%**	37.3%
Other operating income		**1,253,276**	1,534,803
Less: overheads			
Administration expenses		**(11,209,189)**	(7,997,662)
Operating profit		**1,298,867**	2,951,768
Interest receivable		**46,546**	81,969
Interest payable		**(137,408)**	(60,303)
Profit for the year		**1,208,005**	2,973,434

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover		
Sales - Other EU	**–**	2,452,785
Sales - Other EU	**1,348,011**	2,145,534
Sales - Rest of the world	**27,785,946**	20,625,728
	29,133,957	25,224,047

	2024 £	2023 £
Cost of sales		
Subcontract labour	**1,706,038**	1,714,639
Commissions payable	**–**	11,005
FIA & development costs	**16,173,139**	14,083,776
	17,879,177	15,809,420

	2024 £	2023 £
Other operating income	**1,253,276**	**1,534,803**
	1,253,276	**1,534,803**

	2024 £	2023 £
Administration expenses		
Directors salaries	**617,914**	354,803
Directors pension costs	**62,137**	17,119
Staff salaries	**4,034,369**	2,927,259
Employer's national insurance	**547,157**	437,625
Staff pension costs	**202,215**	158,723
Staff welfare	**225,450**	119,594
Motor vehicle (leasing)	**17,617**	10,094
Hotels, travel and subsistence	**2,058,027**	1,704,178
Printing and stationery	**32,477**	36,868
Telephone and fax	**62,363**	21,067
Computer costs	**(53,799)**	15,609
Advertising and promotion	**690,105**	608,924
Legal and professional	**324,485**	161,362
Auditors' remuneration	**16,000**	14,000
Accountancy fees	**103,619**	95,629
Bank charges	**20,160**	18,528
Dilapidation provision	**180,000**	180,000
Difference on foreign exchange	**(17,085)**	(206,144)
Rent	**301,943**	37,530
Rates	**213,743**	146,838
Light and heat	**186,716**	199,284
Insurances	**83,775**	54,411
Repairs and maintenance	**73,004**	35,513
Depreciation	**1,171,507**	807,794
Profit / loss on sale of tangible assets	**–**	288
Recruitment	**55,290**	40,766
	11,209,189	7,997,662

	2024 £	2023 £
Interest receivable		
Interest receivable	**46,546**	81,969
	46,546	81,969

	2024 £	2023 £
Interest payable		
Interest payable	**137,408**	60,303
	137,408	60,303

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Last Mile Mobility Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Last Mile Mobility Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from 29 May 2023 to 31 March 2024 ("the period"), and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

e. On the basis of the written representations received from the directors as on various dates in April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matter connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 35 to the financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 31 to the financial statements.

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

d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 41(d) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 41(e) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

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

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN:24112399BKFRID5194

Place : Mumbai
Date : May 06, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA LAST MILE MOBILITY LIMITED FOR THE PERIOD ENDED 31 MARCH 2024

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

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

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

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

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

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

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

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

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

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

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

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

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the period ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity and preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The funds raised during the year have been fully utilised except for Rs 20,000 lakhs, which were unutilised as they were raised towards the end of the year.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

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

(c) We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the period and shared with us while determining the nature, timing and extent of our audit procedures.

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

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

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

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

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

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

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

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

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

(xvii) The Company has not incurred cash losses in the current period.

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

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

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

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN:24112399BKFRID5194

Place : Mumbai
Date : May 06, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA LAST MILE MOBILITY LIMITED FOR THE PERIOD ENDED 31 MARCH, 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Last Mile Mobility Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN:24112399BKFRID5194

Place : Mumbai
Date : May 06, 2024

BALANCE SHEET AS AT 31 MARCH, 2024

₹ in Lakhs

Particulars	Note No.	As at 31 March, 2024
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4	**26,200**
Capital work-in-progress	5(a)	**1,473**
Intangible assets	6	**7,827**
Intangible assets under development	7(a)	**12,265**
Financial assets		
Other financial assets	8(a)	**1,930**
Deferred Tax Assets (Net)	9	**1,951**
Income Tax Assets (Net)		**770**
Other non-current assets	10(a)	**6,916**
TOTAL NON-CURRENT ASSETS		**59,332**
CURRENT ASSETS		
Inventories	11	**24,289**
Financial assets		
Investments	12	**14,074**
Trade receivables	13	**10,794**
Cash and cash equivalents	14	**27,531**
Bank balances other than cash and cash equivalents	15	**35,000**
Other financial assets	8(b)	**20,416**
Other current assets	10(b)	**14,996**
TOTAL CURRENT ASSETS		**147,100**
TOTAL ASSETS		**206,432**
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	16	**86,005**
Other Equity		**(13,862)**
TOTAL EQUITY		**72,143**
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
Lease liabilities	32	**396**
Compulsorily Convertible Preference Shares	17	**52,172**
Other financial liabilities	18(a)	**3,190**
Provisions	19(a)	**3,453**
Other non-current liabilities	20(a)	**392**
TOTAL NON-CURRENT LIABILITIES		**59,603**
CURRENT LIABILITIES		
Financial liabilities		
Lease liabilities	32	**717**
Trade payables	21	
Total outstanding dues of micro and small enterprises		**2,510**
Total outstanding dues of creditors other than micro and small enterprises		**56,010**
Other financial liabilities	18(b)	**4,018**
Provisions	19(b)	**2,191**
Other current liabilities	20(b)	**9,240**
TOTAL CURRENT LIABILITIES		**74,686**
TOTAL EQUITY AND LIABILITIES		**206,432**

The accompanying notes 1 to 43 form an integral part of the Financial Statements.

As per our report of even date attached:
for B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place : Mumbai
Date : May 06, 2024

For and on behalf of the Board of Directors of:
Mahindra Last Mile Mobility Limited
CIN: U29102MH2023PLC403752

Rajesh Jejurikar
Chairman
DIN : 00046823

Suman Laxmidhar Mishra
Managing Director and Chief Executive Officer
DIN : 06727958

Rasesh Joshi
Chief Financial Officer

Deepti Swanand Chandratre
Company Secretary
Membership No.: A20759

Place : Mumbai
Date : May 06, 2024

Place : Mumbai
Date : May 06, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2024

Particulars	Note No.	₹ in Lakhs For the period ended 31 March, 2024
Income		
Revenue from operations	22	236,769
Other income	23	2,031
Total Income		238,800
Expenses		
Cost of materials consumed	24	144,549
Purchases of stock-in-trade	25	49,961
Changes in inventories of finished goods and stock-in-trade	26	(2,947)
Employee benefits expense	27	8,432
Finance costs	28	200
Depreciation and amortisation expense	29	6,025
Other expenses	30	27,690
Total Expenses		233,910
Profit before tax		4,890
Tax expense		2,270
Current tax	9	745
Deferred tax (net)	9	1,525
Profit for the period		2,620
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	34	109
Income tax effect on the above	9	(27)
Total other comprehensive income for the period (net of tax)		82
Total comprehensive income for the period		2,538
Earnings per equity share of face value ₹ 10 each		
Basic and Diluted	33	0.46

The accompanying notes 1 to 43 form an integral part of the Financial Statements.

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Place : Mumbai
Date : May 06, 2024

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Date : May 06, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 2024

(a) Equity Share Capital

₹ in Lakhs

Particulars	Amount
Issued, Subscribed and Paid-up	
Balance as at 29 May 2023	–
Equity shares issued during the period	86,005
Balance as at 31 March 2024	**86,005**

(b) Other Equity

₹ in Lakhs

Particulars	Reserves and surplus		Items of Other Comprehensive Income	
	Capital Reserve (Refer Note 38)	Retained earnings	Remeasurement of defined benefit liability, net of tax	Total
Balance as at 29 May 2023	–	–	–	–
Capital Reserve (Refer Note 38)	(19,850)	–	–	(19,850)
Profit for the period*	223	2,398	–	2,621
Other comprehensive income / (loss)	–	–	(109)	(109)
Deferred Tax	3,449	–	27	3,476
Balance as at 31 March 2024	**(16,178)**	**2,398**	**(82)**	**(13,862)**

Nature and purpose of Reserves

(a) Capital Reserve

Capital reserve mainly represents the amount of consideration paid over and above the book value of net assets aquired under the Business Transfer Agreement (BTA), which is accounted as a common control transaction in accordance with Ind AS 103 Business Combinations.

(b) Retained earnings

Retained earnings comprises of accumulated balance of profits of the current period. The said reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

* Rs 223 lakhs represents profit for the period 29 May 2023 to 31 August 2023. Refer Note 38.

The accompanying notes 1 to 43 are an integral part of the financial statements.

As per our report of even date attached:
for B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place : Mumbai
Date : May 06, 2024

For and on behalf of the Board of Directors of:
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Deepti Swanand Chandratre
Company Secretary
Membership No.: A20759

Place : Mumbai
Date : May 06, 2024

Place : Mumbai
Date : May 06, 2024

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH, 2024

₹ in Lakhs

Particulars	Note No.	For the period ended 31 March, 2024
Cash flows from operating activities		
Profit before tax for the period		**4,890**
Adjustments for :		
Provision for Financial Assets		**6,761**
Finance costs		**200**
(Gain) on redemption of mutual funds (net)		**(1,228)**
(Gain) arising on fair value changes in mutual funds (net)		**(312)**
Interest income		**(487)**
Loss on fair valuation of Compulsorily Convertible Preference Shares (net)		**4,346**
(Profit) on sale / discardment of Property, Plant and Equipment and Intangible assets (net)		**(4)**
Depreciation and amortisation expense		**6,025**
Loss on foreign exchange fluctuation (net)		**48**
Operating Cash Flows before Working Capital changes		**20,239**
Changes in :		
Trade Receivables and other receivables		**(33,212)**
Inventories		**(8,591)**
Trade and Other Payables and Provisions		**62,497**
Cash used in operations		**40,933**
Income taxes refund received / (paid)		**(1,430)**
Net cash flows used in operating activities		**39,503**
Cash flows from investing Activities		
Purchase under Business Transfer Agreement and Asset Transfer Agreement (Refer note 38)		**(84,155)**
Acquisition of Property, Plant and Equipment and Intangible Assets		**(16,464)**
Sale Proceeds from disposal of Property, Plant and Equipment (net)*		**0***
Bank deposits placed		**(40,400)**
Bank deposits matured		**5,400**
Interest received		**487**
Acquisition of mutual funds		**(79,400)**
Proceeds from sale/redemption of mutual funds (net)		**66,866**
Net cash flows used in investing activities		**(147,666)**
Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)		**86,005**
Proceeds from issue of Compulsorily Convertible Preference Shares		**50,000**
Lease liabilities (including interest)		**(311)**
Net cash flows from financing activities		**135,694**

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH, 2024 (CONTINUED)

₹ in Lakhs

Particulars	Note No.	For the period ended 31 March, 2024
Net increase/ (Decrease) in cash and cash equivalents		**27,531**
Cash and cash equivalents at the beginning of the period		**–**
Cash and cash equivalents at the end of the period		**27,531**
Components of cash and cash equivalents		
Cash and cash equivalents	**14**	**27,531**
		27,531

Notes :

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

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

iii) Figures in brackets indicate Outflows.

iv) *Represents amount below ₹ 1 lakh.

As per our report of even date attached:
for B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place : Mumbai
Date : May 06, 2024

For and on behalf of the Board of Directors of:
Mahindra Last Mile Mobility Limited
CIN: U29102MH2023PLC403752

Rajesh Jejurikar
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Chief Financial Officer

Deepti Swanand Chandratre
Company Secretary
Membership No.: A20759

Place : Mumbai
Date : May 06, 2024

Place : Mumbai
Date : May 06, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

1. General Information

Mahindra Last Mile Mobility Limited ('the Company') is an unlisted public limited company domiciled in India and is incorporated under the provisions of Companies Act, 2013. The registered office of the Company is located at Mahindra Towers, Pandurang Budhkar Marg, Worli, Mumbai 400018, Maharashtra.

During the year ended 31 March 2024, the Company was incorporated by Mahindra & Mahindra Limited (M&M) as its wholly owned subsidiary company. The Company acquired assets/ business relating to Last Mile Mobility persuant to Business Transfer Agreement (BTA) and Asset Transfer Agreement (ATA) entered into with M&M as at 1st September 2023.

2. Significant Accounting Policies

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

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

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 6th May 2024

(b) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values in accordance with Ind AS.

(c) Measurement of fair values

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

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

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

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

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

(d) Use of estimates and judgements

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

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

Key sources of estimation, uncertainty, critical judgments and assumptions at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of the below:

(i) Useful lives of property, plant and equipment and other intangible assets - refer note 2(e) & 2(f).

(ii) Provision for product warranties - refer note 2(o).

(iii) Fair value of financial assets, liabilities and investments - refer note 2(j).

(iv) Impairment of tangible and intangible assets including investments - refer note 2(g).

(e) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

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

When an asset is scrapped or otherwise disposed off, the cost and related accumulated depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

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

Asset Class	Useful lives
i) Certain items of Plant and equipment	5 to 15 years
ii) Buildings	3 to 30 years
iii) Vehicles	2 to 5 years

(f) Intangible assets

Intangible assets under development

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

Intangible assets

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed and are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over the estimated period of benefit as below:

Asset Class	Useful lives
i) Development expenditure	3 to 5 years
ii) Brand and IP	3 to 30 years
iii) Computer software	3 to 4 years

The amortisation period for intangible assets are reviewed annually and changes in expected useful lives are treated as changes in estimates.

(g) Impairment of assets

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

In assessing the value in use, the estimated future cash flows are discounted to their present value. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(h) Inventories

Inventories are carried at cost or net realisable value whichever is lower. Cost is determined on the basis of the weighted average method and comprises of all cost of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

(i) Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

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

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

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

The classification of debt instrument as amortised cost or FVTOCI is based on the business model and cash flow characteristics of such instrument.

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

A financial asset not classified as measured at amortised cost or FVTOCI is measured at FVTPL.

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

Financial liabilities and equity instruments

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows from financial asset in a manner that substantially all the risks and rewards of ownership of the asset are transferred to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

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

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the Balance Sheet.

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

(k) Revenue Recognition

Sale of goods or services

Revenue from sale of goods are recognised upon satisfaction of performance obligation which is at a point in time, generally on delivery of the goods, when control of the goods is transferred to customers. Revenue from services are recognised upon satisfaction of performance obligation towards rendering of such services.

The Company recognises revenue from sale of goods or services at the amount of transaction price (excluding variable consideration that is constrained), that is allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of third parties.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

An amount of consideration can vary because of discounts, rebates, incentives etc. which are explicitly stated in the contract or are as per customary business practices. The consideration can also vary where the entitlement is contingent on occurrence or non-occurrence of a future event. The Company includes variable consideration as part of transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration is estimated using the expected value method or the most likely amount depending on which method the Company expects to better predict the amount of consideration to which it will be entitled and is applied consistently throughout the contract.

Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Dividend and Interest income

Dividend from investments are recognised in profit or loss when the right to receive payment is established.

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(l) Government Grants

The Company, directly or indirectly through a consortium of Mahindra Group companies, is entitled to various incentives from government authorities. Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with.

Government grants that are revenue in nature, are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Employee Benefits

ESIC and Labour Welfare Fund

The Company's contribution paid / payable during the year to ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident Fund

Contributions to Provident Fund are made to Regional Provident Fund Commissioners and are charged to profit or loss as incurred.

Gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes

The liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method.

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in Balance Sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

Share based payments

Share-based payments to employees are the charged by the Holding Company over the vesting period in accordance with the ESOP scheme and is recognized as share based payment expenses under Employee Benefit Expenses

(n) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale except for the period the construction activities are temporarily suspended. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Income Taxes

Current tax

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset, if entity has a legally enforceable right to set off recognised amounts and intends to settle on net basis or to realise the current tax asset and settle the current tax liabilities simultaneously.

Deferred tax

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

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

Deferred tax assets including that on unused tax losses and unused tax credits are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised.

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

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

(q) Leases

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Company as lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

(r) Business Combinations

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

(s) Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

3. Recent Accounting Pronouncements:

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

4. Property, Plant and Equipment

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

₹ in Lakhs

Particulars	**2024**
(a) Property, plant and equipment (owned)	25,159
(b) Right of use assets	1,041
Total	**26,200**

(a) Property, plant and equipment (owned)

₹ in Lakhs

Particulars	**Freehold Land**	**Leasehold Improvements**	**Factory Buildings**	**Plant & Machinery**	**Office Equipments**	**Computer Equipments**	**Furniture and Fixtures**	**Vehicles**	**Total**
At Cost (Gross Carrying Amount)									
As at 29 May 2023	–	–	–	–	–	–	–	–	–
Additions on account of Business Transfer (Refer Note 38)	–	–	2,720	47,689	56	426	52	748	51,691
Additions during the period on account of BTA	–	–	–	1,617	20	50	50	7	1,744
Additions on account of Asset Transfer Agreement (Refer Note 38)	1,783	–	245	1,599	19	107	7	27	3,787
Additions during the period	177	9	1,159	2,969	150	58	36	–	4,558
Disposals during the period	–	–	–	–	–	0*	–	8	8
As at 31 March 2024	**1,960**	**9**	**4,124**	**53,874**	**245**	**641**	**145**	**774**	**61,772**
Accumulated Depreciation									
As at 29 May 2023	–	–	–	–	–	–	–	–	–
Accumulated Depreciation on account of Business Transfer (Refer Note 38)	–	–	822	31,758	36	284	42	514	33,456
Depreciation for the period	–	1	164	2,763	22	90	40	84	3,164
On disposals	–	–	–	–	–	0*	–	7	7
As at 31 March 2024	**–**	**1**	**986**	**34,521**	**58**	**374**	**82**	**591**	**36,613**
Net Carrying Amount as at 31 March 2024	**1,960**	**8**	**3,138**	**19,353**	**187**	**267**	**63**	**183**	**25,159**

* Represents amount below ₹ 1 lakh

Notes:

a. Vehicles as on 31 March 2024 includes self generated assets at cost aggregating to ₹ 26 lakhs.

b. Plant & Machinery as on 31 March 2024 includes self generated assets at cost aggregating to ₹ 1,071 lakhs.

c. Net carrying amount of plant and machinery as on 31 March 2024 includes plant and machinery and tools aggregating to ₹ 7,203 lakhs lying with third party vendors.

d. Net carrying amount of furniture and fixtures aggregating to ₹ 0.60 lakhs as on 31 March 2024 is lying with third party vendors.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

(b) Right of use assets

₹ in Lakhs

Particulars	Leasehold Land	Leasehold Building	Vehicles	Total
At Cost (Gross Carrying Amount)				
As at 29 May 2023	–	–	–	–
Additions on account of Business Transfer (Refer Note 38)	–	–	272	272
Additions during the period on account of BTA	–	–	84	84
Additions during the period	119	783	260	1,162
Disposals during the period	–	–	28	28
As at 31 March 2024	**119**	**783**	**588**	**1,490**
Accumulated depreciation				
As at 29 May 2023	–	–	–	–
Accumulated Depreciation on account of Business Transfer (Refer Note 38)	–	–	65	65
Depreciation for the period	34	261	98	393
On disposals	–	–	9	9
As at 31 March 2024	**34**	**261**	**154**	**449**
Net Carrying Amount as at 31 March 2024	**85**	**522**	**434**	**1,041**

5. Capital work-in-progress

(a) Movement in Capital work-in-progress

₹ in Lakhs

Particulars	31-Mar-24
Cost	
At the beginning of the period	**–**
Additions on account of Business Transfer Agreement (Refer Note 38)	214
Additions on account of Asset Transfer Agreement (Refer Note 38)	1,032
Additions during the period	4,785
Total Additions during the period	**6,031**
Deletions during the period	
Transfer to Property, plant and equipment	4,558
Total Deletions during the period	**4,558**
At the end of the period	**1,473**

(b) Capital work-in-progress (CWIP) ageing schedule as at 31 March 2024 is as follows:

₹ in Lakhs

Particulars	Amount in CWIP for the period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
As at 31 March 2024	**1,473**	**–**	**–**	**–**	**1,473**

6. Intangible Assets

₹ in Lakhs

Particulars	Development Expenditure	Technical Knowhow	Computer Software	Total
Cost (Gross carrying amount)				
As at 29 May 2023	**–**	**–**	**–**	**–**
Additions on account of Business Transfer Agreement (Refer Note 38)	6,475	–	2	6,477
Additions on account of Asset Transfer Agreement (Refer Note 38)	2,660	1,877	703	5,240
Additions during the period	1,261	148	235	1,644
As at 31 March 2024	**10,396**	**2,025**	**940**	**13,361**
Accumulated amortisation				
As at 29 May 2023	**–**	**–**	**–**	**–**
Accumulated Amortisation on account of Business Transfer Agreement (Refer Note 38)	3,067	–	–	3,067
Amortisation for the period	2,122	179	166	2,467
As at 31 March 2024	**5,189**	**179**	**166**	**5,534**
Net Carrying amount as at 31 March 2024	**5,207**	**1,846**	**774**	**7,827**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

7. Intangible Assets under Development

(a) Movement in Intangible Assets under Development

₹ in Lakhs

Particulars	31-Mar-24
At the beginning of the period	–
Additions on account of Business Transfer Agreement (Refer Note 38)	2,404
Additions on account of Asset Transfer Agreement (Refer Note 38)	4,208
Additions during the period	7,297
Total Additions during the period	13,909
Deletions during the period	
Transfer to Intangible Assets	1,644
Total Deletions during the period	1,644
At the end of the period	12,265

(b) Intangible assets under development ageing schedule as at 31 March 2024 is as follows:

₹ in Lakhs

	Amount in Intangible assets under development for the period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress:					
As at 31 March 2024	12,265	–	–	–	12,265

8. Other Financial Assets

₹ in Lakhs

Particulars	31-Mar-24
(a) Non-current	
Carried at amortised cost:	
Security Deposits	22
Receivable from Government	1,545
Derivative asset for Compulsorily Convertible Preference Shares (Refer Note 42)	363
Total	1,930
(b) Current	
Receivable from Government (Refer Note 39)*	26,754
Less: Provision	(6,562)
Receivable from Government (Net)	20,192
Interest accrued on fixed deposits	224
Total	20,416

(*Includes Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME), Industrial Promotion Subsidy (IPS) and Production Linked Incentive (PLI)

9. Income Taxes

Deferred Tax Assets (Net)

₹ in Lakhs

Particulars	31-Mar-24
Tax effect of items resulting in taxable temporary differences	
Deferred tax assets	
Provision for compensated absences	77
Provision for gratuity	19
Provision for doubtful debts/advances	1,653
Recognised in OCI for gratuity	27
Acquired in Business Combination (Refer Note 38)	3,449
Others	14
	5,239
Tax effect of items resulting in deductible temporary differences	
Deferred tax liabilities	
Allowance on Property, plant and equipment and intangible assets	(1,044)
Provision for compensated absences	(5)
Provision for gratuity	(2)
Others	(2,237)
	(3,288)
Deferred Tax Assets (Net)	1,951

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Movement in Deferred tax assets/(liabilities) for the period ended 31 March 2024

₹ in Lakhs

Particulars	Opening Balance as at 29 May 2023	Allowance on Plant, property and equipments and Intangible assets aquired through Business Transfer Agreement	Charge/(credit) to Profit or Loss	Charge/(credit) to OCI	Closing Balance as at 31 March 2024
Provision for compensated absences	–	–	72	–	72
Provision for gratuity	–	–	17	27	44
Provision for doubtful debts	–	–	1,653	–	1,653
Depreciation and amortisation	–	–	(1,044)	–	(1,044)
Others	–	3,449	(2,223)	–	1,226
Total Deferred Tax assets/(liabilities) (Net)	**–**	**3,449**	**(1,525)**	**27**	**1,951**

Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	31-Mar-24
Current Tax:	
In respect of current year	**745**
	745
Deferred Tax:	
In respect of current year origination and reversal of temporary differences	**1,525**
	1,525
Total Income Tax recognised in profit or loss	**2,270**

Income tax recognised in Other comprehensive income

₹ in Lakhs

Particulars	31-Mar-24
Deferred tax related to items recognised in other comprehensive income during the year:	
Remeasurement of defined benefit plans	**27**
Total Income tax recognised in Other comprehensive income	**27**

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

₹ in Lakhs

Particulars	31-Mar-24
Profit before tax	**4,668**
Applicable Income tax rate	**25.17%**
Expected income tax expense	**1,175**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	
Effect of expenses/provisions not deductible in determining taxable profit	**1,095**
Reported income tax expense	**2,270**

10. Other Assets

₹ in Lakhs

Particulars	31-Mar-24
(a) Non-current	
Capital advances	**6,916**
Total	**6,916**
(b) Current	
Unsecured, considered good	
Advances to Suppliers	**726**
Goods and Services Tax Receivable	**14,113**
Prepaid expenses	**157**
Total	**14,996**

11. Inventories

₹ in Lakhs

Particulars	31-Mar-24
Raw materials and bought out components (net of provision of ₹ 1,067 lakhs) (includes in transit ₹ 452 lakhs)	**17,490**
Finished goods (net of provision of ₹ 2 lakhs)	**2,947**
Stores and Spares - (includes in transit ₹ 121 lakhs - net of provision of ₹ 355 lakhs)	**3,852**
Total	**24,289**

11.01 Out of the above, inventories lying with third parties as at 31 March 2024 is ₹ 15,097 lakhs.

11.02 Mode of valuation of inventories is stated in Note 2(i).

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

12. Investments

Current investments

₹ in Lakhs

Particulars	31-Mar-24
Quoted:	
Mandatorily measured and carried at Fair Value through Profit and Loss	
Investments in Mutual funds	**14,074**
Total	**14,074**
Other Disclosures	
Aggregate amount of quoted investments (Gross)	**14,074**
Market Value of quoted investments	**14,074**

13. Trade Receivables

₹ in Lakhs

Particulars	31-Mar-24
Current	
Unsecured, considered good	**10,794**
Credit impaired	**4**
	10,798
Less: Loss Allowance	**4**
Total	**10,794**

Trade receivables ageing schedule as at 31 March 2024:

₹ in Lakhs

	Outstanding for following periods from due date of payment					
Particulars	**Less than 6 months**	**6 months to 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
As at 31 March 2024						
Undisputed Trade Receivables - considered good	10,794	–	–	–	–	10,794
Undisputed Trade Receivables - credit impaired	2	2	–	–	–	4
Disputed trade receivables - credit impaired	–	–	–	–	–	–
	10,796	2	–	–	–	10,798
Less: Loss Allowance	2	2				4
Total	**10,794**	**–**	**–**	**–**	**–**	**10,794**

14. Cash and Cash Equivalents

₹ in Lakhs

Particulars	31-Mar-24
Balances with banks:	
On Current accounts	**3,329**
Fixed Deposits with original maturity less than 3 months	**24,202**
Total	**27,531**

15. Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	31-Mar-24
Fixed Deposits	**35,000**
Total	**35,000**

16. Share Capital

₹ in Lakhs

Particulars	31-Mar-24
Authorised	
1,50,00,00,000 Ordinary (Equity) shares of ₹ 10 each	**150,000**
60,00,000 Compulsorily Convertible Preference Shares of ₹ 1,000 each	**60,000**
40,00,000 Series A Compulsorily Convertible Preference Shares of ₹ 1,000 each	**40,000**
Issued, subscribed and fully paid-up	
860,050,000 equity shares of ₹ 10 each	**86,005**
	86,005

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

a. Reconciliation of number of Ordinary (Equity) shares and amount outstanding :

(₹ in lakhs except per share data)

Particulars	As at 31-Mar-2024 Number of shares	Amount
Issued, Subscribed and Paid-up:		
At the commencement of the period	–	–
Equity Shares issued during the period (₹ 10 per equity share)	860,050,000	86,005
At the end of the period	**860,050,000**	**86,005**

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

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

Name of the Shareholder	As at 31-Mar-2024 Number of shares	Shareholding %
Mahindra & Mahindra Limited (Holding Company) (₹ 10 per equity share)	860,050,000	100%

d. Details of Ordinary (Equity) Shares held by Promoter and Promoter group:

Name of the Promoter	As at 31-Mar-2024 Number of shares	Shareholding %	% change during the period
Mahindra & Mahindra Limited (Holding Company)	860,050,000	100%	100%

e. Details of proposed dividend

Particulars	31-Mar-24
Dividend per share (Rupees)	**0.01**
Dividend on Compulsorily Convertible Preference Shares (Rupees) @ 0.001% p.a.	**14,301.37**
Dividend on Series A Compulsorily Convertible Preference Shares (Rupees) @ 0.001% p.a.	**164.38**
Total Dividend	**14,465.75**

f. Details of issue of Ordinary (Equity) Shares

Date of issue	No. of shares issued	₹ per equity share	Amount	Name of the shareholder
19 June 2023	50,000	10	500,000	Mahindra & Mahindra Ltd
08 September 2023	860,000,000	10	8,600,000,000	Mahindra & Mahindra Ltd
Total	**860,050,000**	**10**	**8,600,500,000**	

17. Compulsorily Convertible Preference Shares

₹ in Lakhs

Particulars	**31-Mar-24**
0.001% Compulsorily Convertible Preference shares*	**32,535**
Series A 0.001% Compulsorily Convertible Preference Shares (CCPS)#	**19,637**
Total	**52,172**

* During the period, 30,00,000 Compulsorily convertible preference shares of ₹ 1,000 each fully paid-up, issued at par. (Refer Note 42)

During the period, 20,00,000 Series A Compulsorily Convertible Preference shares of ₹ 1,000 each fully paid-up, issued at par. (Refer Note 42)

18. Other financial liabilities

₹ in Lakhs

Particulars	**31-Mar-24**
(a) Non-current	
Dealer Deposits	**655**
Derivative liability for Compulsorily Convertible Preference Shares (Refer Note 42)	**2,535**
Total	**3,190**

₹ in Lakhs

Particulars	**31-Mar-24**
(b) Current	
Carried at amortised cost:	
Employee related payables	**2,493**
Creditors for capital goods	**1,500**
Security Deposits	**1**
Others	**24**
Total	**4,018**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

19. Provisions

Particulars	₹ in Lakhs 31-Mar-24
(a) Non-current	
Provision for employee benefits (Refer Note 34)	
Compensated absences	**762**
Gratuity (Refer Note 34)	**1,277**
Other Provisions	
Warranties	**1,322**
Service coupons	**92**
Total	**3,453**
(b) Current	
Provision for employee benefits (Refer Note 34)	
Compensated absences	**262**
Gratuity (Refer Note 34)	**181**
Other Provisions	
Warranties	**1,200**
Service coupons	**548**
Total	**2,191**

***Warranties**

A provision is recognised for expected warranty claims on products sold during the reporting period, based on past experience of the level of repairs and claims. It is expected that these costs will be incurred within the warranty period of 1 to 3 years. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about claims based on the respective products sold.

19.01 Details of movement in Provisions is as follows:

(₹ in lakhs)

Particulars	Warranties	Service Coupons
Transferred on account of Asset Transfer Agreement and Business Transfer Agreement (Refer Note 38)	1,151	422
Additional provisions recognised during the period	3,330	724
Amounts utilised during the period (net)	(1,747)	(471)
(Discounting) / Unwinding of provision (net)	(212)	(36)
Balance as at 31 March 2024	**2,522**	**639**

20. Other Liabilities

(₹ in lakhs)

Particulars	
(a) Non-current	
Contract Liabilities*	**392**
Total	**392**

(₹ in lakhs)

Particulars	
(b) Current	
Contract Liabilities*	**3,857**
Statutory dues (other than income taxes)	**5,383**
Tax deducted/collected at source	1,303
Professional Tax	2
Provident Fund and Pension Fund	103
Goods and Services tax	3,975
Total	**9,240**

*Contract Liabilities represent deferred revenue and advances received from customers.

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

21. Trade Payables

(₹ in lakhs)

Particulars	
Total outstanding dues of micro and small enterprises ('MSME') (Refer Note 40)	**2,510**
Total outstanding dues of creditors other than micro and small enterprises	**56,010**
Total	**58,520**

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at 31 March 2024					
MSME	2,510	–	–	–	2,510
Others	46,759	–	–	–	46,759
Total	**49,269**	**–**		**–**	**49,269**
Accrued Expenses	–	–	–	–	9,251
Net Trade payables	**–**	**–**	**–**	**–**	**58,520**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

22. Revenue from Operations

₹ in Lakhs

Particulars	31-Mar-24
Revenue from contracts with customers for goods and services	
Sale of products	
Sale of vehicles	216,029
Sale of spares and accessories/kits	13,056
	229,085
Sale of Services	520
	229,605
From other sources of revenue	
Other Operating Revenue	
Income from Government Incentives (Refer Note 39)	6,971
Scrap sales	37
Others	156
	7,164
Total	236,769

22.01 Revenue disaggregation by geography is as follows:

₹ in Lakhs

Geography	31-Mar-24
Domestic	228,595
Overseas	490
Total	229,085

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

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

₹ in Lakhs

Particulars	31-Mar-24
Opening balance of deferred revenue or contract liabilities	
Additions during the period	1,143
Reclassification Adjustments:	
- Adjustment from opening balances of contract liabilities to revenue	–
- Transfer from contract liabilities to revenue	(363)
Closing balance of Deferred Revenue or Contract Liabilities	780

22.03 Reconciliation of Revenue from Contracts with Customers

₹ in Lakhs

Particulars	31-Mar-24
Revenue from contracts with customers as per the contract price	246,875
Adjustments made to contract price on account of :-	
Discounts and Incentives	17,270
Revenue from contracts with customers as per statement of Profit and Loss	229,605

23. Other Income

₹ in Lakhs

Particulars	31-Mar-24
Interest Income on Financial Assets measured at Amortized Cost	
Bank deposits	487
Other non-operating Income	
Gain on redemption of mutual funds (net)	1,228
Gain arising on fair value changes in mutual funds (net)	312
Profit on property, plant and equipment, intangible assets and right-of-use asset sold / discarded (net)	4
Total	2,031

24. Cost of Materials Consumed

₹ in Lakhs

Particulars	31-Mar-24
Inventories at the beginning of the period (Refer Note 11)	–
Add: Purchases made during the period	165,891
	165,891
Less: Inventories at the end of the period (Refer Note 11)	(21,342)
Cost of materials consumed	144,549

25. Purchases of stock-in-trade

₹ in Lakhs

Particulars	31-Mar-24
Purchases of stock-in-trade	49,961
Total	49,961

26. Changes in Inventories of Finished Goods and stock-in-trade

₹ in Lakhs

Particulars	31-Mar-24
Inventories at the end of the period	
Finished goods (Refer Note 11)	2,947
	2,947
Less: Inventories at the beginning of the period	
Finished goods (Refer Note 11)	–
	–
(Increase) in Inventories of Finished Goods and stock-in-trade	(2,947)

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

27. Employee Benefits Expense

Particulars	₹ in Lakhs 31-Mar-24
Salaries and Wages, including bonus	**7,646**
Contribution to provident fund & gratuity	**427**
Equity-settled share-based payments *	**96**
Staff welfare expenses	**263**
Total	**8,432**

*** Note:**
Represents cost reimbursed by the Company towards ESOP's granted by the holding Company, Mahindra & Mahindra Limited.

Certain employees of the Company are covered by Employee Stock Option Scheme-2000 (ESOP scheme) offered by Holding Company, Mahindra & Mahindra Limited. Under the scheme, eligible employees are granted an option to purchase shares of Mahindra & Mahindra Limited, in accordance with the terms and conditions of the scheme.

The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment.

Such ESOP expense in respect of employees of the Company, is charged by the Holding Company over the vesting period in accordance with the ESOP scheme which is recognized as Equity settled share based payment expenses under Employee Benefit Expenses.

28. Finance Costs

Particulars	₹ in Lakhs 31-Mar-24
Other borrowing cost	
Unwinding of interest on Lease liabilities (Refer Note 32)	**62**
Others*	**138**
Total	**200**

*Others includes unwinding of interest on warranties and service coupon.

29. Depreciation and amortisation expense

Particulars	₹ in Lakhs 31-Mar-24
Depreciation of Property, Plant and Equipment (Refer Note 4)	**3,164**
Depreciation of Right of Use Assets (Refer Note 4)	**393**
Amortisation of Intangible Assets (Refer Note 6)	**2,468**
Total	**6,025**

30. Other Expenses

Particulars	₹ in Lakhs 31-Mar-24
Power and Fuel	**116**
Stores Consumed	**277**
Rent expense	**193**
Rates and Taxes	**449**
Insurance expense	**65**
Repairs and Maintenance	
- Buildings	**76**
- Machinery	**131**
- Others	**82**
Advertisement and Sales Promotion expenses	**5,035**
Foreign Exchange Loss (net)	**48**
Freight Outward	**489**
Travelling and Conveyance Expenses	**836**
Allowances for expected credit losses (net)	**199**
Provision for Other Receivables	**6,562**
-As auditors	**22**
-For other services and certifications	**16**
Legal and Professional Expenses	**1,482**
Communication Expenses	**20**
Sub-contracting Expenses	**511**
Security Charges	**117**
Recruitment Expenses	**215**
Research Costs	**296**
Warranties	**3,152**
Annual Maintenance Contract and Road Side Assistance	**1,392**
Bank Charges	**22**
Directors Fees	**3**
Loss arising on financial liabilities measured at Fair Value through profit or loss (net) (Refer Note 42)	**4,345**
Other Miscellaneous Expenses	**1,539**
Total	**27,690**

31. Financial Instruments

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

Particulars	Note No.	₹ in Lakhs 31-Mar-24 Carried at Amortised Costs
Financial Assets		
Security Deposits	8	**22**
Trade Receivables	13	**10,794**
Cash and Cash Equivalents	14	**27,531**
Bank balances other than cash and cash equivalents	15	**35,000**
Total Financial Assets		**73,347**
Financial Liabilities		
Lease liabilities	32	**1,113**
Dealer deposit	18	**655**
Trade Payables	21	**58,520**
Other Financial Liabilities - Non Derivative Financial Liabilities	18	**4,018**
Total Financial Liabilities		**64,306**

The carrying value of the financial assets/ liabilities measured at amortised costs represent reasonable estimate of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Financial Instruments regularly measured using Fair Value - recurring items

Particulars	Financial Asset / Financial Liability	Category	Fair Value	Fair Value Hierarchy	Valuation technique(s)
Derivative asset for Compulsorily Convertible Preference Shares (Refer Note 42)	Financial Asset	Financial instruments measured at FVTPL	363	Level 3	
Investments	Financial Liability	Financial instruments measured at FVTPL	14,074	Level 1	Net Asset value
Compulsorily Convertible Preference Shares	Financial Liability	Financial instruments measured at FVTPL	52,172	Level 3	
Derivative liability for Compulsorily Convertible Preference Shares (Refer Note 42)	Financial Liability	Financial instruments measured at FVTPL	2,535	Level 3	

31.01 Fair value hierarchy

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

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

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

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

31.02 Risk management framework

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

31.03 Financial Risk Management Objective And Policies

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

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

31.04 Credit risk

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

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

Reconciliation of loss allowance for Trade Receivables:

₹ in Lakhs

Particulars	**31-Mar-24**
Balance as at beginning of the period	–
Additions during the period	4
Amounts written off during the period	–
Amount of loss reversed/written back	–
Balance as at end of the period	**4**

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

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

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

Information about major customers

During the period ended 31 March 2024, no revenues from transactions with a single external customer amount to 10% or more of the Company's revenues from external customers.

31.05 Liquidity risk

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

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

₹ in Lakhs

Particulars	**1 year or less**	**1 year to 3 years**	**3 years to 5 years**	**5 years and above**	**Total**
As on 31 March 2024					
Dealer Deposit	–	–	–	655	655
Trade Payables	58,520	–	–	–	58,520
Other Financial Liabilities	4,018	–	–	–	4,018
Lease Liabilities	717	–	396	–	1,113
Total	**63,255**	**–**	**396**	**655**	**64,306**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

31.06 Market risk

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

- Currency risk

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

Unhedged Foreign Currency Exposure as on 31 March 2024

Particulars	Foreign Currency	Local Currency (₹ in Lakhs)	Foreign Currency	Local Currency (₹ in Lakhs)
USD	2,099,824	1,751	2,193,648	1,829
EURO	40,159	36	301,393	272
Total		**1,787**		**2,101**

Sensitivity Analysis of Unhedged Foreign Currency Exposure

₹ in Lakhs

Particulars	31-Mar-24	
	10% increase - Profit / (Loss)	10% decrease - Profit / (Loss)
USD	(8)	8
EURO	(24)	24
Total	**(32)**	**32**

31.07 Capital Management

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

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

Net debt and Equity is given in the table below :

₹ in Lakhs

Particulars	31-Mar-24
Total Shareholders' Equity as reported in Balance Sheet	**72,143**
Less:	
Cash and cash equivalents	**(3,329)**
Bank balances other than cash and cash equivalents	**(35,000)**
Current Investments	**(14,074)**
	(52,403)
Total Capital deployed	**19,740**

32. Leases

Details of leasing arrangements

As Lessor

Operating Lease

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

As Lessee

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

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability and ROU assets at the present value of the future lease payments discounted at the incremental borrowing rate prevailing during the period. Weighted average incremental borrowing rates of 7.11% (land), 7.18% (buildings) and 8.38% (vehicles) have been applied to lease liabilities recognised in the balance sheet at the date of initial recognition.

The movement in carrying value of right of use assets during the period ended 31 March 2024 is provided in Note 4.

The following is the movement in lease liabilities during the period ended 31 March 2024:

₹ in Lakhs

Particulars	31-Mar-24
Balance at the beginning of the period	**–**
Additions during the period	**1,456**
Finance cost accrued during the period	**55**
Payment of lease liabilities	**(376)**
Deletions during the period	**(22)**
Balance at the end of the period	**1,113**

The following is the break-up of current and non-current lease liabilities as at 31 March 2024:

₹ in Lakhs

Particulars	31-Mar-24
Current lease liabilities	**717**
Non-current lease liabilities	**396**
Total	**1,113**

The following are the amounts recognised in profit or loss

₹ in Lakhs

Particulars	31-Mar-24
i. Depreciation charge for ROU assets (Refer Note 4)	**393**
ii. Interest expense on lease liabilities (Refer Note 28)	**62**
iii. Expense relating to short-term leases (Refer Note 30)	**89**
iv. Expense relating to leases of low-value assets	**104**

The company had total cash outflows for leases of ₹ 571 lakhs, including cash outflow of short-term leases.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

33. Earnings per share

(₹ in lakhs except per share data)

Particulars		31-Mar-24
Basic and Diluted Earnings per Share*		
Profit after tax for the period	A	**2,620**
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS	B	**575,241,071**
Basic Earnings per share of ₹ 10 each	A/B	**0.46**

**Since the EPS after considering conversion of CCPS will be anti-dilutive, Basic and Diluted EPS are same.*

34. Employee Benefits

(a) Defined contribution plan

The Company's contribution to Provident Fund aggregating ₹ 287 lakhs has been recognised in Profit or Loss under the head Employee Benefits Expense.

(b) Defined benefit plan:

Gratuity

The Company operates one defined benefit plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets gratuity on departure at 20 days of last drawn salary for each completed year of service.

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

Asset volatility

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

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

Changes in bond yields

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

Life expectancy

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

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

	₹ in Lakhs Actuarial Assumptions
Particulars	**31-Mar-24**
Discount rate	7.20%
Expected rate of salary increase	9.00%
Attrition rate	12.00%
Mortality Rates whilst in Service	Indian Assured Lives Mortality (2012-14) Ultimate

Defined benefit plan – as per actuarial valuation

(₹ in lakhs)

	Unfunded Plnn
Particulars	**31-Mar-24**
Amounts recognised in comprehensive income in respect of the defined benefit plan are as follows:	
Current service cost	148
Past service cost	–
Interest on net defined liability/ (asset)	59
Components of defined benefit costs recognised in the Statement of Profit and Loss	**207**
Remeasurement on the net defined benefit liability:	
Actuarial (gains)/ loss arising from changes in financial assumptions	10
Actuarial (gains)/ loss arising from demographic adjustments	7
Actuarial (gains)/ loss arising from experience adjustments	92
Components of defined benefit costs recognised in other comprehensive income	**109**
	316

(₹ in lakhs)

Particulars	31-Mar-24
I. Net Asset/(Liability) recognised in the Balance Sheet	
1. Present value of unfunded defined benefit obligation	1,458
2. Fair value of plan assets	–
3. Deficit	**1,458**
4. Current provision	181
5. Non-current provision	1,277
II. Change in the obligation during the period	
1. Present value of defined benefit obligation at the beginning of the period	–
2. Expenses Recognised in Profit or Loss	
- Current Service Cost	148
- Interest Expense	59
3. Recognised in Other Comprehensive Income	–
Remeasurement on the net defined benefit liability:	
Actuarial (gains) / loss arising from changes in financial assumptions	10
Actuarial (gains) / loss arising from demographic adjustments	7
Actuarial (gains) / loss arising from experience adjustments	92
4. Benefits paid	(5)
5. Liabilities assumed / (settled)*	1,147
Present value of defined benefit obligations at the end of the period	**1,458**

* On account of business transfer and asset transfer. (Refer Note 38)

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

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

₹ in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligations	
			Increase in assumption	Decrease in assumption
Discount rate	2024	1.00%	(94)	106
Salary growth rate	2024	1.00%	103	(93)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

IV. Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	31-Mar-24
Expected benefits for Year 1	**181**
Expected benefits for Year 2	**157**
Expected benefits for Year 3	**144**
Expected benefits for Year 4	**224**
Expected benefits for Year 5	**136**
Expected benefits for Year 6	**154**
Expected benefits for Year 7	**175**
Expected benefits for Year 8	**120**
Expected benefits for Year 9	**133**
Expected benefits for Year 10 and above	**1,220**
Total	**2,644**

V. Experience adjustments :

₹ in Lakhs

Particulars	Gratuity 31-Mar-24
1. Defined benefit obligation	**(1,458)**
2. Fair value of plan assets	**–**
3. Deficit	**(1,458)**
4. Experience adjustment on Plan Liabilities Loss	**92**
5. Experience adjustment on Plan Assets Gain/(Loss)	**–**

Segment reporting

The Company currently operates in a single reportable segment i e, design and manufacture of last mile mobility 3 and 4 wheeler passenger and cargo vehicles. Consequently, the requirement for a separate disclosure under Ind AS 108 - "Operating Segments" is not applicable. **For geographical disclosure of revenue refer note 22. All non current assets are located in India.**

35. Contingent Liabilities and Commitments

(A) Contingent Liabilities

₹ in Lakhs

Particulars	31-Mar-24
(a) Industrial Incentive under dispute	**184**

(B) Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided is ₹ 29,916 lakhs.

36. Related Party Disclosures

Names of related parties and related party relationship:

a) Related parties where control exists:

Name of the party	Description of relationship
Mahindra & Mahindra Limited ("M&M Ltd.")	Holding Company

(b) Related parties with whom transactions have taken place:

Name of the party	Description of relationship
NBS International Limited ("NBS")	Fellow subsidiary
Mahindra And Mahindra Financial Services Limited ("MMFSL")	Fellow subsidiary
Lords Freight India Pvt Ltd ("LFIPL")	Fellow subsidiary
Mahindra Logistics Limited ("MLL")	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited ("MIBSPL")	Fellow subsidiary
Mahindra Accelo Limited (Formerly Known As Mahindra Intertrade Limited) ("MAL")	Fellow subsidiary
Bristlecone India Limited ("BCIL")	Fellow subsidiary
International Finance Corporation ("IFC")	Investor in CCPS
India Japan Fund (IJF)	Investor in CCPS
CIE Automotive India Limited (Formerly Known As Mahindra CIE Automotive Limited, Name changed w.e.f. 15.05.23) ("MCIE")	Associate company of the Holding Company

(c) Key management personnel (KMP):

Ms. Suman Laxmidhar Mishra *(MD & CEO w.e.f. 01st September 2023)*

Mr. Rasesh Joshi *(CFO w.e.f. 01 September 2023)*

Ms. Deepti Swanand Chandratre *(Company Secretary w.e.f. 01 September 2023)*

Mr. Rajesh Jejurikar *(Chairman w.e.f. 01 September 2023)*

Mr. Rajeev Goyal *(Director w.e.f. 29th May 2023)*

Mr. Vinod Sahay *(Director w.e.f. 29th May 2023)*

Ms. Abanti Sankaranarayanan *(Director w.e.f. 01 September 2023)*

Mr. Krishna Kumar Gangadharan *(Director w.e.f. 28 March 2024)*

Mr. Rahul Asthana *(independent Director w.e.f. 25 January 2024)*

Mr. Nikhilesh Panchal *(Independent Director w.e.f. 25 January 2024)*

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

36. Related Party Transactions (continued)

₹ in Lakhs

Particulars	M&M Ltd.	NBS	MAL	BCIL	KMPs	MCIE	LFIPL	MLL	MIBSPL	MMFSL	IFC	IJF	Total
Transactions during the year													
Sale of Goods and Services	1,933	386	–	–	–	–	–	–	–				**2,319**
Development Fee	42	–	–	–	–	–	–	–	–	–			**42**
Purchase of Goods and Services	73,190	–	–	15	–	7,584	8	5,501	166	730		–	**87,194**
Fixed assets Purchase	29	–	82	–	–	–	–	–	–	–			**111**
Purchases Under ATA	28,472	–	–	–	–	–	–	–	–	–	–	–	**28,472**
Purchases Under BTA	53,886	–	–	–	–	–	–	–	–	–	–	–	**53,886**
Reimbursement of expenses by the Company	2,643	5	–	–	–	–	–	–	–	–			**2,648**
Cross charge of expenses to others	3,091	5	–	–	–	–	–	–	–	–			**3,096**
Allotment of Equity Shares (including premium)	86,005	–	–	–	–	–	–	–	–	–			**86,005**
Remuneration to Key Management Personnel	–	–	–	–	265	–	–	–	–	–			**265**
Outstandings:													
Amount Receivables	3,914	–	–	–	–	–	–	–	–	–			**3,914**
Amount Payables	11,330	–	97	8	–	2,921	9	893	14	261		–	**15,533**
Liability towards CCPS	–	–	–	–	–	–	–	–	–	–	300	200	**500**
Advance from customers	–	29	–	–	–	–	–	–	–	–			**29**

Note:

i) The remuneration to the KMP does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions

All transactions with related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

37. Research and Development Expenditure

(a) In recognised Research and Development units: Nil

(b) In other units:

(i) Expensed to Profit or Loss, including certain expenditure based on allocations made by the Company, aggregate ₹ 1,614 lakhs [excluding depreciation and amortisation of ₹ 1,471 lakhs]

(ii) Development expenditure incurred during the year ₹ 18,715 lakhs.

(iii) Capitalisation of assets of ₹ 5,581 lakhs.

38. The Company has been incorporated on 29 May 2023. Thereafter, on 01 September 2023, the company acquired a business, on a going concern basis, by entering into a Business Transfer Agreement dated 01 September 2023 ("Business") with its parent entity Mahindra & Mahindra Limited. Pursuant to Appendix C of Indian Accounting Standard 'Ind AS 103 - Business Combinations', this transaction of business transfer is treated as business combination between common controlled entities. Consequently, the Company had to consider in its Financial Statements for the year ended 31st March 2024, all the business transactions relating to the said Business with effect from 29 May 2023 (date of incorporation of the Company) even though the actual business transfer has, contractually and legally, happened with effect from 01 September 2023. These financial statements include Rs 223 lakhs of profit, Rs 1,792 lakhs of cash flow from operations for the period 29 May 2023 to 31 August 2023. For the purpose of Tax Laws and all other applicable laws, the business transactions in respect of the said Business for the period 29 May 2023 to 31 August 2023 shall not form part of the Financial Statements of the Company for the year ended 31 March 2024 as the same have been transacted by the parent entity viz., Mahindra & Mahindra Limited and have been considered by it in its Financial Statements.

The Company entered into a Business Transfer Agreement (BTA) and Asset Transfer Agreement (ATA) with Mahindra & Mahindra Limited (Holding Company) as at 01 September 2023. Following are the details of assets and/ or liabilities transferred to the Company persuant to the said ATA and BTA:

₹ in Lakhs

Sl No	Particulars	ATA at Fair Value
1	Property, plant and equipment (incl. Right-of-use assets) (net)	3,787
2	Capital work-in-progress and Intangibles under development	5,240
3	Intangible Assets (net)	5,241
4	Other Assets (includes Inventory, Government Incentive Receivable)	14,204
	Purchase Consideration	**28,472**

₹ in Lakhs

Sl No	Particulars	BTA at Book Value
1	Property, plant and equipment (incl. Right-of-use assets) (net)	19,468
2	Capital work-in-progress and Intangibles under development	2,618
3	Intangible Assets (net)	3,028
4	Other Assets (includes Inventory, Government Incentive Receivable)	24,407
5	Other Liabilities (includes Trade Payables, Dealer Accruals, Provision for Gratuity, Provision for Warranties and Service Coupons, Accrued expenses)	(15,262)
6	Capital Reserve	19,627
	Purchase Consideration	**53,886**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

39. Mahindra & Mahindra ('Holding Company') Group has received an approval for Producution Linked Incentive (PLI) Champion OEM scheme. The Company's product portfolio is a part of the eligible products under the PLI shceme. During the year, the Company has received requisite approvals, basis which the Company has reasonable assurance that the Company has complied with the conditions attached to PLI and the PLI income will be received. Accordingly, the Company has accrued an income of ₹ 6,280 lakhs towards the same (refer note 8).

40. Disclosures related to micro, small and medium enterprises

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2024.

	₹ in Lakhs
Particulars	**31-Mar-24**
(i) Dues remaining unpaid at the end of each accounting year for micro and small enterprises	
- Principal amount	**2,504**
- Interest on the above	**6**
(ii) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	
- Principal paid beyond the appointed date	**–**
- Interest paid in terms of Section 16 of the MSMED Act	**–**
(iii) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**
(iv) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**
(v) Amount of interest accrued and remaining unpaid	**6**

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors / suppliers.

41. Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

a. Analytical Ratios

Ratio	**Numerator**	**Denominator**	**As at 31-Mar-24**
a. Current ratio	Current Assets	Current Liabilities	1.97
b. Debt-equity ratio	Long term Borrowings + Short term Borrowings (including current maturities of long term borrowings)	Total equity	–
c. Debt service coverage ratio	Profit before interest, tax, depreciation, amortisation, impairments and exceptional items	Gross interest for the period + Principal repayments within a year	–
d. Return on equity ratio	Net profits after taxes	Average total equity	4%
e. Inventory turnover ratio	Cost of materials consumed (1)	Average inventory	7.89
f. Trade receivables turnover ratio	Revenue from operations	Average trade receivables	21.93
g. Trade payables turnover ratio	Purchase of goods and services + Other Expenses	Average trade payables	4.16
h. Net capital turnover ratio	Revenue from operations	Average Working capital	3.27
i. Net profit ratio	Net profit after tax	Revenue from operations	1%
j. Return on capital employed	Earning before interest and taxes	Capital employed (2)	7%
k. Return on investment	Income earned on investments	Average Investment for the period (3)	2%

(1) Cost of materials consumed for the purpose of Inventory turnover ratio includes Purchases of stock-in-trade and Changes in inventories of finished goods and stock-in-trade

(2) Capital Employed = Average Total Equity + Average Total Debt

(3) Investments includes current and non-current investments including Fixed deposits, Mutual funds, excluding investments in Equity instruments.

b. Transactions with struck off companies

Name of struck off Company	**Nature of transactions with struck-off Company**	**"Balance outstanding as at 31st Mar 2024"**	**Relationship with the struck off company, if any, to be disclosed**
Aditya Motors*	Receivable	0*	Customer
A.G.Industries Pvt Ltd	Payable	4	Supplier

* Represents amount below ₹ 1 Lakh.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

c. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

d. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

e. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall : (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

g. The provision of Section 135 to Companies Act, 2013 on Corporate Social responsibility (CSR) are not applicable to the Company.

42. Issue of Compulsorily Convertible Preference Shares

Mahindra and Mahindra Limited (M&M), the Holding Company, executed a **Subscription Agreement and Shareholders' Agreement** with International Finance Corporation ('IFC'), whereby IFC has agreed to invest up to ₹ 60,000.00 lakhs in tranches subject to the terms and conditions as stipulated in the aforesaid agreement(s). Of this, IFC has invested ₹ 30,000.00 lakhs in Compulsorily Convertible Preference Shares ('CCPS'), by 31st March 2024.

Mahindra and Mahindra Limited (M&M), the Holding Company, Mahindra Last Mile Mobility Limited (MLMML) and India Japan Fund (IJF), executed a tri-party **Subscription Agreement and Shareholders' Agreement,** whereby IJF has agreed to invest up to ₹ 40,000.00 lakhs in tranches subject to the terms and conditions as stipulated in the aforesaid agreement(s). Of this, IJF has invested ₹ 20,000.00 lakhs in Compulsorily Convertible Preference Shares ('CCPS'), by 31st March 2024.

Unless agreed to, in writing, for an early conversion, each CCPS is compulsorily convertible into such number of equity shares as determined as per a pre-determined formula at the conversion date, as per terms and conditions of the agreement (s) entered between the Company, M&M, IFC and IJF. Further, in accordance with the shareholders' agreement, the Company and M&M shall take best efforts to provide IFC and IJF with a complete exit at fair value during the exit period, being the period between 5th and 7th anniversary from the date of IFC's first investment, through certain exit options as may be determined by M&M in its sole discretion. If IFC continues to hold any equity security of the Company after the expiry of the exit period, IFC shall have the right to require the Company to complete an initial public offering subject to favourable market conditions.

Since the CCPS is convertible into variable number of equity shares of the company, it has been classified as financial liability at fair value through profit or loss in the financial statements of the Company. The fair value of CCPS issued to IFC as at 31 March 2024 is ₹ 32,535.44 lakhs. The fair value of CCPS issued to IJF as at 31 March 2024 is ₹ 19,637.27 lakhs.

43. Since the company was incorporated on 29th May 2023, these are the first accounts of the company for the period 29th May 2023 to 31st March 2024. Hence there is no comparative information provided.

As per our report of even date attached:
for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: 06 May 2024

For and on behalf of the Board of Directors of:
Mahindra Last Mile Mobility Limited
CIN: U29102MH2023PLC403752

Rajesh Jejurikar
Chairman
DIN : 00046823

Suman Laxmidhar Mishra
Managing Director and
Chief Executive Officer
DIN : 06727958

Rasesh Joshi
Chief Financial Officer

Deepti Swanand Chandratre
Company Secretary
Membership No.: A20759

Place: Mumbai
Date: 06 May 2024

Place: Mumbai
Date: 06 May 2024

BALANCE SHEET AS AT MARCH 31, 2024

(expressed in EUR)

	Notes	31/03/2024 EUR	31/03/2023 EUR
ASSETS			
FIXED ASSETS			
Financial fixed assets			
Investments held as fixed assets	3	**604,000.00**	604,000.00
Securities held as fixed assets	4	**6,396,000.00**	6,396,000.00
		7,000,000.00	7,000,000.00
CURRENT ASSETS			
Debtors	5		
Trade receivables			
becoming due and payable within one year		**19,607.89**	–
Other Debtors			
becoming due and payable within one year		**11,691.25**	1,203.75
		11,691.25	1,203.75
Cash at bank and in hand		**8,497.52**	20,542.78
PREPAYMENTS		**6,648.45**	5,076.45
TOTAL ASSETS		**7,046,445.11**	7,026,822.98

	Notes	31/03/2024 EUR	31/03/2023 EUR
LIABILITIES			
CAPITAL AND RESERVES	6		
Subscribed capital		**143,899,999.00**	143,899,999.00
Share premium account		**11,254,683.00**	11,254,683.00
Profit or loss brought forward		**(155,157,796.29)**	(86,525,329.88)
Profit or loss for the financial year		**(1,535.08)**	(68,632,466.41)
		(4,649.37)	(3,114.29)
CREDITORS			
Debenture loans			
Convertible loans	7		
becoming due and payable after more than one year		**7,000,000.00**	7,000,000.00
Trade creditors	8		
becoming due and payable within one year		**46,279.48**	25,122.27
Other creditors	8		
Tax authorities		**4,815.00**	4,815.00
		7,051,094.48	7,029,937.27
TOTAL LIABILITIES		**7,046,445.11**	7,026,822.98

For and on behalf of the Board

Date: 23rd April, 2024
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

PROFIT AND LOSS ACCOUNT

(expressed in EUR)

	Notes	**From 01/04/2023 to 31/03/2024 EUR**	From 01/04/2022 to 31/03/2023 EUR
Other operating income		**71,475.57**	–
Other external expenses	**9**	**(68,195.65)**	(60,781.37)
Other operating charges		**–**	(21.60)
Value adjustments on financial fixed assets	**3,10**	**–**	(135,697,531.00)
Other interest and other financial income	**11**		
derived from affiliated undertakings		**–**	**3,268.63**
other interest and similar financial income		**–**	**67,131,625.93**
		–	**67,134,894.56**
Interest and other financial charges concerning affiliated undertakings		**–**	**(4,212.00)**
Tax on profit or loss	**12**	**–**	–
Loss after taxation		**3,279.92**	(68,627,651.41)
Other taxes not included in the previous caption	**12**	**(4,815.00)**	(4,815.00)
Loss for the financial year		**(1,535.08)**	(68,632,466.41)

For and on behalf of the Board

Date: 23rd April, 2024
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

Notes to the accounts

Note 1 - General information

Mahindra Two Wheelers Europe Holdings S.à r.l., hereinafter the "Company", was incorporated on December 2, 2014 as a "société à responsabilité limitée" for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established at 3 Rue Gabriel Lippmann L-5365 Munsbach (prior to December 12, 2023, the registered office was established at 68-70 boulevard de la Pétrusse, 2320 Luxembourg City) and is registered at the Trade and Companies register in Luxembourg under the number B 192 444.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

OBJECT

The purpose of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such ownership interests. The Company may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and any other securities, including without limitation any bonds, debentures, certificates of deposit, trust units, any other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever, including partnerships. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the creation, acquisition and management of a portfolio of patents or any intellectual property rights of whatsoever nature or origin.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of equity/debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favor of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks. The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

The accounts of the Company are included in the consolidated accounts of Mahindra & Mahindra Limited, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at Gateway Building, Apollo Bunder, in Mumbai (400 001), where the consolidated financial statements are available.

Note 2 - Summary of significant accounting policies

Basis of preparation

The annual accounts are prepared under Lux GAAP with Fair Value option method. Accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended by the law of December 10, 2010 (the "Law"), determined and applied by the managers of the Company (the "Board of "Managers").

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings and Investments held as fixed asset are subsequently measured at fair value.

The fair value changes on those fair valued assets are recognised in the P/L section under the item "Value adjustments on financial fixed assets".

Debtors

Debtors are subsequently measured at fair value.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and are recorded in the profit and loss account.

Prepayments

This asset caption comprises expenditures incurred during the financial year but relating to a subsequent financial year.

Creditors

Creditors are subsequently measured at fair value.

Current tax provisions

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption "tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

Notes to the accounts

Note 3 - Shares in affiliated undertakings/Investments held as fixed assets

a) The movements for the year are as follows: (expressed in EUR)

	Number of Shares 31/03/2024	Value of Shares EUR 31/03/2024	Total EUR 31/03/2023
Gross book value - opening balance	**312,085**	**154,691,619.00**	154,691,619.00
Disposals for the year	–	–	–
Gross book value - closing balance	**312,085**	**154,691,619.00**	154,691,619.00
Value adjustments - opening balance		**(154,087,619.00)**	(86,125,699.00)
Allocations for the year		–	(67,961,920.00)
Value adjustments - closing balance		**(154,087,619.00)**	(154,087,619.00)
Net book value - closing balance	**312,085**	**604,000.00**	604,000.00
Net book value - opening balance	**312,085**	**604,000.00**	68,565,920.00

On July 7, 2020, the Company subscribed to 1,000,000 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 16,000,000.00.

On February 5, 2021, the Company subscribed to 1,312,500 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 21,000,000.00.

On February 11, 2021, a share capital decrease for Peugeot Motocycles was decided for an amount of EUR 37,000,000.00. EUR 29,403,982.63 have been used to off set the loss and EUR 7,596,017.37 have been allocated to the unavailable reserve account of Peugeot Motocycles S.A.S. In connection with the share capital decrease 2,312,500 existing shares with the nominal value of EUR 16.00 have been cancelled. Furthermore a further equity restructuration took place for an amount of EUR 16,691,619.00.

On September 30, 2021, an internal valuation of Peugeot Motocycles was performed and a decrease in valuation of EUR 32,434,080.00 was decided.

On December 23, 2021 the Company subscribed to 750,000 new shares issued by Peugeot Motocycles S.A.S for an aggregate amount of EUR 12,000,000.00.

On September 30, 2022, a decrease in valuation was booked for an amount of EUR 61,565,920.00 as a result of fair valuation. An Internal valuation of Peugeot Motocycles was performed.

On January 27, 2023, the Company committed to convert its 312,085 ordinary shares in Peugeot Motocycles into 312,085 preferred shares of category A of Peugeot Motocycles. Mutares should subscribe to preferred shares of category B by investing an aggregate amount of EUR 7,000,000 in Peugeot Motocycles. Following MTWE's conversion into Preferred A Shares and Mutares Investment, the total amount of Preferred A Shares and Preferred B Shares should equal to 50% of the share capital of PMTC respectively.

On March 31, 2023, as a result of fair valuation as well, a decrease in valuation of EUR 6,396,000.00 was booked.

On March 31, 2024, the Company holds 312,085 shares for a total amount of EUR 604,000.00

b) Undertakings in which the Company holds more than 20% interests in their share capital are as follows: (MTEW holds 50% equity and 19.99% voting rights).

(expressed in EUR)

Undertaking's name	Registered office	Percentage of holding	Last balance sheet date	Net equity at the last balance sheet date EUR	Result for the last financial year EUR	Net book value 31/03/2024 EUR
Peugeot Motocycles S.A.S.	France	50.00%	31/12/2023	(12,599,248.00)	(13,062,417.00)	604,000.00

Notes to the accounts

Note 4 - Securities held as fixed assets

a) The movements for the year are as follows: (expressed in EUR)

	EUR 31/03/2024	TOTAL EUR 31/03/2024	TOTAL EUR 31/03/2023
Gross book value - opening balance	**74,131,611.00**	**74,131,611.00**	–
Additions for the year	–	–	74,131,611.00
Gross book value - closing balance	**74,131,611.00**	**74,131,611.00**	74,131,611.00
Value adjustments - opening balance	**(67,735,611.00)**	**(67,735,611.00)**	–
Allocations for the year	–	–	(67,735,611.00)
Value adjustments - closing balance	**(67,735,611.00)**	**(67,735,611.00)**	(67,735,611.00)
Net book value - closing balance	**6,396,000.00**	**6,396,000.00**	6,396,000.00
Net book value - opening balance	**6,396,000.00**	**6,396,000.00**	–

On January 31, 2023 Peugeot Motocycles issued 74,131,611 bonds redeemable into Preferred A Shares to which MTWE subscribed for an amount of EUR 74,131,611.00 for which the maturity date is January 31, 2033.

On March 31, 2023, an internal valuation of the bonds receivables were performed and a decrease in valuation of EUR 67,735,611.00 was decided.

The interest rate is determined by the relevant fiscal year maximum deductible interest as provided by Article 39.1.3 of the French tax code. There are no interest for the year due to decrease in valuation.

The ORA Bonds will be redeemed in new Preferred A Shares of PMTC which is the first to occur between the date of an exit and the final maturity date, or any other date agreed upon between PMTC and the Company.

Redemption ratio is based on the number of Preferred A Shares with respect to their Aggregate Principal amount, in a number of Preferred A Shares to be determined by dividing the Aggregate Principal Amount by EUR 22.43.

Note 5 - Debtors

This caption is detailed as follows: (expressed in EUR)

	31/03/2024 EUR	31/03/2023 EUR
Other debtors		
Becoming due and payable within one year:		
Net wealth tax - advance 2023	**–**	1,203.75
Net wealth tax - advance 2024	**1,203.75**	–
VAT paid and recoverable	**10,487.50**	–
Total	**11,691.25**	1,203.75

Note 6 - Capital and reserves

Subscribed capital and share premium account

As at March 31, 2024, the share capital of the Company amounts to EUR 143,899,999.00 and is divided into 14,900,000 class A shares with a nominal value of EUR 1.00 each, 1,600,000,000 class B shares with a par value of EUR 0.05 each, 533,333,300 class C shares with a nominal value of EUR 0.03 and 1,650,000,000 class D shares with a nominal value of EUR 0.02.

The movements on the "Subscribed capital" caption during the year are as follows:

(expressed in EUR)

	Total number of units 31/03/2024	**Share capital 31/03/2024 EUR**	Share capital 31/03/2023 EUR
Opening balance	**3,798,233,300**	**143,899,999.00**	143,899,999
Closing balance	**3,798,233,300**	**143,899,999.00**	143,899,999

On July 7, 2020, an EGM took place to approve the issuance of 533,333,300 Class C shares of nominal value EUR 0.03 each aggregating to EUR 15,999,999.00 to its sole shareholder.

On February 5, 2021, an EGM took place to approve the issuance of 1,050,000,000 Class D shares of nominal value EUR 0.02 each aggregating to EUR 21,000,000.00 to its sole shareholder.

On December 23, 2021, an EGM took place to approve the issuance of 600,000,000 Class D shares of nominal value EUR 0.02 each aggregating to EUR 12,000,000.00 to its sole shareholder.

Share premium account

The movements on the "Share premium account" caption during the year are as follows:

(expressed in EUR)

	Share premium 31/03/2024 EUR	Share premium 31/03/2023 EUR
Opening balance	**11,254,683.00**	11,254,683.00
	–	–
Closing balance	**11,254,683.00**	11,254,683.00

Note 7 - Convertible loans

(expressed in EUR)

	EUR 31/03/2024	**Total EUR 31/03/2024**	Total EUR 31/03/2023
Gross book value - opening balance	**74,131,611.00**	**74,131,611.00**	–
Additions for the year	**–**	**–**	74,131,611.00
Gross book value - closing balance	**74,131,611.00**	**74,131,611.00**	74,131,611.00
Value adjustments - opening balance	**(67,131,611.00)**	**(67,131,611.00)**	–
Allocations for the year (Note 4)	**–**	**–**	(67,735,611.00)
Net book value of shares (Note 3)	**–**	**–**	604,000.00
Value adjustments - closing balance	**(67,131,611.00)**	**(67,131,611.00)**	(67,131,611.00)
Net book value - closing balance	**7,000,000.00**	**7,000,000.00**	7,000,000.00
Net book value - opening balance	**7,000,000.00**	**7,000,000.00**	–

Notes to the accounts

On January 27, 2023 the Company issued convertible bonds redeemable into Preferred A Shares each of them having a nominal value of INR 1 to which Mahindra & Mahindra Limited subscribed for an amount of EUR 74,131,611.00 for which the maturity date is January 27, 2033.

The interest rate is determined at 7.91% p.a. No interest for the year due to decrease in valuation.

Each bondholder of the Company may decide, at any time between the issue date and the maturity date, the conversion of all or part of the convertible bonds.

The number of shares to be issued is determined by the sum of the amount of the nominal value of the Bonds and the amount of compound interest not yet compunded divided by the fair market value as at conversion date of one share.

On March 31, 2023, ORA bonds were fair valued and a decrease of EUR 67,735,611.00 was booked (Note 4). As a result of this decrease, Mahindra & Mahindra Limited further fair valued their receivables from the Company, but considered the fair value of the securities in the Company as well (Note 4), given the Convertible nature of the loan. The above valuation has been disclosed under the audited consolidated accounts of Mahindra & Mahindra Limited filed on the stock exchange of India as at March 31, 2023.

Note 8 - Trade creditors and other creditors (expressed in EUR)

	Within one year EUR	**After more than one year EUR**	**Total 31/03/2024 EUR**	Total 31/03/2023 EUR
Trade creditors				
Suppliers	22,941.23	–	**22,941.23**	931.67
Suppliers - accruals	23,338.25	–	**23,338.25**	24,190.60
Trade creditors				
Net wealth tax - estimated tax payable 2023	–	–	**–**	4,815.00
Net wealth tax - estimated tax payable 2024	4,815.00	–	**4,815.00**	–
Total	**51,094.48**	**–**	**51,094.48**	29,937.27

Note 9 - Other external expenses (expressed in EUR)

This caption is detailed as follows:	**31/03/2024 EUR**	31/03/2023 EUR
Accounting fees	**29,167.96**	29,651.94
Audit fees	**16,332.00**	10,310.60
Tax consulting fees	**11,320.65**	6,818.95
Domiciliation fees	**5,076.45**	6,671.96
Bank fees	**4,838.00**	3,456.54
Other fees	**1,110.59**	3,521.38
Luxembourg Chamber of Commerce contribution	**350.00**	350.00
Total	**68,195.65**	60,781.37

Note 10 - Value adjustments on financial fixed assets

During 2023, the Company re-valued downwards both the investments in Peugeot Motocycles S.A.S amounted to EUR 67,961,920.00 (Note 3) and the bonds receivables amounted to EUR 67,735,611.00 (Note 4) which is subscribed from Peugeot Motocycles S.A.S on 31 January 2023.

Note 11 - Other interest and other financial income

This caption is detailed as follows:	**31/03/2024 EUR**	31/03/2023 EUR
Derived from affiliated undertakings	**–**	3,268.63
Foreign currency exchange gains	**–**	14.93
Value Adjustments on Convertible loans*	**–**	67,131,611.00
Total	**–**	67,134,894.56

During 2023, the redeemable convertible bonds issued to Mahindra and Mahindra Limited were revalued, resulting into a gain for the Company and amounted to EUR 67,131,611.00 (Note 7).

Note 12 - Staff

There were no staff employed during the year (31/03/2023: nil).

Note 13 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 14 - Related party transactions

Related party transactions were disclosed in Notes 4 and 7.

Note 15 - Off balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.

Note 16 - Subsequent events

No other matters or circumstances of importance have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

For and on behalf of the Board

Date: 23rd April, 2024
Place: Mumbai

Rajesh Jejurikar Director

Vinayak Narvekar Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
CLASSIC LEGENDS PRIVATE LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Classic Legends Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in

the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
   (g) Based on the records examined by us and according to information and explanations given to us, the Company has not paid/provided for managerial remuneration. Hence, the provisions of Section 197 of the Act related to managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 38 to the Standalone Financial Statements;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes forming part the standalone financial statements, no funds have been received by the Company from

any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement.

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDL5887
Place: Mumbai
Mumbai, April 19, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Classic Legends Private Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDL5887
Place: Mumbai
Mumbai, April 19, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Company once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. The physical verification of property, plant and equipment was conducted during the year March 31,2022 and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee).

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of traded goods have been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company. According to the information and explanations given to us, the investment made by the Company during the year in its subsidiary is not prejudicial to the company's interest.

(iv) According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, in respect of deposits accepted by the Company or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder, where applicable, have been complied with. According to the information and explanations given to us, there is no order passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 7,940.40

Lakhs in the current financial year and Rs. 9,768.22 lakhs in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of Section 135 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDL5887
Place: Mumbai
Mumbai, April 19, 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

Rs. in Lakhs

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5a	**12,088.55**	12,975.51
(b) Right-of-use assets	5b	**174.78**	92.93
(c) Capital work-in-progress	34	**172.64**	152.97
(d) Other Intangible assets	6	**11,695.40**	13,797.14
(e) Intangible assets under development	34	**943.65**	1,170.40
(f) Financial Assets			
(i) Investments	7	**10,451.66**	7,279.01
(g) Other non-current assets	8a	**660.62**	459.66
(h) Deferred Tax Assets (Net)	9	**–**	–
Total Non-Current Assets		**36,187.30**	35,927.62
Current assets			
(a) Inventories	10	**3,766.50**	1,912.76
(b) Financial Assets			
(i) Investments	11	**16,152.82**	–
(ii) Trade receivables	12	**4,468.61**	5,514.52
(iii) Cash and cash equivalents	13	**8,295.33**	645.00
(iv) Other financial assets	14	**1,139.60**	1,136.05
(c) Other current assets	8b	**3,297.64**	3,245.55
Total Current Assets		**37,120.50**	12,453.88
Total Assets		**73,307.80**	48,381.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	**52,500.00**	52,500.00
(b) Other Equity	16	**(51,067.57)**	(36,205.07)
Total Equity attributable to owners of the Company		**1,432.43**	16,294.93
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17a	**18,980.00**	15,000.00
(ia) Lease Liabilities		**103.44**	15.93
(ii) Other non-current financial liabilities	18a	**567.00**	579.00
(b) Provisions	19a	**873.19**	769.80
Total Non-Current Liabilities		**20,523.63**	16,364.73
Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		**74.60**	88.55
(ii) Trade payables	20		
(a) Total Outstanding dues of micro and small enterprises		**204.95**	1.12
(b) Total Outstanding dues of creditors other than micros and small enterprises		**12,555.33**	11,996.87
(iii) Other current financial liabilities	18b	**37,078.38**	784.99
(b) Provisions	19b	**615.51**	635.17
(c) Other current liabilities	21	**822.97**	2,215.14
Total Current Liabilities		**51,351.74**	15,721.84
Total Equity and Liabilities		**73,307.80**	48,381.50

Material accounting policy 1-4 See accompanying notes to the financial statements

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 19th April, 2024
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 00922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Akshata A. Khanolkar (Company Secretary) Membership Number: 29557

Date: 19th April, 2024
Place: Mumbai

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	22	**63,498.39**	70,974.12
II	Other income	23	**742.59**	109.96
III	**Total Income (I + II)**		**64,240.98**	71,084.08
IV	**Expenses**			
	Purchases of stock-in-trade		**57,926.47**	67,114.89
	Changes in stock of finished goods and stock-in-trade	24	**(1,853.74)**	100.53
	Employee benefits expense	25	**2,881.46**	2,860.37
	Finance costs	26	**2,958.49**	1,476.15
	Depreciation and amortisation expense	27	**6,966.72**	5,079.85
	Other expenses	28	**10,268.71**	9,300.37
	Total Expenses (IV)		**79,148.11**	85,932.16
V	**Loss before tax for the year (III - IV)**		**(14,907.13)**	(14,848.08)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**(11.23)**	(6.25)
	Total tax expense		**(11.23)**	(6.25)
VII	**Loss after tax for the year (V - VI)**		**(14,895.90)**	(14,841.83)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		**44.63**	24.83
	(ii) Income tax relating to items that will not be reclassified to P&L		**(11.23)**	(6.25)
IX	**Total comprehensive income for the year**		**(14,862.50)**	(14,823.25)
X	**Earnings per equity share** (Nominal value per share Rs. 10 each),			
	(1) Basic (in Rupees)	29	**(2.84)**	(2.86)
	(2) Diluted (in Rupees)		**(2.53)**	(2.86)

Material accounting policy 1-4 See accompanying notes to the financial statements

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 19th April, 2024
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 00922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Akshata A. Khanolkar (Company Secretary) Membership Number: 29557

Date: 19th April, 2024
Place: Mumbai

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss before tax for the year	**(14,907.13)**	(14,848.08)
Adjustments for:		
Depreciation & Amortisation	**6,966.72**	5,079.85
Finance costs	**2,958.49**	1,476.15
Net gain/(loss) on Investment carried at fair value through profit or loss	**(450.88)**	(60.49)
Interest income	**(159.91)**	(4.40)
Operating loss before Working Capital changes	**(5,592.71)**	(8,356.97)
Movements in working capital:		
Decrease/ (Increase) in Current Other Trade receivable	**1,045.91**	(4,444.05)
Decrease/ (Increase) in Current Other Financial Assets	**(3.55)**	(687.28)
Decrease/ (Increase) in Other Current Assets	**29.21**	2,519.11
Decrease/ (Increase) in Other Non Current Assets	**(28.48)**	35.12
Decrease/ (Increase) in Inventories	**(1,853.74)**	100.53
Increase / (Decrease) in trade payables	**513.81**	4,064.81
Increase/ (Decrease) in provisions	**128.36**	172.24
Increase/ (Decrease) in other Non current Financial liabilities	**(12.00)**	18.50
Increase/ (Decrease) in other current Financial liabilities	**–**	(276.79)
Increase/ (Decrease) in other current liabilities	**(1,391.17)**	303.68
Cash generated from operations	**(7,164.36)**	(6,551.10)
Income taxes paid	**–**	–
Cash flows from operating activities	**(7,164.36)**	(6,551.10)
Interest received	**78.61**	4.40
Payments for Property, Plant and Equipment and Other Intangible Assets	**(3,998.03)**	(5,642.84)
Investment in Mutual fund	**(44,825.00)**	(24,100.00)
Proceeds on sale of current investment (Mutual Fund redemption proceeds)	**29,123.06**	24,160.49
Purchase of investment in share of subsidiary	**(3,172.65)**	(1,747.03)
Cash used in investing activities	**(22,794.01)**	(7,324.98)
Proceeds from issue of equity instruments of the Company (Net of share issue expenses)	**–**	1,700.00
Proceeds from issue of Compulsory Convertible Preference Shares	**35,000.00**	
Proceeds from borrowings Long term	**6,980.00**	15,000.00
Proceeds from borrowings Short term	**–**	11,200.00
Repayment of borrowings Long term	**(3,000.00)**	(12,900.00)
Repayment of Lease liabilities	**(82.48)**	(92.90)
Interest paid	**(1,288.82)**	(1,031.51)
Cash flows from financing activities	**37,608.70**	13,875.59
Net cash inflow / (outflow)	**7,650.33**	(0.49)
Cash and cash equivalents at the begining of the year	**645.00**	645.49
Cash and cash equivalents at the end of the year	**8,295.33**	645.00

Notes:

1 Figures in brackets represent outflows of cash and cash equivalents.

2 Cash and cash equivalents comprise of :

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash on hand	**–**	–
Balances with Banks	**795.33**	645.00
Fixed Deposits with Banks	**7,500.00**	–
	8,295.33	645.00

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 19th April, 2024
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 00922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Akshata A. Khanolkar (Company Secretary) Membership Number: 29557

Date: 19th April, 2024
Place: Mumbai

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

a. Changes in Equity

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	**52,500.00**	40,421.30
Shares issued during the year	**–**	12,078.70
Balance at the end of the year	**52,500.00**	52,500.00

b. Other Equity

Rs. in Lakhs

Particulars	Share Application Money	Reserve & Surplus Retained Earning	Total
Opening Balance as on April 1, 2023	**–**	**(36,205.07)**	**(36,205.07)**
Profit / loss for the year	**–**	**(14,895.90)**	**(14,895.90)**
Other comprehensive income for the year	**–**	**33.40**	**33.40**
	–	**(14,862.50)**	**(14,862.50)**
Closing Balance as on March 31, 2024	**–**	**(51,067.57)**	**(51,067.57)**

Particulars	Share Application Money	Reserve & Surplus Retained Earning	Total
Opening Balance as on April 1, 2022	10,378.70	(21,381.82)	(11,003.12)
Profit / loss for the year	–	(14,841.83)	(14,841.83)
Shares issued	(10,378.70)	–	(10,378.70)
Other comprehensive income for the year	–	18.58	18.58
	(10,378.70)	(14,823.25)	(25,201.95)
Closing Balance as on March 31, 2023	–	(36,205.07)	(36,205.07)

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 19th April, 2024
Place: Mumbai

For and on behalf of the Board
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Manoj Bhat
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Akshata A. Khanolkar (Company Secretary) Membership Number: 29557

Date: 19th April, 2024
Place: Mumbai

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Corporate Information

Company details

Classic Legends Private Limited (CLPL) was incorporated on 17th June'2015. On 18th October 2016, it became subsidiary of Mahindra and Mahindra Limited (M&M). However, w.e.f 1st July'2017 M&M became joint venturer of the Company. CLPL is engaged in Design, Development, Sales, Marketing and related activities for Motorcycles & Two Wheeled Products.

2. Method of Accounting

These standalone or separate financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the latest annual financial statements of the Company prepared under the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

These financial statements were approved by the Board of Directors and authorised for issue on 19th April, 2024.

3. Material Accouting Policies

3.01 Basis of accounting preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

3.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Leases

Ind AS 116 requires lessees to determine the lease term as the non cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Provisions for product warranties

The Company recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are reviewed at each balance sheet date, adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

3.03 Revenue Recognition

Revenue on satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

3.04 Foreign Currency

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

3.05 Employee benefits

1. Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

– service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
– net interest expense or income; and
– re-measurement.

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit which are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation.

3.06 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

3.07 Property Plant and Equipment

Property Plant and Equipment (PPE) are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment loss, if any. All costs relating to the acquisition and installation of property plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation is calculated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

i) Plant and machinery – 3 years, 5 years, 8 years, 15 years
ii) Laptops – 3 years
iii) Vehicles – 3 years, 5 years
iv) Office equipment – 2 years, 5 years
v) Furniture – 10 years
vi) Assets costing less than Rs 5000 each - 1 year

3.08 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Following summarises the nature of intangible and the estimated useful life:

(a) Software Costs – The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(b) Development expenditure – The expenditure incurred on technical services and other project/product related expenses is amortised over the period of benefit, not exceeding five years

Intangible asset with indefinite useful lives is reviewed annually to determine whether indefinite-life assessment continues to be supportable.

Intangible assets under development

The Company expenses cost incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible assets.

3.09 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at end of each reporting period whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.10 Inventories

Inventories comprise all cost of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition

Finished goods purchased for sale, are carried at cost or net realisable value whichever is lower.

3.11 Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Classification and subsequent measurement

Financial assets

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

3.12 Borrowing Costs:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those Qualifying assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the Qualifying assets.

4. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on March 31, 2024, MCA has not amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 and hence reporting under this section is not applicable.

Note - 5 Property, Plant and Equipment

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a. Property, plant and equipment owned	12,088.55	12,975.51
b. Right of use assets	174.78	92.93
	12,263.33	13,068.44

a. Property, plant and equipment owned

Rs. in Lakhs

Description of Assets	Plant and Equipment	Computers	Furniture	Vehicles	Office Equipment	Total
I. Gross Block						
Balance as at April 1, 2023	15,781.40	380.45	18.21	749.79	34.74	16,964.59
Additions during the year	1,422.03	23.63	15.98	113.15	12.01	1,586.80
Disposals during the year	–	(0.46)	–	(113.20)	(6.13)	(119.79)
Balance as at March 31, 2024	**17,203.43**	**403.62**	**34.19**	**749.74**	**40.62**	**18,431.60**
II. Accumulated depreciation						
Balance as at April 1, 2023	3,332.10	221.04	4.13	417.40	14.41	3,989.08
Depreciation for the year	2,156.47	90.86	2.24	141.32	9.43	2,400.32
Eliminated on disposal of assets during the year	–	(0.42)	–	(41.95)	(3.98)	(46.35)
Balance as at March 31, 2024	**5,488.57**	**311.48**	**6.37**	**516.77**	**19.86**	**6,343.05**
Net block (I-II)						
Balance as at March 31, 2024	11,714.86	92.14	27.82	232.97	20.76	12,088.55
Balance as at March 31, 2023	12,449.30	159.41	14.08	332.39	20.33	12,975.51

Rs. in Lakhs

Description of Assets	Plant and Equipment	Computers	Furniture	Vehicles	Office Equipment	Total
I. Gross Block						
Balance as at April 1, 2022	10,266.09	333.69	14.97	606.08	24.74	11,245.57
Additions during the year	5,525.75	48.12	3.24	169.30	10.45	5,756.86
Disposals during the year	(10.44)	(1.36)	–	(25.59)	(0.45)	(37.84)
Balance as at March 31, 2023	**15,781.40**	**380.45**	**18.21**	**749.79**	**34.74**	**16,964.59**
II. Accumulated depreciation						
Balance as at April 1, 2022	1,739.72	123.15	2.47	306.50	7.29	2,179.13
Depreciation for the year	1,597.31	99.18	1.66	127.82	7.43	1,833.40
Eliminated on disposal of assets during the year	(4.93)	(1.29)	–	(16.92)	(0.31)	(23.45)
Balance as at March 31, 2023	**3,332.10**	**221.04**	**4.13**	**417.40**	**14.41**	**3,989.08**
Net block (I-II)						
Balance as at March 31, 2023	12,449.30	159.41	14.08	332.39	20.33	12,975.51
Balance as at March 31, 2022	8,526.37	210.54	12.50	299.58	17.45	9,066.44

b. Right of use assets

Rs. in Lakhs

	Buildings	Total
I. Gross Carrying Amount		
Balance as at April 1, 2023	275.91	275.91
Additions	152.19	152.19
Deletions	–	–
Balance as at March 31, 2024	**428.10**	**428.10**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2023	182.98	182.98
Additions	70.34	70.34
Deletions	–	–
Balance as at March 31, 2024	**253.32**	**253.32**
III. Net carrying amount (I-II)	174.78	174.78

Rs. in Lakhs

	Buildings	Total
I. Gross Carrying Amount		
Balance as at April 1, 2022	275.91	275.91
Additions	–	–
Deletions	–	–
Balance as at March 31, 2023	**275.91**	**275.91**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2022	99.63	99.63
Additions	83.35	83.35
Deletions	–	–
Balance as at March 31, 2023	**182.98**	**182.98**
III. Net carrying amount (I-II)	92.93	92.93

Note - 6 Other Intangible assets

Rs. in Lakhs

Description of Assets	Development exp	Software	Total
I. Gross Block			
Balance as at April 1, 2023	**20,451.86**	**649.68**	**21,101.54**
Additions during the year	2,392.30	2.02	2,394.32
Disposals during the year	–	–	–
Balance as at March 31, 2024	**22,844.16**	**651.70**	**23,495.86**
II. Accumulated depreciation			
Balance as at April 1, 2023	**6,910.21**	**394.19**	**7,304.40**
Depreciation for the year	4,386.48	109.58	4,496.06
Eliminated on disposal of assets during the year	–	–	–
Balance as at March 31, 2024	**11,296.69**	**503.77**	**11,800.46**
Net block (I-II)			
Balance as at March 31, 2024	**11,547.47**	**147.93**	**11,695.40**
Balance as at March 31, 2023	**13,541.65**	**255.49**	**13,797.14**

Rs. in Lakhs

Description of Assets	Development exp	Software	Total
I. Gross Block			
Balance as at April 1, 2022	12,580.11	408.66	12,988.77
Additions during the year	7,871.75	241.02	8,112.77
Disposals during the year	–	–	–
Balance as at March 31, 2023	**20,451.86**	**649.68**	**21,101.54**
II. Accumulated depreciation			
Balance as at April 1, 2022	3,820.39	320.91	4,141.30
Depreciation for the year	3,089.82	73.28	3,163.10
Eliminated on disposal of assets during the year	–	–	–
Balance as at March 31, 2023	**6,910.21**	**394.19**	**7,304.40**
Net block (I-II)			
Balance as at March 31, 2023	13,541.65	255.49	13,797.14
Balance as at March 31, 2022	8,759.72	87.75	8,847.47

Note - 7 Non-Current Investment

Rs. in Lakhs

Particulars	As at March 31, 2024 No. of Shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of Shares	As at March 31, 2023 Amount
Unquoted investments in equity instruments of subsidiary at cost				
BSA Company Limited	**368,800**	**10,451.66**	268,800	7,279.01
(Fully paid equity shares of GBP 1 each)				
Total	**368,800**	**10,451.66**	268,800	7,279.01

Note - 8a Other non-current assets

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Capital Advances	**579.18**	406.70
(b) Prepaid Expense	**9.43**	25.32
(c) Balances with government authorities		
(i) Advance Income Tax (TDS receivable)	**72.01**	27.64
Total	**660.62**	459.66

Note - 8b Other current assets

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Int Accured But Not Due - Others	**81.30**	–
(b) Prepaid Expense	**96.46**	86.87
(c) Advance to Domestic Supplier / Service provider	**269.19**	90.00
(d) Balances with government authorities		
(i) GST Receivable	**2,850.69**	3,068.68
Total	**3,297.64**	3,245.55

Note - 9 Deferred Tax

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability		
On property, plant & equipment	**–**	196.59
Others	**–**	–
Total(A)	**–**	196.59
Deferred Tax Asset		
Provision for Employee Benefits	**–**	68.81
Others	**–**	127.78
Total(B)	**–**	196.59
Net Asset/(Liability)	**–**	–

Note - 10 Inventories

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Stock in trade [includes in transit Rs. 290.57 Lakhs (March 31, 2023 : Rs. Nil Lakhs)]	**3,766.50**	1,912.76
Total	**3,766.50**	1,912.76

Note - 11 Current Investments

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at fair value through profit & Loss account		
Investments in Mutual Funds (quoted)	**16,152.82**	–
Total	**16,152.82**	–

Note - 12 Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables :		
(a) Unsecured Considered good	**4,468.61**	5,514.52
(b) Doubtful	**24.34**	18.82
	4,492.95	5,533.34
Less: Allowance for Expected Credit Loss	**(24.34)**	(18.82)
Total	**4,468.61**	5,514.52

Trade Receivable Ageing Schedule

As at March 31, 2024

Rs. in Lakhs

Particulars	Outstanding for the following period from the due date of Payment					
	Less than 6 months	6 Months - 1 year	1-2 year	2-3 Year	More than 3 year	Total
Undisputed Trade Receivables – considered good	2,186.26	1,442.42	826.18	12.12	1.62	4,468.60
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	5.51	0.13	5.46	11.17	2.08	24.35
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total	**2,191.77**	**1,442.55**	**831.64**	**23.29**	**3.70**	**4,492.95**

As at March 31, 2023

Particulars	Outstanding for the following period from the due date of Payment					
	Less than 6 months	6 Months - 1 year	1-2 year	2-3 Year	More than 3 year	Total
Undisputed Trade Receivables – considered good	5,499.18	15.34	–	–	–	5,514.52
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	3.61	0.48	12.66	2.07	–	18.82
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total	**5,502.79**	**15.82**	**12.66**	**2.07**	**–**	**5,533.34**

Note - 13 Cash & Cash Equivalents

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
(i) In current account	**795.33**	645.00
(i) In Fixed Deposit	**7,500.00**	–
Total	**8,295.33**	645.00

Note - 14 Other current financial assets

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Finanacial assets at amortised cost		
a) Security Deposits	**54.67**	33.03
b) Other Advances	**1,084.93**	1,103.02
Total	**1,139.60**	1,136.05

Other Advances includes advance to employees, other receivables

Note - 15 Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised:		
140,00,00,000 (March 31, 2023 : 75,00,00,000) equity shares of Rs 10/- each.	**140,000.00**	75,000.00
	140,000.00	75,000.00
Issued, Subscribed and Paid up:		
52,50,00,000 (March 31, 2023 : 52,50,00,000) equity shares of Rs 10/- each.	**52,500.00**	52,500.00
Total	**52,500.00**	52,500.00

Rs. in Lakhs

Reconciliation of the no. of shares outstanding at the beginning and at the end of the period:	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Balance as at beginning of the year	**525,000,000**	**52,500.00**	404,213,022	40,421.30
Add: Additional equity shares issued during the year	**–**	**–**	120,786,978	12,078.70
Less: Equity Shares forfeited/Bought back during the year	**–**	**–**	–	–
Balance as at end of the year	**525,000,000**	**52,500.00**	525,000,000	52,500.00

Notes:

i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	As at March 31, 2024 Number of shares	% Shareholding	As at March 31, 2023 Number of shares	% Shareholding
Equity Shares:				
Mahindra & Mahindra Limited	**315,000,235**	**60.00%**	315,000,235	60.00%
PHI Capital Trust - Phi capital growth fund I	**115,000,000**	**21.90%**	115,000,000	21.90%
Boman Irani	**57,524,310**	**10.96%**	57,524,310	10.96%
Attarchand Trading Company Pvt Ltd	**20,400,000**	**3.89%**	20,400,000	3.89%
Phi Capital Management LLP	**17,075,455**	**3.25%**	17,075,455	3.25%
Total	**525,000,000**		525,000,000	

ii) The Company has only one class of Share i.e. Equity Shares having par value of Rs.10 each. Each holder of Equity Share is entitled to one vote per Share. In the event of liquidation of company, The holder of the Equity Share will be entitled to receive remaining assets, after deducting all it's liabilities, in proportion to the number of Equity Share held

(iii) Share held by the promoters at the end of 31st March' 2024

Promoter Name	Number of shares	% Shareholding	% Change During the Year
Mahindra & Mahindra Limited	**315,000,235**	60.00%	0.00%
PHI Capital Trust - Phi capital growth fund I	**115,000,000**	21.90%	0.00%
Boman Irani	**57,524,310**	10.96%	0.00%
Attarchand Trading Company Pvt Ltd	**20,400,000**	3.89%	0.00%
Phi Capital Management LLP	**17,075,455**	3.25%	0.00%
Total	**525,000,000**		

(iv) Share held by the promoters at the end of 31st March'2023

Promoter Name	Number of shares	% Shareholding	% Change During the Year
Mahindra & Mahindra Limited	**315,000,235**	60.00%	0.00%
PHI Capital Trust - Phi capital growth fund I	**115,000,000**	21.90%	-1.92%
Boman Irani	**57,524,310**	10.96%	-0.18%
Attarchand Trading Company Pvt Ltd	**20,400,000**	3.89%	-1.16%
Phi Capital Management LLP	**17,075,455**	3.25%	3.25%
Total	**525,000,000**		

Note - 16 Other equity

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Balance at the beginning of the year	**(36,205.07)**	(21,381.82)
Add :		
Loss for the year	**(14,895.90)**	(14,841.83)
Other comprehensive income for the year	**33.40**	18.58
Balance at the end of the year	**(51,067.57)**	(36,205.07)
Share Application money		
Balance at the beginning of the year	**–**	10,378.70
Add :		
Addition during the period	**–**	–
Reduction during the period	**–**	(10,378.70)
Balance at the end of the year	**–**	–
Total	**(51,067.57)**	(36,205.07)

Note - 17a Non Current Borrowings

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (Carried at amortised cost)		
(a) Inter corporate Deposit	**18,980.00**	15,000.00
Total	**18,980.00**	15,000.00

Note: The Company has unsecured long term Intercorporate deposit of Rs. 18,980 Lakhs as at March 31, 2024 (March 31, 2023 Unsecured Long term: Rs. 15,000 Lakhs) from related party Mahindra & Mahindra Limited.

Note - 18a Other Non Current Financial Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other Financial liabilities measured at amortised cost		
(a) Security Deposits	**567.00**	579.00
Total	**567.00**	579.00

Note - 18b Other Current Financial Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other Financial liabilities measured at amortised cost		
a) Capital creditors	**597.37**	722.32
b) Security Deposits	**0.40**	0.40
c) Interest Accrued but not due	**1,480.61**	62.27
d) Compulsory Convertible Preference Shares *During the year 35,00,00,000 Compulsory convertible preference shares of Rs.10 each fully paid-up, issued at par*	**35,000.00**	–
Total	**37,078.38**	784.99

Mahindra and Mahindra Limited (M&M), Phi Capital Growth Fund-I, Phi Capital Management LLP, Boman Irani, the existing shareholders, executed a Securities Subscription Agreement and Shareholders' Agreement with external investors (collectively known as Investors group). The Investors Group have invested Rs. 35,000.00 lakhs each in non-cumulative Compulsorily Convertible Preference Shares ('CCPS'). CCPS is convertible compulsorily and automatically into such number of equity shares determined as per a pre-determined formula at the conversion date, as per terms and conditions of the agreement(s) entered between the Company and Investors Group. Since the CCPS is convertible into equity shares of Company which are variable in number(s), it has been classified as financial liability at par value in the financial statements of the Company.

Note - 19a Non Current Provisions

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
Provision for compensated absences	**76.63**	110.96
Provision for Gratuity	**111.03**	133.35
(b) Other Provisions		
Warranty	**635.78**	474.57
Free Service Coupons	**49.75**	50.92
Total	**873.19**	769.80

Note - 19b Current Provisions

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
Provision for compensated absences	**15.97**	19.91
Provision for Gratuity	**11.16**	9.20
(b) Other Provisions		
Warranty	**393.66**	372.88
Free Service Coupons	**194.72**	233.18
Total	**615.51**	635.17

The movement in provision for warranty and service coupon is as follows

Rs. in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Provision for Warranty	Provision for Service Coupon	Provision for Warranty	Provision for Service Coupon
Opening Balance	**847.45**	**284.10**	710.01	310.46
Additional Net Provision recognised	**1,272.72**	**102.79**	1,107.19	124.48
Amounts used during the period	**(1,171.24)**	**(169.84)**	(1,019.34)	(172.25)
Unwinding of discount	**80.51**	**27.41**	49.59	21.41
Closing Balance	**1,029.44**	**244.47**	847.45	284.10

Note - 20 Trade Payables

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable for goods & services		
- Total outstanding dues of micro and small enterprises	**204.95**	1.12
- Total outstanding dues of other than micro and small enterprises	**12,555.33**	11,996.87
Total	**12,760.28**	11,997.99

Trade Payable Ageing Schedule

As at March 31, 2024 Rs. in Lakhs

Particulars	Outstanding for the following period from the due date of Payment				
	Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Total outstanding dues of micro enterprises and small enterprises	204.95	–	–	–	204.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,675.30	939.82	940.14	0.07	12,555.33
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**10,880.25**	**939.82**	**940.14**	**0.07**	**12,760.28**

As at March 31, 2023

Particulars	Outstanding for the following period from the due date of Payment				
	Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Total outstanding dues of micro enterprises and small enterprises	1.12	–	–	–	1.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,232.98	1,763.86	0.03	–	11,996.87
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**10,234.10**	**1,763.86**	**0.03**	**–**	**11,997.99**

Note - 21 Other Current Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Statutory remittances (Contribution to PF, profession tax, withholding taxes, GST, etc.)	**306.93**	291.16
b) Interest payble	**0.56**	1.56
c) Advances received from customers	**515.48**	1,922.42
Total	**822.97**	2,215.14

Note - 22 Revenue from Operations

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue from sale of products	**63,090.29**	70,649.40
(b) Sales of services	**37.38**	22.23
(c) Other operating revenue	**370.72**	302.49
Total	**63,498.39**	70,974.12

Note - 23 Other income

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on financial assets carried at amortised cost	**159.91**	–
Interest income on non financial assets	**–**	4.40
Net gain on foreign currency transaction and translation	**131.80**	45.07
Net gain/(loss) on Investment carried at fair value through profit or loss	**450.88**	60.49
Total	**742.59**	109.96

Note - 24 Changes in inventories of finished goods and stock-in-trade

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Stock in Trade	**1,912.76**	2,013.29
	1,912.76	2,013.29
Inventories at the end of the year		
Stock in Trade	**3,766.50**	1,912.76
	3,766.50	1,912.76
Net (increase) / decrease	**(1,853.74)**	100.53

Note - 25 Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries and wages, including bonus	**2,705.08**	2,712.68
(b) Contribution to other funds	**90.51**	86.42
(c) Staff welfare expense	**85.87**	61.27
Total	**2,881.46**	2,860.37

Note - 26 Finance cost

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest expense for financial liabilities at amortised cost	**32.92**	44.47
b) Interest others	**2,925.57**	1,431.68
Total	**2,958.49**	1,476.15

Interest others includes unwinding of discount & working capital charge

Note - 27 Depreciation and amortisation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Depreciation on property, Plant, Equipments	**2,470.65**	1,916.76
b) Amortisation on other Intangible Assets	**4,496.07**	3,163.09
Total	**6,966.72**	5,079.85

Note - 28 Other expenses

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement & Promotional Expense	**4,042.74**	2,487.82
Service Charges	**1,362.39**	1,577.30
Software Expense	**294.43**	295.48
Royalty Expenses	**816.31**	720.42
Legal and professional Fees	**209.93**	322.00

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditor Remuneration		
- Audit Fees	**11.00**	12.00
- Out of Pocket Expense	**0.35**	–
- Other services	**3.81**	2.41
Travelling Expenses	**746.52**	638.75
Freight and handling charges	**636.98**	1,183.87
Warranty Expenses and Free Service Charges (Net of Recoveries)	**703.16**	755.30
Stockyard Expense	**386.11**	369.69
R & D Expense	**490.74**	372.50
Rent including lease rentals	**104.37**	88.92
Provisions for doubtful Advances/ Debts	**5.53**	3.16
Misc. expenses	**454.34**	470.75
Total	**10,268.71**	9,300.37

Note - 29 Earning per share

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share (in Rs.)	**(2.84)**	(2.86)
Diluted earnings per share (in Rs.)	**(2.53)**	(2.86)
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Loss for the year, per statement of profit and loss (Rs. in lakhs)	**(14,895.90)**	(14,841.83)
Weighted average number of equity shares for the purposes of basic earnings per share	**525,000,000.00**	518,339,726.03
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Loss for the year, per statement of profit and loss (Rs. in lakhs)	**(14,895.90)**	(14,841.83)
Weighted average number of equity shares for the purposes of basic earnings per share	**525,000,000.00**	518,339,726.03
Weighted average of potential equity shares to be issued in respect of :		
- Compulsory Convertible Preference Shares	**64,011,270.49**	–
Weighted average number of equity shares for the purposes of diluted earnings per share	**589,011,270.49**	518,339,726.03

Note - 30 Financial Instruments

Capital management

The company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

Debt-to-equity ratio is as follows:

Rs. in Lakhs

	March 31, 2024	March 31, 2023
Debt (Including Current Maturities and lease payables) (A)	**19,158.04**	15,104.48
Equity (B)	**1,432.43**	16,294.92
Debt Ratio (A / B)	**13.37**	0.93

Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

Rs. in Lakhs

Particulars	Carrying Amount		Fair Value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Current Assets				
a) Investments (fair value through profit & loss)	**16,152.82**	–	**16,152.82**	–
b) Trade Receivable	**4,468.61**	5,514.52	**4,468.61**	5,514.52
c) Cash & cash equivalents	**8,295.33**	645.00	**8,295.33**	645.00
d) Other Current Financial assets	**1,139.61**	1,136.05	**1,139.61**	1,136.05
Total Financial Assets	**30,056.37**	7,295.57	**30,056.37**	7,295.57
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non Current Liabilities				
a) Borrowings including lease liabilities	**19083.44**	15,015.93	**18,937.22**	14,740.66
b) Other non-current liabilities	**567.00**	579.00	**567.00**	579.00
Current Liabilities				
a) Borrowings including lease liabilities	**74.60**	88.55	**73.21**	86.98
b) Trade Payables	**12,760.28**	11,997.99	**12,760.28**	11,997.99
c) Other Current liabilities	**37,078.38**	784.99	**37,078.38**	784.99
Total Financial Liabilities	**69,563.70**	28,466.46	**69,416.09**	28,189.62

At the end of the reporting period, there are no significant concentrations of credit risk for financial assests designed at fair value through profit & loss. The carrying amount reflected above represents the company's maximum exposure to credit risk to such financial assets.

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings.

Trade receivables - The company applies the simplified approach to provide for expected credit loss prescribed by IND AS 109, which permits the use of life time expected loss provision for old trade receivable. The company has taken security deposit which are considered as collaterale and these are considered in determination of expected credit losses, where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

Movement in the expected credit loss allowance:

Rs. In Lakhs)

Particulars	**March 31, 2024**	March 31, 2023
Balance as at beginning of the year	**18.82**	15.65
Additions during the year	**5.52**	3.17
Amounts recovered during the year	**–**	–
Balance at end of the year	**24.34**	18.82

LIQUIDITY RISK

(i) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. in Lakhs

	March 31, 2024			March 31, 2023		
Particulars	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	Less than 1 Year	1-3 Years	3-5 Years
Financial liabilities						
Borrowings (including current maturities and lease payables)	**151.45**	**19,205.23**	**–**	179.70	15,034.64	–
Other Financial liabilities	**37,078.38**	**567.00**	**–**	784.99	579.00	–
Trade payables	**12,760.28**	**–**	**–**	11,997.99	–	–
Total	**49,990.11**	**19,772.23**	**–**	12,962.68	15,613.64	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

a) *Foreign Currency exchange rate risk*

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

Foreign currency exposures that are not hedged by derivative instruments

		As at March 31, 2024		As at March 31, 2023	
Particulars	**Currency**	**Foreign Currency Amount**	**Rupees Lakhs**	Foreign Currency Amount	Rupees Lakhs
Trade payables	USD	–	–	–	–
Trade receivable	USD	–	–	–	–
Trade payables	EURO	2,482	2.23	–	–
Trade payables	GBP	33,600	35.36	–	–
Trade receivable	GBP	4,101,796	4,316.46	5,235,818	5,283.90

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Rs. in Lakhs

Particulars	**Currency**	**Change in rate**	**Effect on profit / (loss) before tax**	Effect on pre-tax equity
31-Mar-24	USD	+10%	–	–
	USD	-10%	–	–
	EUR	+10%	(0.22)	(0.22)
	EUR	-10%	0.22	0.22
	GBP	+10%	428.11	428.11
	GBP	-10%	(428.11)	(428.11)
31-Mar-23	USD	+10%	–	–
	USD	-10%	–	–
	EUR	+10%	–	–
	EUR	-10%	–	–
	GBP	+10%	528.39	528.39
	GBP	-10%	(528.39)	(528.39)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note - 31 Fair Value Measurement

Rs. in Lakhs

Financial assets/ financial liabilities	**Fair value as at (Rs. in Lakhs)**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
	March 31, 2024	March 31, 2023				
(i) Investment in Mutual Fund	16,152.82	–	Level 1	Quoted market price	–	–

Note: Carrying amount of Investment in unquoted equity shares closely approximates the fair value.

Financial instruments not measured using fair value i.e. measured using amortized cost

Rs. in Lakhs

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
As at 31st March 2024					
Current Financial assets carried at amortised cost					
- Trade Receivable	4,468.61	–	4,468.61	–	4,468.61
- Other current financial assets	1,139.61	–	1,139.61	–	1,139.61
Total	**5,608.22**	**–**	**5,608.22**	**–**	**5,608.22**
Financial liabilities					
Non-current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	19,083.44	–	18,937.22	–	18,937.22
- Other non-current financial liabilities	567.00	–	567.00	–	567.00
Current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	74.60		73.21		73.21
- Trade Payables	12,760.28	–	12,760.28	–	12,760.28
- Other current financial liabilities	37,078.38	–	37,078.38	–	37,078.38
Total	**69,563.70**	**–**	**69,416.09**	**–**	**69,416.09**
Financial assets					
As at 31st March 2023					
Current Financial assets carried at amortised cost					
- Trade Receivable	5,514.52	–	5,514.52	–	5,514.52
- Other current financial assets	1,136.05	–	1,136.05	–	1,136.05
Total	**6,650.57**	**–**	**6,650.57**	**–**	**6,650.57**
Financial liabilities					
Non-current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	15,015.93	–	14,740.66	–	14,740.66
- Other non-current financial liabilities	579.00	–	579.00	–	579.00
Current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	88.55	–	86.98	–	86.98
- Trade Payables	11,997.99	–	11,997.99	–	11,997.99
- Other current financial liabilities	784.99	–	784.99	–	784.99
Total	**28,466.46**	**–**	**28,189.62**	**–**	**28,189.62**

Note - 32 Employee benefits

(a) Defined Contribution Plan

Amount recognised as an expense in the Statement of Profit and Loss in respect of Defined Contribution Plans is Rs. 90.51 Lakhs (March 31, 2023 Rs. 86.42 Lakhs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972, Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined benefit plans – as per actuarial valuation on 31st March, 2024

Rs. in Lakhs

Particulars	Unfunded Plan Gratuity 2024	Unfunded Plan Gratuity 2023
Amounts recognised in profit and loss in respect of these defined benefit plans are as follows:		
Current Service Cost	**43.54**	38.86
Net interest expense	**9.49**	8.45
Transfer In/(Out)	**–**	–
Components of defined benefit costs reconised in profit or loss	**53.03**	47.31
Amounts recognised in other comprehensive income		
Remeasurement on the net defined benefit liability		
Actuarial (gains) and loss arising form changes in demographic assumptions	**(3.01)**	(6.30)
Actuarial (gains) and loss arising form changes in financial assumptions	**1.37**	(4.09)
Actuarial (gains) and loss arising form experience adjustments	**(42.99)**	(14.44)
Componenets of defined benefit costs recognised in other comprehensive income	**(44.63)**	(24.83)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**122.19**	142.55
2. Fair value of plan assets as at 31st March	**–**	–
3. Surplus/(Deficit)	**(122.19)**	(142.55)
4. Current portion of the above	**(11.16)**	(9.20)
5. Non current portion of the above	**(111.03)**	(133.35)
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**142.55**	121.27
2. Trasfer in /(out)		
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**43.54**	38.86
– Transfer In/(Out)		
– Interest Expense (Income)	**9.49**	8.45
4. Recognised in Other Comprehensive Income Remeasurement (gains) / losses arising from:		
i. Demographic Assumptions	**(3.01)**	(6.30)
ii. Financial Assumptions	**1.37**	(4.09)
iii. Experience Adjustments	**(42.99)**	(14.44)
5. Benefit payments	**(28.74)**	(1.20)
6. Present value of defined benefit obligation at the end of the year	**122.21**	142.55

Particulars	Unfunded Plan Gratuity	Unfunded Plan Gratuity
	Rs. in Lakhs	
	2024	**2023**
III. Actuarial assumptions		
1. Discount rate (%)	**7.20**	7.40
2. Expected rate(s) of salary increase (%)	**10.00**	10.00
3. Attrition rate (%)	**15.00**	12.00

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate				
	2024	1.00%	(6.58)	7.32
	2023	1.00%	(9.40)	10.64
Salary growth rate				
	2024	1.00%	5.89	(5.41)
	2023	1.00%	8.89	(8.04)
Attrition rate				
	2024	1.00%	(0.90)	0.99
	2023	1.00%	(1.38)	1.54

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

Rs. in Lakhs

	2024	**2023**
Within 1 year	**11.16**	9.20
1 - 2 year	**23.81**	12.67
2 - 3 year	**13.55**	26.03
3 - 4 year	**16.06**	19.56
4 - 5 year	**22.43**	23.20
5 - 10 years	**189.78**	196.70

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 14.14 years (March 31, 2023 is 11.58 years)

Rs. in Lakhs

IV. Experience Adjustments :	**Period Ended 2024 Gratuity**	**Period Ended** 2023 Gratuity
1. Defined Benefit Obligation	**122.21**	142.55
2. Fair value of plan assets	**–**	–
3. Surplus/(Deficit)	**(122.19)**	(142.55)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(44.63)**	(24.83)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–

Note 33 : Related Party Disclosures:

1) List of Related parties and relationships

Name of company / Individual	**Relation**
Mahindra and Mahindra Limited	Joint Venturer
Phi Capital Trust - Phi Capital Growth Fund - I	Joint Venturer
Mr. Boman Irani	Joint Venturer
Phi capital Management LLP	Joint Venturer
Attarchand Trading Company Private Limited	Joint Venturer
BSA Company Limited	Subsidiary Company
Mahindra Two Wheelers Limited	Subsidiary of Joint Venturer
Mahindra Integrated Business Solutions Limited	Subsidiary of Joint Venturer
Mahindra Logistics Limited	Subsidiary of Joint Venturer
Tech Mahindra Limited	Associate of Joint Venturer
Fifth Gear Ventures Limited	Subsidiary of Joint Venturer
CIE Automotive India Limited (Formerly known as Mahindra CIE Automotive Limited, name changed w.e.f. 15.05.23)	Associate of Joint Venturer
NBS International Limited	Subsidiary of Joint Venturer
Mahindra Defence Systems Limited	Subsidiary of Joint Venturer
Lords Freight India Private Limited	Fellow Subsidiary of Joint Venturer
Meru Mobility Tech Private Limited	Subsidiary of Joint Venturer
Phi Corporate Solutions LLP	Entity controlled by KMP
Mr. Ashish Joshi	Chief Executive Officer
Mr. Ashish Saboo (up to 2nd Feb'2023)	Chief Financial Officer
Mr. Sitesh Maheshwari (from 6th Feb'2023)	Chief Financial Officer
Ms. Jenny Shah (up to 29th Jan'2024)	Company Secretary
Ms. Akshata A Khanolkar (From 30th Jan'2024)	Company Secretary

2) Related Party Transactions:

Rs. in Lakhs

Name of related party	Nature of Transactions	Amount Current Year Transactions	Amount Outstanding as at 31st March 2024		Amount Previous Year Transactions	Amount Outstanding as at 31st March 2023	
			Credit	Debit		Credit	Debit
1) Mahindra & Mahindra Limited	Purchase of Services	2,929.94			3,780.61		
	Purchase of Fixed Assets	105.40			168.56		
	Purchase of Goods	71,652.80			82,825.16		19.92
	Other expenditure	1,448.79	6,196.75		1,100.68	6,477.13	
	Reimbursement of expenses paid	907.36		–	407.73		
	Reimbursement of Expenses Received	331.26			562.11		
	Sales of Goods	6.02			27.53		
	ICD taken*	6,980.00	18,980.00		26,200.00	15,000.00	
	ICD Repaid	3,000.00			12,900.00		
	Interest paid on ICD	1,792.09	1,480.61		431.13	62.27	
	Issue of Share capital	–	–		7,247.22		
	Receipt of Share application money / (Alloted)	–	–		(6,227.22)		
	Issue of Compulsorily Convertible Preference Shares*	21,000.00	–		–		
2) Mahindra Two Wheelers Limited	Purchase of Services	182.37	21.46	–	184.90	18.55	–
	Purchase of Goods	0.08			–		
3) Mahindra Integrated Business Solutions Limited	Purchase of Services	36.58	1.05	–	30.43	2.11	–
4) Mahindra Logistics Limited	Purchase of Services	1,185.34	–	–	3,106.52	–	–
5) Tech Mahindra Limited	Purchase of Services	37.48	–	–	98.14	59.39	–
6) Fifth Gear Ventures Limited	Purchase of Services	27.06	6.87	–	134.00	7.30	–
	Reimbursement of Expenses Received	1.27			–		
7) CIE AUTOMOTIVE INDIA LIMITED (FORMERLY KNOWN AS MAHINDRA CIE AUTOMOTIVE LIMITED, NAME CHANGED W.E.F. 15.05.23)	Purchase of Goods	11.05	1.16	–	26.38	6.17	–
8) Meru Mobility Tech Private Limited	Purchase of Services	–	–	–	6.18	–	–
9) Phi Capital Trust - Phi Capital Growth Fund - I	Issue of Share capital	–	–	–	1,871.65	–	–
	Receipt of Share application money	–	–	–	(1,871.65)	–	–
10) Phi Capital Management LLP	Issue of Share capital	–	–	–	1,707.55	–	–
	Receipt of Share application money	–	–	–	(1,279.83)	–	–
	Purchase of services	–	1.04	–	25.40	5.57	–
	Reimbursement of expenses paid	–			5.57		
	Issue of Compulsorily Convertible Preference Shares*	1,980.00	–	–	–	–	–
11) Phi Corporate Solutions LLP	Purchase of services	–	–	–	–	0.12	–
12) NBS International Ltd	Purchase of services	0.24	–	–	6.11	5.78	–
13) Mahindra Defence Systems Limited	Purchase of services	–	–	–	0.18	0.16	–
	Reimbursement of expenses paid	–			0.02		
14) Lords Freight India Private Limited	Purchase of services	0.07	–	–	2.67	–	–
15) Boman Irani	Issue of Share capital	–	–	–	1,252.28	–	–
	Receipt of Share application money	–	–	–	(1,000.00)	–	–
	Issue of Compulsorily Convertible Preference Shares*	1,000.00	–	–	–	–	–
16) Attarchand Trading Company Private Limited	Issue of Compulsorily Convertible Preference Shares*	1,000.00	–	–	–	–	–
17) BSA Company Limited	Investment in Shares*	3,172.65	–	–	1,747.03	–	–
	Sales of Goods	3,007.18			5,496.92		
	Sales of services	37.38	35.38	4,319.40	22.23	–	5,336.27
	Reimbursement of Expenses Paid	35.36			–		
18) Sitting Fees to Directors	Director Fees	9.90	–	–	13.05	–	–
19) Ashish Joshi - CEO	KMP Remuneration**						
20) Ashish Saboo - CFO	Managerial Remuneration***						
21) Sitesh Maheshwari - CFO	Managerial Remuneration***	213.48	–	–	228.80	–	–
22) Ms. Jenny Shah - Company secretary	Managerial Remuneration***						
23) Ms. Akshata A Khanolkar - Company Secretary	Managerial Remuneration***						

* During the year the Company has issued 2100 lakhs non-cumulative Compulsorily Convertible Preference Shares ('CCPS') of Rs.10 aggregating to Rs.21,000 lakhs each to Mahindra and Mahindra Limited (M&M) and the Company has invested Rs.3,172.65 lakhs through equity infusion in its Subsidiary BSA Company Ltd ("Subsidiary"). During the year the Company has also availed non current unsecured long term Intercorporate deposit, purchased bikes & spares from M&M and sold bikes & spares to Subsidiary. All these transactions are in the normal course of business.

** Employee benefits payable (gratuity and leave encashment) are calculated on the basis of actuarial valuation. Amount payable for individual employee as at 31st March, 2024, cannot be separately indentified and therefore has not been included above.

*** Being deputed by Mahindra and Mahindra Limited, remuneration is paid through Mahindra and Mahindra Ltd

Note: 34: Current Tax and Deferred Tax

(i) Movement in deferred tax balances

Rs. in Lakhs

Particulars	As at March 31, 2023	Amount recognised in P&L	Amount recognised in OCI	As at March 31, 2024
Deferred Tax Liability				
On property, plant & equipment	196.59	(196.59)	–	–
Others	–	–	–	–
Total	**196.59**	**(196.59)**	**–**	–
Deferred Tax Asset				
Provision for Employee Benefits	68.81	(57.58)	(11.23)	–
Unabsorbed Depreciation and Business Loss carried forward	–	–	–	–
Others	127.78	(127.78)	–	–
Total	**196.59**	**(185.36)**	**(11.23)**	–
Deferred Tax assets / (liability) Net:	**–**	**11.23**	**(11.23)**	**–**

Rs. in Lakhs

Particulars	As at March 31, 2022	Amount recognised in P&L	Amount recognised in OCI	As at March 31, 2023
Deferred Tax Liability				
On property, plant & equipment	167.28	29.31	–	196.59
Others	–	–	–	–
Total	**167.28**	**29.31**	**–**	**196.59**
Deferred Tax Asset				
Provision for Employee Benefits	59.67	15.39	(6.25)	68.81
Unabsorbed Depreciation and Business Loss carried forward	–	–	–	–
Others	107.61	20.17	–	127.78
Total	**167.28**	**35.56**	**(6.25)**	**196.59**
Deferred Tax assets / (liability) Net:	**–**	**6.25**	**(6.25)**	**–**

Net deferred tax assets have been recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax		
In respect of current year	**–**	–
Deferred Tax		
In respect of current year origination and reversal of temporary diffrences	**(260.66)**	(25.47)
In respect of prior years	**–**	–
In respect of others	**249.43**	19.22
Income Tax as per P&L	**(11.23)**	(6.25)

The Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit & Loss is as follows :

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	**(14,907.13)**	(14,848.07)
Applicable Income tax rate	**25%**	25%
Expected income tax expense	**(3,751.83)**	(3,736.96)
Effect of expenses not deductible in determining taxable profit	**1.12**	0.78
Effect of derecognition of deferred tax asset on previous years tax losses	**–**	–
Effect of Non recognition of deferred tax asset	**3,490.05**	3,710.71
Others	**249.43**	19.22
Income Tax as per P&L	**(11.23)**	(6.25)

Note: 35: Capital Work in Progress and Intangible under development Ageing Schedule

A) Capital Work in Progress ageing Schedule:-

As at March 31, 2024

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	**105.25**	**54.13**	**13.26**	**–**	**172.64**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
Total	**105.25**	**54.13**	**13.26**	**–**	**172.64**

As at March 31, 2023

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	110.37	42.60	–	–	152.97
Projects temporarily suspended	–	–	–	–	–
Total	110.37	42.60	–	–	152.97

B) Intangible asset under development (IAUD) ageing schedule:-

As at March 31, 2024

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	**773.11**	**75.54**	**95.00**	**–**	**943.65**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
Total	**773.11**	**75.54**	**95.00**	**–**	**943.65**

As at March 31, 2023

Rs. in Lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Projects In Progress	1,075.40	–	–	95.00	1,170.40
Projects temporarily suspended	–	–	–	–	–
Total	1,075.40	–	–	95.00	1,170.40

Note: 36: Ratio Analysis and its element

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.72	0.79	-9%	There is an increase in current liabilities
Debt equity ratio	Debt	Total Equity	13.37	0.93	1338%	There is an increase in the Debt & reduction in Equity
Debt service coverage ratio	Profit before depreciation & Amortisation, interest and taxes	Interest on borrowings+Current Borrowings	(3.07)	(16.17)	-81%	There is increase in EBIDTA
Return on equity ratio	Profit/loss after tax	Average Total Equity	-168.1%	-64.9%	-103.2%	Mainly due to decrease in Total Equity
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	19.75	34.24	-42%	Increase in Inventory
Trade receivable turnover ratio	Sales of Products & Services	Average trade receivable	12.65	21.46	-41%	There is an increase in the trade receivables
Trade payable turnover ratio	Purchases	Average trade payable	4.68	6.79	-31%	There is an increase in the trade payables
Net capital turnover ratio	Total revenue	Current Assets-Current Liabilities	(4.51)	(21.75)	-79%	There is decrease in Working Capital
Net profit ratio	Profit/loss after tax	Total revenue	-23.2%	-20.9%	-2.3%	
Return on capital employed	Profit before interest and taxes	Average Capital Employed	-46.0%	-42.7%	-3.3%	
Return on investment	Investment Income	Average Investment	3.2%	0.9%	2.3%	

37 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 is Rs. 759.06 Lakhs (as at March 31,2023 Rs. 941.72 lakhs).

38 Contingent Liabilities

Contigent Liabilities as at the close of the year - Nil (as at 31st Mar,2023 - Nil).

Note-1 : There is litigation going on in relation to use of Yezdi trademark in Karnataka High Court. The matter is currently pending adjudication before Karnataka High Court. Outcome of ligitation is not ascertainable as on balance sheet date.

Note-2 : There is litigation going on in relation to use of BSA trademark in Indian Market in Madras High Court. The matter is currently pending adjudication before Madras High Court. Outcome of ligitation is not ascertainable as on balance sheet date.

39 Segment reporting

The Company is engaged in design, development, sales, marketing and related activities for two wheeler vehicle , predominantly in India, which represents single reportable business segment. These, in context of IND-AS 108 "Operating Segments" are considered to constitute one segment.

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2024	59,742.34	3,756.05	63,498.39
For the year ended March 31, 2023	64,223.02	6,751.10	70,974.12
Revenue from operations - External			
For the year ended March 31, 2024	59,736.32	711.49	60,447.81
For the year ended March 31, 2023	59,708.79	1,231.95	60,940.74
Non-current segment assets			
As at March 31, 2024	25,735.63	–	25,735.63
As at March 31, 2023	28,648.61	–	28,648.61

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India

c) Non-current segment assets represents total non current assets excluding non current financial assets.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.

40 Dues to micro small and medium enterprises

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosure as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act" are given below :

Rs. Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Dues remaining unpaid as at 31st Mar		
- Principal	**204.95**	1.12
- Interest on the above	**–**	–
Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**39.00**	87.18
- Interest paid in terms of Section 16 of the Act	**1.55**	0.08
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.55**	1.56
Amount of interest accrued and remaining unpaid as at 31st Mar	**0.55**	1.56

* Amount less than Rs. 50000

41 Leases

The details of additions, carrying value and depreciation on right to use assets held by the Company is given in Note No. 5

Interest expenses on leases is Rs. 0.08 Lakhs for the year ended March 31, 2024 (Rs 11.36 Lakhs year ended March 31, 2023). Company incurred Rs. 104.37 Lakhs for the year ended March 31, 2024 (Rs. 88.92 Lakhs for year ended March 31, 2023) towards expenses relating to short-term lease and leases of low-value assets. Total cash outflow for leases is Rs. 78.71 Lakhs for the year ended March 31, 2024 (Rs. 92.90 Lakhs for the year ended Mar 31, 2023) including cash outflow for short term and low value leases

42 Previous year's figures have been regrouped/reclassified wherever necessary

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 19th April, 2024
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No: 05205447
Hemant Sikka
DIN No: 00922281
(Directors)

Ashish Joshi (Chief Executive Officer)
Sitesh Maheshwari (Chief Financial Officer) Membership Number: 077909
Akshata A. Khanolkar (Company Secretary) Membership Number: 29557

Date: 19th April, 2024
Place: Mumbai

Form AOC 1

Pursuant to first proviso to Sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014

Statement containing sailent features of the financial statements of subsidiaries/associate company/joint ventures as included in the Consolidated Financial Statements

Part A : Subsidiaries

Rs. in lakhs

S. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Libilities	Investment (excluding investment in subsidiaries)	Gross Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest	Proportion of voting power where Different
1	BSA Company Limited	21.10.2016	GBP	105.31	353.40	3,959.81	11,308.33	6,995.13	*	5,863.94	(1,892.49)	–	(1,892.49)	–	100.00%	
2	B.S.A. Motor Cycles Limited	11.09.2020	GBP	105.31	*	–	*	–	–	–	–	–	–	–	100.00%	
3	The Birmingham Small Arms Company Limited	11.09.2020	GBP	105.31	*	–	*	–	–	–	–	–	–	–	100.00%	
4	BSA Corporation Limited	11.09.2020	GBP	105.31	*	–	*	–	–	–	–	–	–	–	100.00%	

* Amount less than Rs. 50000

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Manoj Bhat
DIN No.05205447
Director

Hemant Sikka
DIN No: 00922281
Director

Ashish Joshi
Chief Executive Officer

Sitesh Maheshwari
Chief Financial Officer
Membership Number: 077909

Akshata A. Khanolkar
Company Secretary
Membership Number: 29557

Date : 19th April, 2024
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BSA COMPANY LIMITED

Opinion

We have audited the financial statements of BSA Company Limited (the 'company') for the year ended 31 March 2024 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do So.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non- compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jon Noble (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants	Date:- 23th April 2024
	Athenia House
Statutory Auditor	10-14 Andover Road
	Winchester
	Hampshire
	United Kingdom
	S023 7BS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Turnover	**5,472,878**	3,472,260
Cost of Sales	**(5,276,398)**	(3,176,085)
Gross Profit	**196,480**	296,175
Administrative expenses	**(2,186,916)**	(1,303,282)
Other Operating Income	**169,460**	133,998
Loss before taxation	**(1,820,976)**	(873,109)
Tax on loss	**–**	–
Loss for the financial year	**(1,820,976)**	(873,109)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Mr Ashish Joshi
Director
Date:- 16th April 2024

Company Registration No. 01531594

BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed Assets					
Intangible Assets	**4**		**4,233,687**		3,116,882
Tangible assets	**5**		**243,359**		263,995
Investments	**6**		**9**		9
			4,477,055		3,380,886
Current Assets					
Stock	**7**	**432,736**		83,453	
Debtors	**8**	**2,549,883**		3,779,147	
Cash at bank and in hand		**3,201,264**		2,474,936	
		6,183,883		6,337,536	
Creditors: amounts falling due within one year	**9**	**(6,565,029)**		(6,801,537)	
Net current assts			**(381,146)**		(464,001)
Net assets			**4,095,909**		2,916,885
Capital and reserves					
Called up share capital	**10**		**368,800**		268,800
Share premium account			**7,215,200**		4,315,200
Capital redemption reserve			**60,000**		60,000
Profit and loss reserves			**(3,548,091)**		(1,727,115)
Total equity			**4,095,909**		2,916,885

These Financials statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16th April 2024 and are signed on its behalf by:

Mr. Ashish Joshi
Director
Date:- 16th April 2024

Company Registration No. 01531594

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and Loss reserves £	Total £
Balance as at 1 April 2022		209,300	2,589,700	60,000	(854,006)	2,004,994
Year ended 31 March 2023:						
Loss and total comprehensive income for the year		–	–	–	(873,109)	(873,109)
Issue of share capital	**10**	59,500	1,725,500	–	–	1,785,000
Balance as at 31 March 2023		268,800	4,315,200	60,000	(1,727,115)	2,916,885
Year ended 31 March 2024:						
Loss and total comprehensive income for the year		–	–	–	(1,820,976)	(1,820,976)
Issue of share capital	**10**	100,000	2,900,000	–	–	3,000,000
Balance as at 31 March 2024		**368,800**	**7,215,200**	**60,000**	**(3,548,091)**	**4,095,909**

Mr. Ashish Joshi
Director
Date:- 16th April 2024

Company Registration No. 01531594

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting Policies

Company information:

BSA Company Limited is a private company limited by shares incorporated in England and Wales. The principal place of business is Unit 14, Windmill Industrial estate, Birmingham Road, Coventry, CV5 9QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Classic Legends Private Limited. These consolidated financial statements are available from its registered office, Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The development of an electric motorcycle in the UK would be met through Capital infusion. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and licences	: Straight line over 15 years
Development Costs - Continuing	: Amortisation deferred

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and Machinery	: Straight Line between 3 and 9 years
Fixtures, fittings & equipment	: Straight Line 10 years
Computer equipment	: Straight Line 3 years
Motor Vehicles	: Straight Line 3 years
Office equipment	: Straight Line 4 years

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

1.9 Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration are measured at lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the company’s statement of financial position when the company becomes party to the contractual provisions of the instrument. The company considers all of its financial assets basic.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial Liabilities

Basic financial Liabilities, including creditors, and amounts owed to group undertaking are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liability if payments is due within one or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.13 Employee Benefits

The costs of short term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement Benefits

Payment to defined contribution retirement benefit scheme are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income on an accrual basis when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability as deferred income.

Government grant income relating to the funding of fixed asset additions is released over the life of the asset in line with the amortisation or depreciation policy of the asset. Unreleased income is recognised as a liability as deferred income.

Grants that are received in respect of expenses already incurred by the entity are recognised in the profit and loss in the period when the grant becomes receivable.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key resource of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
Total	**17**	14

4 Intangible fixed assets

	Patents and licenses	**Development costs - continuing**	**Total**
	£	**£**	**£**
Cost:			
At 1 April 2023	125,400	3,116,882	3,242,282
Additions	–	1,116,805	1,116,805
At 31 March 2024	125,400	4,233,687	4,359,087
Amortisation and impairment			
At 1 April 2023 and 31st March 2024	125,400	–	125,400
Carrying amount			
At 31 March 2024	–	4,233,687	4,233,687
At 31 March 2023	–	3,116,882	3,116,882

5 Tangible fixed assets

	Plant and machinery etc	**Office equipment**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2023	366,517	14,514	381,031
Additions	94,354	–	94,354
At 31 March 2024	460,871	14,514	475,385
Depreciation and impairment			
At 1 April 2023	111,585	5,451.00	117,036
Depreciation charged in the year	111,361	3,629.00	114,990
At 31 March 2024	222,946	9,080	232,026
Carrying amount			
At 31 March 2024	237,925	5,434	243,359
At 31 March 2023	254,932	9,063	263,995

6 Fixed asset investments

	2024	2023
	£	£
Shares in group undertakings and participating interests	9	9

7 Stocks

	2024	2023
	£	£
Stocks	**432,736**	83,453

8 Debtors

	2024	2023
Amount falling due within one year:	£	£
Trade debtors	**1,807,495**	1,092,311
Other debtors	**742,388**	2,686,836
	2,549,883	3,779,147

9 Creditors: Amount falling due within one year:

	2024	2023
	£	£
Trade creditors	196,044	100,349
Amounts owed to group undertakings	4,068,196	5,235,818
Taxation and social security	22,225	20,330
Deferred grant income	1,455,338	1,153,868
Other creditors	9,615	3,945
Accruals and deferred income	813,611	287,227
	6,565,029	6,801,537

10 Called up share Capital

	2024	2023	2024	2023
Ordinary share capital	**Number**	Number	**£**	£
Issued and fully paid Ordinary shares of £1 each	368,800	268,800	368,800	268,800

On 22 March 2024 the company issued 100,000 ordinary £1 shares for total cash consideration of £3,000,000.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments (excluding VAT) under non-cancellable operating leases, as follows:

2024	2023
£	£
289,268	577,977

12 Capital commitments

Amount contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of intangible assets	–	232,632
	–	232,632

13 Parent company

The immediate parent company is Classic Legends Private Limited, which is a subsidiary of Mahindra & Mahindra Limited.

The accounts of Classic Legends Private Limited are those of the smallest group of which the company is a member and for which group accounts are prepared. Their registered office is at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The accounts of Mahindra and Mahindra Limited are those of the largest group of which the company is a member and for which group accounts are prepared. Their registered office is at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

Mr Ashish Joshi
Director
Date:- 16th April 2024

Company Registration No. 01531594

Balance Sheet as at 31 March 2024

	2024 £	2023 £
Current Assets		
Cash at Bank and in hand	**1**	1
Net Assets	**1**	1
Issued share capital		
100 Ordinary shares of £ 0.01 each	**1**	1
Total Shareholder funds	**1**	1

STATEMENTS

a. For the year ending 31 March 2024 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 16th April,2024

And signed on their behalf by:
Hemant Sikka, Director

BALANCE SHEET AS AT 31 MARCH 2024

	2024 £	2023 £
Current Assets		
Cash at Bank and in hand	7	7
Net Assets	7	7
Issued share capital		
7 Ordinary shares of £ 1 each	7	7
Total Shareholder funds	7	7

STATEMENTS

a. For the year ending 31 March 2024 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 16th April'2024

And signed on their behalf by:
Hemant Sikka, Director

BALANCE SHEET AS AT 31 MARCH 2024

	2024 £	2023 £
Current Assets		
Cash at Bank and in hand	1	1
Net Assets	1	1
Issued share capital		
100 Ordinary shares of £ 0.01 each	1	1
Total Shareholder funds	1	1

STATEMENTS

a. For the year ending 31 March 2024 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 16th April'2024

And signed on their behalf by:
Hemant Sikka, Director

INDEPENDENT AUDITORS' REPORT

To

The Members of

GROMAX AGRI EQUIPMENT LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Gromax Agri Equipment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 36 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFIKY1446

Place: Mumbai
Date: April 19, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the previous year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished and semi-finished goods, stores and spares, loose tools and stock-in-trade has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

   (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Axis Bank Limited on the basis of security of inventory and trade receivables during the year. The statements of inventory and trade receivables filed by the Company with Axis Bank Limited on a monthly basis are materially in agreement with the unaudited books of account as certified by the management.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

The statutory dues in respect of Income-tax as at March 31, 2024, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which amount relates	Forum where pending
The Income Tax Act, 1961	Income Tax	225.32	Assessment year 2014-2015	Commissioner of Income Tax (Appeals)

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

   (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

   (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

   (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

   (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

   (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 571.31 lakhs during the current financial year. The Company has not incurred cash loss in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFIKY1446

Place: Mumbai
Date: April 19, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Gromax Agri Equipment Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFIKY1446

Place: Mumbai
Date: April 19, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	3	**1,870.80**	1,928.15
	(b) Capital Work-in-Progress	3	**47.70**	50.34
	(c) Other Intangible Assets	4	**–**	1.89
	(d) Financial Assets			
	(i) Investments	5	**–**	–
	(ii) Loans	7	**–**	–
	(iii) Other Financial Asset	8	**212.43**	115.88
	(e) Non-Current Tax Assets (Net)	9	**179.18**	139.60
	(f) Other Non-current Assets	10	**–**	46.65
	SUB-TOTAL		**2,310.11**	2,282.51
	CURRENT ASSETS			
	(a) Inventories	11	**2,175.31**	3,186.67
	(b) Financial Assets			
	(i) Trade Receivables	6	**2,252.48**	2,159.95
	(ii) Cash and Cash Equivalents	12a	**0.12**	0.12
	(iii) Other Bank Balances	12b	**1,845.36**	2,112.96
	(iv) Loans	7	**–**	–
	(v) Other Financial Assets	8	**5.00**	11.35
	(c) Current Tax Assets (Net)	9	**–**	1.44
	(d) Other Current Assets	10	**3,085.82**	2,688.50
	SUB-TOTAL		**9,364.08**	10,160.99
	TOTAL ASSETS		**11,674.19**	12,443.50
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	13	**5,430.20**	5,430.20
	(b) Other Equity	14	**(1,513.13)**	(658.46)
	SUB-TOTAL		**3,917.07**	4,771.74
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	20	**–**	–
	(ii) Lease Liability	15	**2.96**	1.91
	(iii) Other Financial Liabilities	17	**315.67**	391.71
	(b) Provisions	18	**197.49**	170.89
	(c) Non-Current Tax Liabilities (Net)	9	**–**	–
	SUB-TOTAL		**516.12**	564.51
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	20	**244.43**	113.32
	(ii) Trade Payables	16		
	– Total outstanding dues of micro and small enterprises		**38.79**	19.45
	– Total outstanding dues of creditors other than micro and small enterprises		**4,370.31**	4,433.20
	(iii) Lease Liability	15	**5.21**	3.73
	(iv) Other Financial Liabilities	17	**2,283.76**	2,351.52
	(b) Provisions	18	**253.19**	144.66
	(c) Current Tax Liabilities	9	**–**	–
	(d) Other Current Liabilities	19	**45.30**	41.37
	SUB-TOTAL		**7,241.00**	7,107.25
	TOTAL LIABILITIES		**11,674.19**	12,443.50
	Summary of Significant Accounting Policies	1 and 2		

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 19th April 2024

For and on behalf of the Board of Directors

Vikram Wagh
DIN: 00010979
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Ashish Shah
Membership No: 114522
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 19th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Note No.	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
I	**Revenue from operations**	21	**24,907.16**	19,584.17
II	**Other Income**	22	**188.90**	213.51
III	**Total Revenue (I + II)**		**25,096.06**	19,797.68
IV	**EXPENSES**			
	(a) Cost of materials consumed	23(a)	**19,408.82**	15,560.45
	(b) Purchases of Stock-in-trade		**778.45**	706.10
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23(b)	**766.10**	(939.71)
	(d) Employee benefits expense	24	**1,797.53**	1,727.42
	(e) Finance costs	25	**62.07**	63.57
	(f) Depreciation and amortisation expense	3 and 4	**273.55**	257.30
	(g) Other expenses	26	**2,854.41**	2,651.11
	Total Expenses (IV)		**25,940.93**	20,026.24
	Profit/(loss) before exceptional item and tax (III - IV)		**(844.87)**	(228.56)
	Exceptional Item		**–**	–
V	**Profit/(loss) before tax**		**(844.87)**	(228.56)
VI	**Tax Expense**			
	(a) Current tax	9	**–**	1.44
	(b) Deferred tax	9	**–**	–
	Less: MAT Credit entitlement		**–**	–
	Total tax expense		**–**	1.44
VII	**Profit/(loss) after tax (V - VI)**		**(844.87)**	(230.00)
VIII	**Other comprehensive income**			
	a. Will not be reclassified subsequently to profit or loss Actuarial Gain/(Loss) of as per Actuarial valuation		**(9.80)**	3.66
	b. Will be reclassified subsequently to profit or loss when specific conditions are met		**–**	–
IX	**Total comprehensive income/(loss) for the year (VII + VIII)**		**(854.67)**	(226.34)
X	**Earnings/(loss) per equity share**			
	(a) Basic	28	**(1.56)**	(0.42)
	(b) Diluted	28	**(1.56)**	(0.42)
Summary of Significant Accounting Policies		1 and 2		

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 19th April 2024

For and on behalf of the Board of Directors

Vikram Wagh
DIN: 00010979
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Ashish Shah
Membership No: 114522
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 19th April 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
I	**Cash flows from operating activities**		
	Profit/(loss) before tax for the year and OCI	**(854.67)**	(224.90)
	Finance costs	**61.39**	62.52
	Loss/(Profit) on disposal of property, plant and equipment (net)	**17.07**	(23.98)
	Depreciation and amortisation expense	**273.55**	257.30
	Provision for doubtful trade and other receivables, loans and advances	**381.70**	254.95
	Liabilities no longer required written back	**(48.78)**	(39.01)
		(169.74)	286.87
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**(647.50)**	(89.64)
	(Increase)/decrease in inventories	**1,011.36**	(1,198.18)
	(Decrease)/increase in liabilities	**(42.00)**	1,341.04
	Cash generated from operations	**152.12**	340.08
	Income taxes refunded/(paid)	**(38.14)**	(2.44)
	Net cash from operating activities	**113.98**	337.64
II	**Cash flows from investing activities**		
	Payments for property, plant and equipment	**(228.74)**	(331.74)
	Proceeds from sale of property, plant and equipment	**–**	35.34
	Net cash used in investing activities	**(228.74)**	(296.40)
III	**Cash flows from financing activities**		
	Proceeds from/(Repayment of) borrowings	**131.11**	(21.99)
	Movement in Lease Liability	**2.53**	0.78
	Interest paid	**(18.89)**	(20.02)
	Net cash from/(used in) financing activities	**114.75**	(41.24)
IV	**Net decrease in cash and cash equivalents**	**–**	0.01
	Cash and cash equivalents at the beginning of the year	**0.12**	0.11
	Effects of exchange rate changes on the balance of cash held in foreign currencies	**–**	–
V	**Cash and cash equivalents at the end of the year**	**0.12**	0.12

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Note Nos. 1 and 2 : Summary of Significant Accounting Policies

1. Corporate Information

Gujarat Tractor Corporation Limited (GTCL) a Public Limited Company domiciled in India and incorporated on 31st March, 1978 under the provisions of the Companies Act, 1956 (CIN : U34100GJ1978PLC003127) and a Government of Gujarat Undertaking. As a part of Disinvestment by Government of Gujarat, the Mahindra & Mahindra Limited. acquired 60% stake in Equity Shares of the Company in 1999-2000. The name of the Company changed to Mahindra Gujarat Tractor Limited (MGTL/the Company) in the year 2000. The name of company further changed to Gromax Agri Equipment Limited with effect from 24th August, 2017.

Currently Mahindra Group holds 60% and Government of Gujarat holds 40% Equity in the Company. The Company is mainly engaged in the Manufacture and Sale of Tractors under the brand name “Shaktimaan”, “Hindustan”, “Farm Plus”, “Trakstar” and spares of the same. The Company carries out its business activities in India and Nepal. The Factory and Registered Office of the Company is located at Vishwamitri, Vadodara, Gujarat and Sales and Distribution Offices and Yards in major States of India.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared taking into consideration all material aspects with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 (the “Act”) [Companies (Indian Accounting Standards) Rules, 2015,as amended] and the other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the value paid for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The financial statements have been prepared on historical convention except Defined benefit plans.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.3 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. The Revenue is excluding taxes and after deducting various Dealer Incentives and Discounts.

2.3.1. Sale of goods

1) Timing of recognition- Sales are recognized when control parameters as laid down in IND AS 115 are satisfied. Control means customer has accepted the product, legal title has been transferred, transfer of significant risk and rewards, right to receive the payment and transfer of physical possession. Sales are recognised at a point in time based on the revenue recognition standard.

2) Measurement of revenue:-

A) Revenue is measured based on the consideration specified in a contract with a customer (net of variable consideration) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product.

B) Any change resulting in increase or decrease in estimated revenue or cost are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

C) Transaction price is the amount of consideration expected to be entitled to in exchange for transferring of goods and services excluding the amount collected from third party.

D) Revenue from sales is based on the price specified in the sales contracts (net of the variable consideration) and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

2.3.2 Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2.3.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

2.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.5.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered/ reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under lease are depreciated over the lease term of the ROU (Right of use).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7.1 Useful lives of tangible assets

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013

Particulars	Life (Years)
Building - Non Factory	60
Building - Factory	30
Plant & Machineries, Jigs and Fixtures and Pattern & Moulds	15
Furniture & Fixtures, Electrical Installation	10
Motor Vehicles- Cars & Tractors	8
Computer-Servers and Network	6
Office Equipment	5
Computer-End-use devices (Desktop, Laptop, Printer etc.)	3
Assets Value < Rs.5000	1

2.8 Intangible assets

2.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.8.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Particulars	Life (Years)
Development Expenditure	5
Software	3

2.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of raw material and traded goods comprises of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of Inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are not recognised for future operating losses.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.11.2 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

2.11.3 Contingent liabilities acquired in a business combination

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.12.1 Cash and cash equivalents:-

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14 Financial Liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Classification of financial liabilities

The company classifies all financial liabilities as subsequently measured at amortised cost.

2.14.2 Initial recognition of financial liabilities

Financial liabilities are carried at amortised cost using the effective interest method.

2.14.3 Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification (Refer Note 29)

2.15 Leases

2.15.1 Initial Recognition:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.15.2 Company as a lessee:

Leases, other than short term lease and low value assets, of property, plant and equipment are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.16 EPS

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.19 Current v/s Non-Current classification:-

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

a) Expected to be realized or intended to be sold or consumed in normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realized within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities

2.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2.1 to 2.18, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements included in relevant notes together with information about the basis of calculation of each different line item in the financial statements.

Areas involving judgements and estimations:

1) Provision for warranty and service coupon

2) Provision for ECL

3) Provision for Employee Benefits

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such Notification which is applicable from April 1, 2024.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

All amounts are in Rupees Lakhs unless otherwise stated

A. Equity share capital

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Balance at the beginning of the current reporting period	**5,430.20**	5,430.20
Changes in Equity Share Capital due to prior period errors	**–**	–
Restated balance at the beginning of the current reporting period	**–**	–
Changes in equity share capital during the current year	**–**	–
Balance at the end of the current reporting period	**5,430.20**	5,430.20

Shares held by promoters as on 31st March 2024

Sr	**Promoter Name**	**No. of Shares**	**% of total shares**	**% Change during the year**
1	Mahindra Holdings Limited	**26,607,970**	**49.00%**	**No**
2	Mahindra & Mahindra Limited	**5,973,218**	**11.00%**	**No**
3	Government of Gujarat	**21,720,791**	**40.00%**	**No**

B. Other Equity

	Reserves and Surplus			
Particulars	**Capital Reserve**	**Other Comprehensive Income**	**Retained Earnings**	**Total**
As at 1st April, 2022	**217.13**	**(3.86)**	**(645.39)**	**(432.12)**
Changes in accounting policy or prior period errors	–	–	–	**–**
Restated balance at the beginning of the current reporting period	–	–	–	**–**
Profit/(Loss) for the year	–	–	(230.00)	**(230.00)**
Comprehensive Income/(Loss) for the current year	–	3.66	–	**3.66**
Total Income/(Loss) for the year	–	3.66	(230.00)	**(226.33)**
Dividends	–	–	–	**–**
Transfer to retained earnings	–	–	–	**–**
Any other changes	–	–	–	**–**
As at 31st March, 2023	**217.13**	**(0.20)**	**(875.39)**	**(658.46)**
Changes in accounting policy or prior period errors	–	–	–	**–**
Restated balance at the beginning of the current reporting period	–	–	–	**–**
Profit/(Loss) for the year	–	–	(844.87)	**(844.87)**
Other Comprehensive Income/(Loss) for the current year	–	(9.80)	–	**(9.80)**
Total Income/(Loss) for the year	–	(9.80)	(844.87)	**(854.67)**
Dividends	–	–	–	**–**
Transfer to retained earnings	–	–	–	**–**
Any other changes	–	–	–	**–**
As at 31st March, 2024	**217.13**	**(10.00)**	**(1,720.26)**	**(1,513.13)**

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 19th April 2024

For and on behalf of the Board of Directors

Vikram Wagh
DIN: 00010979
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Ashish Shah
Membership No: 114522
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 19th April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 3 - Property, Plant and Equipment

	Particulars	As at 31st March, 2024	As at 31st March, 2023
a.	Property, plant and equipment	**1,863.15**	1,922.19
b.	Right of use assets	**7.65**	5.97
		1,870.80	**1,928.15**

a. Property, plant and equipment owned

	Description of Assets	Land – Freehold	Buildings – Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**							
	Balance as at 1 April 2023	1.03	591.93	2,377.92	75.04	81.04	348.04	3,475.00
	Additions	–	20.74	139.36	7.94	1.20	54.36	223.60
	Disposals	–	–	(42.00)	(0.65)	–	–	(42.65)
	Balance as at 31st March 2024	**1.03**	**612.67**	**2,475.29**	**82.32**	**82.24**	**402.40**	**3,655.95**
II.	**Accumulated depreciation and impairment**							
	Balance as at 1 April 2023	–	193.54	1,120.34	59.91	52.94	126.09	1,552.81
	Depreciation expense for the year	–	27.85	186.71	4.74	5.52	40.75	265.56
	Eliminated on disposal of assets	–	–	(24.96)	(0.62)	–	–	(25.57)
	Balance as at 31st March 2024	**–**	**221.39**	**1,282.09**	**64.03**	**58.46**	**166.84**	**1,792.80**
III.	**Net carrying amount (I-II)**	**1.03**	**391.28**	**1,193.20**	**18.30**	**23.79**	**235.56**	**1,863.15**

	Description of Assets	Land – Freehold	Buildings – Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**							
	Balance as at 1 April 2022	1.03	563.31	2,235.43	78.49	81.37	302.32	**3,261.94**
	Additions	–	28.62	191.53	3.88	–	50.70	**274.73**
	Disposals	–	–	(49.04)	(7.33)	(0.32)	(4.98)	**(61.67)**
	Balance as at 31st March, 2023	**1.03**	**591.93**	**2,377.92**	**75.04**	**81.04**	**348.04**	**3,475.00**
II.	**Accumulated depreciation and impairment**							
	Balance as at 1 April 2022	–	164.09	986.39	62.31	47.35	94.49	**1,354.63**
	Depreciation expense for the year	–	29.45	172.30	4.53	5.89	36.33	**248.50**
	Eliminated on disposal of assets	–	–	(38.35)	(6.93)	(0.31)	(4.73)	**(50.31)**
	Balance as at 31st March, 2023	**–**	**193.54**	**1,120.34**	**59.91**	**52.94**	**126.09**	**1,552.81**
III.	**Net carrying amount (I-II)**	**1.03**	**398.39**	**1,257.58**	**15.13**	**28.11**	**221.95**	**1,922.19**

b. Right of use assets

	Description of Assets	Buildings– Leasehold	Total
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2023	**19.44**	19.44
	Additions	**7.79**	7.79
	Deletions	**–**	–
	Balance as at 31 March 2024	**27.23**	27.23
II.	**Accumulated depreciation and impairment**		
	Balance as at 1 April 2023	**13.47**	13.47
	Additions	**6.10**	6.10
	Deletions	**–**	–
	Balance as at 31 March 2024	**19.58**	19.58
III.	**Net carrying amount (I-II)**	**7.65**	7.65

	Description of Assets	Buildings– Leasehold	Total
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2022	**12.77**	12.77
	Additions	**6.67**	6.67
	Deletions	**–**	–
	Balance as at 31 March 2023	**19.44**	19.44
II.	**Accumulated depreciation and impairment**		
	Balance as at 1 April 2022	**7.91**	7.91
	Additions	**5.56**	5.56
	Deletions	**–**	–
	Balance as at 31 March 2023	**13.47**	13.48
III.	**Net carrying amount (I-II)**	**5.97**	5.97

CWIP Ageing Schedule as at 31 March 2024

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47.70	–	–	–	47.70
Projects temporarily suspended	–	–	–	–	–

CWIP Ageing Schedule as at 31 March 2023

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	50.34	–	–	–	50.34
Projects temporarily suspended	–	–	–	–	–

Notes:

Property, plant and equipment comprise of owned and leased assets that do not meet the definition of investment property.

Impairment losses not recognised in the year:

During the year ended on 31 March 2024, there were no impairment indicators. Hence, no impairment loss has been recognised.

Depreciation Method and Useful Life

The depreciation methods used and the useful lives or the depreciation rates used are mentioned in Note on Material Accounting Policies.

Tangible Asset given to Co-operative Society on Hire Purchase

Certain fixed assets were transferred to various Industrial Co-operative Societies on hire purchase basis, had been reduced from the Gross Block of Fixed Assets of the Company in the year of actual transactions in past, but they still remain the property of the Company till the last instalment is paid.

Secured Loans repayable on demand from Bank

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery.

Note No. 4 - Other Intangible Assets

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at 1st April, 2023	53.95	53.95
	Additions from acquisitions	–	–
	Eliminated from Books of Accounts	–	–
	Balance as at 31st March, 2024	**53.95**	**53.95**
II.	**Accumulated depreciation and impairment**		
	Balance as at 1st April, 2023	52.07	52.07
	Amortisation expense for the year	1.89	1.89
	Eliminated from Books of Accounts	–	–
	Balance as at 31st March, 2024	**53.95**	**53.95**
III.	**Net carrying amount (I-II)**	**–**	**–**

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at 1st April, 2022	57.57	57.57
	Additions from acquisitions	–	–
	Eliminated from Books of Accounts	(3.61)	(3.61)
	Balance as at 31st March, 2023	53.95	53.95
II.	**Accumulated depreciation and impairment**		
	Balance as at 1st April, 2022	52.44	52.44
	Amortisation expense for the year	3.23	3.23
	Eliminated from Books of Accounts	(3.60)	(3.60)
	Balance as at 31st March, 2023	52.07	52.07
III.	**Net carrying amount (I-II)**	1.89	1.89

Note No. 5 - Investments (Non-Current)

Particular	As at 31st March, 2024 QTY	As at 31st March, 2024 Amount Rs.	As at 31st March, 2023 QTY	As at 31st March, 2023 Amount Rs.
Investments Carried at:				
Designated as Fair Value Through Profit and Loss				
I. Unquoted Investments (all fully paid)				
Other Non-Current Investments	**–**	**4.45**	–	4.45
Total Unquoted Investments	**–**	**4.45**	–	4.45
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	**–**	**4.45**	–	4.45
TOTAL INVESTMENTS	**–**	**4.45**	–	4.45
Total Impairment value for investment carried at FVTPL	**–**	**(4.45)**	–	(4.45)
TOTAL INVESTMENTS CARRYING VALUE	**–**	**–**	–	–

Note:

Details of Investments in the Shares of Industrial Co-Operative Societies within Gromax Premises

Sr.	Name of Industrial Co-Operative Societies	% of Holding of Company	No. of shares held by Company	As at 31st March, 2024	As at 31st March, 2023
1	Pragati Industrial Co-operative Society Limited	41.61%	228	1.14	1.14
2	Sarvoday Industrial Co-operative Society Limited	40.00%	140	0.70	0.70
3	Parishram Industrial Co-operative Society Limited	37.93%	154	0.77	0.77
4	Adarsh Industrial Co-operative Society Limited	36.84%	140	0.70	0.70
5	Akshay Industrial Co-operative Society Limited	40.04%	227	1.14	1.14
	TOTAL			**4.45**	4.45

Note No. 6 - Trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
1) Secured, considered good	**445.44**	526.82
2) Unsecured, considered good	**1,807.04**	1,633.13
3) Which have significant increase in Credit Risk	**–**	–
4) Credit impaired	**1,417.78**	1,068.02
	3,670.26	3,227.97
Less: Allowance for expected credit loss	**(1,417.78)**	(1,068.02)
TOTAL	**2,252.48**	2,159.95

Trade Receivables as on 31st March 2024 — Outstanding for following periods from due date of payment#

	Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	1,556.64	526.58	57.46	44.79	18.87	2,204.35
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables — credit impaired	–	16.83	537.03	165.34	178.75	897.95
(iv)	Disputed Trade Receivables — considered good	1.00	–	–	12.39	15.11	28.50
(v)	Disputed Trade Receivables — which have significant increase in credit risk	8.26	11.38	–	–	–	19.64
(vi)	Disputed Trade Receivables — credit impaired	–	3.79	27.34	123.45	365.24	519.83
	Trade Receivables as on 31st March 2024 >	**1,565.90**	**558.59**	**621.84**	**345.97**	**577.97**	**3,670.26**

Trade Receivables as on 31st March 2023 — Outstanding for following periods from due date of payment#

	Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	1,471.01	531.68	94.80	39.24	18.33	2,155.06
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables — credit impaired	–	48.31	389.66	341.85	102.28	882.11
(iv)	Disputed Trade Receivables — considered good	–	1.00	1.00	0.40	2.49	4.89
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(vi)	Disputed Trade Receivables — credit impaired	–	–	0.56	55.65	129.71	185.91
	Trade Receivables as on 31st March 2023 >	**1,471.01**	**580.99**	**486.02**	**437.14**	**252.81**	**3,227.97**

Note:

The Company has Bank Guarantees as security as on 31 March 2024: Rs. 175.50 Lakhs (31 March 2023: Rs. 284.62 Lakhs), where appropriate, as a means of mitigating the risk of financial loss from defaults. Other than these, the Company also has Security Deposits of various dealers as necessary amount, classified under Note No. 17.

Note No. 7 - Loans

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non - Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non - Current
Other Advances	–	–	–	–
Advances to Employees	–	–	–	–
GRAND TOTAL	**–**	**–**	–	–

Note No. 8 - Other Financial Asset

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non - Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non - Current
Interest accrued on Deposits	–	–	–	0.56
Other Bank Balances	–	**108.31**	–	–
Security Deposits	–	**94.04**	1.27	110.32
Other Receivables	**5.00**	**10.08**	10.08	5.00
GRAND TOTAL	**5.00**	**212.43**	11.35	115.88

Note No. 9 - Current Tax and Deferred Tax (Non Current & Current)

(a) Income Tax recognised in profit or loss

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Payment of Income Tax	**343.92**	305.78
Provisions for Income Tax	**(164.74)**	(164.74)
Total	**179.18**	141.04

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Tax:		
In respect of current year	**–**	1.44
In respect of prior years	**–**	–
Total income tax expense on continuing operations	**–**	1.44

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit before tax from continuing operations and OCI	**(854.67)**	(224.90)
Income tax expense calculated at 25.168%	**(215.10)**	(56.60)
Effect of expenses that is non-deductible in determining taxable profit	**13.91**	9.71
Effect of Expenses on which deferred tax asset is not created	**118.41**	9.38
Effect of current year losses for which no deferred tax asset is recognised	**82.78**	41.46
Others	**–**	(2.52)
Income tax expense recognised In profit or loss from continuing operations	**–**	1.44

The tax rate used for 31 March 2024 and 31 March 2023 reconciliations above is the corporate tax rate of 25.168% payable by the Company on taxable profit under Indian Income Tax Laws.

(c) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Asset (DTA)		
Gratuity and Leave Encashment	**34.60**	43.91
Provision for Doubtful Debts and Advances	**360.53**	225.18
Unabsorbed Depreciation	**–**	–
	395.13	269.09
Deferred Tax Liability (DTL)		
Depreciation	**(150.82)**	(170.24)
Bonus	**(0.23)**	(0.06)
	(151.05)	(170.29)
Total DTA/(DTL)	**244.08**	98.79

Note No. 10 - Other assets

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non - Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non - Current
1 Capital advances				
(i) For Capital work in progress	**2.00**	**–**	4.51	–
2 Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**3,011.42**	**–**	2,611.16	–
(ii) Prepaid Expenses	**18.26**	**–**	23.92	–
(iii) Vendor Advances	**52.09**	**–**	47.65	46.65
(iv) Advances to Employees	**2.05**	**–**	1.27	–
Total	**3,085.82**	**–**	2,688.50	46.65

Note:
Details of Balances with Government Authorities (other than Income Tax) by Category

	Particulars	As at 31st March, 2024	As at 31st March, 2023
1	Balances with VAT/GST Authorities	**3,011.42**	2,611.16
	Total	**3,011.42**	2,611.16

Note No. 11 - Inventories

	Particulars	As at 31st March, 2024	As at 31st March, 2023
1	Raw materials	**865.80**	1,111.12
2	Work-in-progress	**3.75**	39.87
3	Finished and semi-finished goods	**1,259.28**	1,982.43
4	Loose Tools	**29.62**	29.56
5	Stock-in-trade	**16.85**	23.69
	Total Inventories (at lower of cost and net realisable value)	**2,175.31**	3,186.67

Note:

Inventory of Raw Materials of Rs. 58.23 Lakhs is in transit as on 31 March 2024 (31 March 2023: Nil).

The carrying amount of inventories pledged as security for Cash Credit Facility from Bank is Rs. 2,175.31 Lakhs as on 31 March 2024 (31 March 2023: Rs. 3,186.67 Lakhs).

Mode of valuation of inventories is at lower of cost and net realisable value.

Note No. 12a - Cash and cash equivalents

	Particulars	As at 31st March, 2024	As at 31st March, 2023
	Cash and cash equivalents		
1	Balances with banks	**0.07**	0.06
2	Cash on hand	**0.05**	0.05
	Total Cash and cash equivalents	**0.12**	0.12

Note No. 12b - Other Bank Balances

	Particulars	As at 31st March, 2024	As at 31st March, 2023
	Other Bank Balances		
1	Balances with Banks:		
(i)	On Margin Accounts	**21.47**	20.43
(ii)	Fixed Deposits with maturity greater than 3 months	**1,823.89**	2,092.53
	Total Other Bank balances	**1,845.36**	2,112.96

Note:
Margin Money Deposits are against the Company's Cash Credit Limit, Letter of Credit and Bank Guarantee issued.

Cash and cash equivalents include cash in hand and balance in banks.

Note No. 13 - Equity Share Capital

Particulars	As at 31st March, 2024 No. of shares	As at 31st March, 2024 Amount	As at 31st March, 2023 No. of shares	As at 31st March, 2023 Amount
Authorised:				
Equity Shares of Rs. 10 each	**5,50,00,000**	**5,500.00**	5,50,00,000	5,500.00
Issued, Subscribed and Fully Paid:				
Equity Shares of Rs. 10 each	**5,43,01,979**	**5,430.20**	5,43,01,979	5,430.20
Total	**5,43,01,979**	**5,430.20**	5,43,01,979	5,430.20

Note:

(i) Issued and Subscribed Capital includes -

(a) 15,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1979-1980 as fully paid up, without receiving payment in cash, being the consideration for transfer of the undertaking of Hindustan Tractors Limited to the Company.

(b) 9,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1981-1982 consequent upon conversion of loan of Rs. 90,00,000 into Equity Share Capital.

(c) 11,979 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1981-1982 as fully paid up, being the reimbursement of preliminary expenses incurred by them on the formation of the Company.

(d) 20,90,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1985-1986 consequent upon conversion of loan of Rs. 2,09,00,000 into Equity Share Capital.

(e) 1,08,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1992-1993 consequent upon conversion of loan of Rs. 10,80,00,000 into Equity Share Capital.

(f) Out of 1,53,01,979 Equity Shares, as stated above held by the Government of Gujarat, 91,81,188 Equity Shares were divested by sale to Mahindra Group. The holding by Mahindra Group is as follows. 16,83,218 Equity Shares are held by Mahindra & Mahindra Limited, the holding Company, including 7 Equity Shares jointly with its nominees and 74,97,970 Equity shares are held by Mahindra Holdings Limited.

(g) During the financial year Financial Year 2016-2017, the Company has raised fund through right issue of equity shares 3,90,00,000 of Rs. 10 each to existing equity shareholders in their shareholding ratio.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares of Rs. 10 each			
Year ended 31 March 2024			
No. of Shares	**5,43,01,979**	**–**	**5,43,01,979**
Amount	**5,430.20**	**–**	**5,430.20**
Year ended 31 March 2023			
No. of Shares	5,43,01,979	–	5,43,01,979
Amount	5,430.20	–	5,430.20

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares
As at 31st March, 2024	
Mahindra Holdings Limited, the Holding Company	**2,66,07,970**
Mahindra & Mahindra Limited, the Ultimate Holding Company	**59,73,218**
As at 31st March, 2023	
Mahindra Holdings Limited, the Holding Company	2,66,07,970
Mahindra & Mahindra Limited, the Ultimate Holding Company	59,73,218

(iv) Details of shares held by each shareholder holding more than 5% shares and shares held by promoters:

Class of shares/ Name of shareholder	As at 31st March, 2024 Number of shares held	% holding in that class of shares	As at 31st March, 2023 Number of shares held	% holding in that class of shares
Equity Shares of Rs. 10 each				
Mahindra Holdings Limited, the Holding Company	**2,66,07,970**	**49%**	2,66,07,970	49%
Mahindra & Mahindra Limited, the Ultimate Holding Company	**59,73,218**	**11%**	59,73,218	11%
Government of Gujarat	**2,17,20,791**	**40%**	2,17,20,791	40%

Note No. 14 - Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Reserve	217.13	217.13
Retained Earning	(1,720.26)	(875.39)
Other Comprehensive Income	(10.00)	(0.20)
Total	**(1,513.13)**	(658.46)

Movement in Reserves

Particulars	As at 31st March, 2024	As at 31st March, 2023
(I) Capital Reserve		
Balance as at the beginning of the year	**217.13**	217.13
Add/Less: Additions/ Utilised during the year	**–**	–
Balance as at the end of the year	**217.13**	217.13
(II) Retained Earnings		
Balance as at the beginning of the year	**(875.39)**	(645.39)
Add :		
Profit/(Loss) for the period	**(844.87)**	(230.00)
Other Adjustment	**–**	–
Balance as at the end of the year	**(1,720.26)**	(875.39)
(III) Other Comprehensive Income		
Balance as at the beginning of the year	**(0.20)**	(3.86)
Add :		
Other Comprehensive Income/(Loss)	**(9.80)**	3.66
Balance as at the end of the year	**(10.00)**	(0.20)

Note No. 15 - Lease Liabilities

Particulars	As at 31st March, 2024 Current	Non Current	As at 31st March, 2023 Current	Non Current
a. Lease Liability - Buildings	**5.21**	**2.96**	3.73	1.91
b. Lease Liability - Vehicles	**–**	**–**	–	–
Total Lease Liabilities	**5.21**	**2.96**	3.73	1.91

Note No. 16 - Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payable - Micro and small enterprises	**38.79**	19.45
Trade payable - Other than micro and small enterprises	**4,370.31**	4,433.20
Total trade payables	**4,409.10**	4,452.65

Trade Payable Ageing schedule as on 31st March 2024

Outstanding for following periods from due date of payment#

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	38.79	–	–	–	38.79
(ii) Others	4,357.57	12.74	–	–	4,370.31
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–
Trade Payable as on 31st March 2024 >	**4,396.36**	**12.74**	**–**	**–**	**4,409.10**

Trade Payable Ageing schedule as on 31st March 2023

Outstanding for following periods from due date of payment#

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	19.45	–	–	–	19.45
(ii)	Others	4,429.91	3.29	–	–	4,433.20
(iii)	Disputed dues - MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Trade Payable as on 31st March 2023 >	**4,449.36**	**3.29**	**–**	**–**	**4,452.65**

Note:

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
2. There are some Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures required to be made as per the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

	Particulars	As at 31st March, 2024	As at 31st March, 2023
I.	Dues remaining unpaid		
	- Principal	**38.71**	19.39
	- Interest	**0.08**	0.06
II.	Interest paid in terms of Section 16 of the Act	**–**	–
III.	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.08**	0.06
IV.	Amount of interest accrued and remaining unpaid	**0.08**	0.06
V.	Amount of interest due and payable on previous year's outstanding amount	–	–

Note No. 17 - Other Financial Liabilities

	Particulars	As at 31st March, 2024	As at 31st March, 2023
	Other Financial Liabilities Measured at Amortised Cost		
A	**Non Current**		
1	Trade and Security Deposits	**307.24**	383.30
2	Interest Payable	**8.43**	8.41
	Total Other Non Current Financial Liabilities	**315.67**	391.71
B	**Current**		
1	Unpaid dividends (Preference dividend, considered as interest)	**1,013.95**	971.45
2	Trade and Security Deposits	**223.35**	150.97
3	Unpaid matured preference shares	**500.00**	500.00
4	Other liabilities		
	a) Capital Creditors	**30.65**	60.54
	b) Contract Liabilities	**269.12**	422.33
	c) Employee Payables	**22.37**	14.81
	d) Expenses accruals	**220.54**	226.86
	e) Others	**3.78**	4.57
	Total Other Current Financial Liabilities	**2,283.76**	**2,351.52**

Note:

"5,000,000 8.5% Cumulative Redeemable Preference Shares of Rs. 10 each issued solely to Government of Gujarat (GOG) as fully paid up on 23rd May, 2000 consequent upon conversion of loan of Rs. 50,000,000.

These shares were redeemable at par at the end of fours years from the date of allotment i.e. 22nd May, 2004 and the terms of the issue of the shares can be varied with the express consent of the Company and the holders of the shares at any time during the period the shares are outstanding.

The Preference Shares issued have right to receive dividend from year to year as decided by terms of issue i.e. 8.5% per annum from the date of allotment.

The preference share holders will not be entitled to any of the rights and privileges available to the members of the Company including right to receive notice of or to attend and vote at general meeting or to receive annual reports of the company. If, however any resolution affecting the rights attached to the share is placed before the member of the Company, such resolution will first be placed before the preference shareholders for their consideration.

Considering book losses, the Board of Directors had not declared dividend on preference shares since allotment. Thus, no provision was made for 8.5% dividend, amounting to Rs. 631.46 Lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the year ended 31st March, 2015 and additional tax thereon as per the accounting treatment under IGAAP.

Under IND AS, accrued Dividend on Preference Shares is defined as Other Current Financial Liabilities under Unpaid Dividends and are currently excluding taxes.

Note No. 18 - Provisions

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
1. Provision for employee benefits				
a) Employee Benefits	**45.10**	**197.49**	41.30	170.89
2. Other Provisions				
a) Provision for Warranty	**153.88**	**–**	60.07	–
b) Provision for Service Coupon	**54.21**	**–**	43.29	–
Total Provisions	**253.19**	**197.49**	144.66	170.89

Note:

Movement of Warranty Provision

Provision for Warranties	Balance at the beginning of the year	Provision made during the year	Provision used during the year	Provision written back during the year	Balance at the end of the year
Financial Year 2023-2024	**60.07**	**128.24**	**34.43**	**–**	**153.88**
Financial Year 2022-2023	55.96	101.33	97.22	–	60.07

Provision for warranty has been recognised for expected warranty claims on products sold during the last two financial years. It is expected that the majority of this expenditure will be incurred in the next financial year.

Movement of Service Coupon Provision

Provision for Service Coupon	Balance at the beginning of the year	Provision made during the year	Provision used during the year	Provision written back during the year	Balance at the end of the year
Financial Year 2023-2024	**43.29**	**41.80**	**14.12**	**16.76**	**54.21**
Financial Year 2022-2023	43.18	34.32	34.21	–	43.29

Note No. 19 - Other Current Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
1. Other Current Liabilities		
a) Statutory dues	**45.30**	41.37
Total Other Liabilities	**45.30**	41.37

Note No. 20 - Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Non Current Borrowings		
1. Unsecured Borrowings		
a. Loans repayable on demand		
– From Banks	**–**	–
Total Non Current Borrowings	**–**	–
B. Current Borrowings		
1. Secured Borrowings		
a. Loans repayable on demand		
– From Banks	**244.43**	113.32
Total Current Borrowings	**244.43**	113.32

Note:
<u>Secured Loans repayable on demand from Bank</u>

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery.

Further, quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account and there are no discrepancies.

Note No. 21 – Revenue from Operations

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Revenue from sale of products	**24,744.70**	19,418.31
2	Other operating revenue (Royalty)	**162.46**	165.86
	Total Revenue from Operations	**24,907.16**	19,584.17

Note:
Breakup of Revenue into contracts entered in previous year and in current year as per IND AS 115

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Revenue from PO/ contract/agreement entered into in previous year	–	–
2	Revenue from New PO/ contract/ agreement entered into in current year	24,907.16	19,584.17
	Total	**24,907.16**	19,584.17

Note No. 22 - Other Income

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
(a) Interest Income		
1. Bank Deposits	**134.43**	133.63
2. Income Tax	**–**	8.00
3. Others	**5.70**	8.89
(b) Profit on sale of property, plant and equipment (net)	**–**	23.98
(c) Liabilities no longer required written back	**48.78**	39.01
Total Other Income	**188.90**	213.51

Note No. 23(a) - Cost of materials consumed

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Opening stock	**1,111.12**	851.95
Add: Purchases	**19,163.50**	15,819.63
	20,274.62	16,671.58
Less: Closing stock	**865.80**	1,111.12
Cost of materials consumed	**19,408.82**	15,560.45

Note No. 23(b) - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Inventories at the end of the year:		
Finished goods	**1,259.28**	1,982.43
Work-in-progress	**3.75**	39.87
Stock-in-trade	**16.85**	23.69
	1,279.89	2,045.99
Inventories at the beginning of the year:		
Finished goods	**1,982.43**	1,082.49
Work-in-progress	**39.87**	14.83
Stock-in-trade	**23.69**	8.96
	2,045.99	1,106.28
Net (increase)/decrease	**766.10**	(939.71)

Note No. 24 - Employee Benefits Expense

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Salaries, wages and bonus	**1,597.07**	1,547.52
2	Contribution to provident and other funds	**92.65**	95.74
3	Staff welfare expenses	**107.81**	84.16
	Total Employee Benefits Expense	**1,797.53**	1,727.42

Note:

Analysis of Contribution to provident and other funds by Category

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Contribution to Provident Fund	**81.09**	79.72
2	Contribution to Group Insurance	**11.57**	16.02
Total		**92.65**	95.74

Analysis of Staff welfare expenses by Category

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Contribution to Employees State Insurance	**6.54**	5.33
2	Contribution to Labour Welfare Fund	**0.01**	0.01
3	Gratuity Provisions	**48.03**	29.62
4	Other Welfare Expenses	**63.04**	45.53
5	Defined Benefit Obligation Recognised as Other Comprehensive Income	**(9.80)**	3.66
Total		**107.81**	84.16

Note No. 25 - Finance Costs

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Interest expense	**18.89**	20.02
2	Dividend on redeemable preference shares	**42.50**	42.50
3	Other borrowing costs	**0.68**	1.05
Total finance costs		**62.07**	63.57

Note:

Analysis of Interest Expenses by Category

Particulars		Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
(a)	On Secured Borrowings - Loan from Banks	**17.86**	10.04
(b)	On Others (Including Interest unwinding on Lease Liability)	**1.03**	9.97
Total		**18.89**	20.02

Analysis of Other Borrowing Costs by Category

Particulars		Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
(a)	Bank Charges	**0.68**	1.05
Total		**0.68**	1.05

Note No. 26 - Other Expenses

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Stores consumed	**23.87**	30.56
2	Tools consumed	**3.07**	1.91
3	Power and fuel	**76.08**	62.53
4	Rent including lease rentals	**7.61**	8.84
5	Rates and taxes	**75.81**	36.72
6	Insurance	**22.97**	28.07
7	Repairs and maintenance		
	– Buildings	**13.44**	14.29
	– Machinery	**37.34**	18.06
	– Others	**4.69**	2.93
8	Postage, Telephone and Communication	**9.83**	14.38
9	Legal and Professional Charges	**522.05**	502.38
10	Freight outward	**469.92**	575.47
11	Sales promotion expense	**131.21**	139.14
12	Travelling and Conveyance Expenses	**405.39**	398.29
13	Subcontracting, Hire and Service Charges	**296.26**	283.73
14	Provision for doubtful trade and other receivables, loans and advances	**381.70**	254.95
15	Auditors' remuneration	**5.30**	4.85
16	Miscellaneous expenses	**222.56**	172.67
17	Provision for warranty	**128.24**	101.33
18	Loss on sale of property, plant and equipment (net)	**17.07**	–
19	Bad Debts written off	**31.95**	219.98
	Less: Provision for Doubtful Debts written back	**(31.95)**	(219.98)
20	Bad Advances written off	**–**	34.63
	Less: Provision for Doubtful Advances written back	**–**	(34.63)
Total Other Expenses		**2,854.41**	**2,651.11**

Note:

Details of Payment to Statutory Auditor

	Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
1	Statutory Audit Fees	**3.75**	3.50
2	Tax Audit Fees	**1.55**	1.35
Total		**5.30**	4.85

Note No. 27 - Disclosures under Ind AS 105

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Cash flows from continuing operations		
Net Cash inflows/outflows from operating activities	**113.98**	337.64
Net cash inflows/outflows from investing activities	**(228.74)**	(296.40)
Net cash inflows/outflows from financing activities	**114.75**	(41.24)
Net Cash inflows	**(0.00)**	0.01

Note No. 28 - Earnings/(loss) per Share

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Basic Earnings/(loss) per share		
From continuing operations (in Rupees)	**(1.56)**	(0.42)
Total basic earnings/(loss) per share	**(1.56)**	(0.42)

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Diluted Earnings/(loss) per share		
From continuing operations (in Rupees)	**(1.56)**	(0.42)
Total diluted earnings/(loss) per share	**(1.56)**	(0.42)

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Profit/(loss) for the year attributable to owners of the Company	**(844.87)**	(230.00)
Profit/(loss) used in the calculation of basic earnings/(loss) per share	**(844.87)**	(230.00)
Weighted average number of equity shares	**5,43,01,979**	5,43,01,979
Nominal value of Shares (in Rupees)	**10.00**	10.00
Earnings/(loss) per share from continuing operations - Basic (in Rupees)	**(1.56)**	(0.42)

Diluted earnings/(loss) per share

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Profit/(loss) for the year used in the calculation of basic earnings per share	**(844.87)**	(230.00)
Profit/(loss) used in the calculation of diluted earnings per share	**(844.87)**	(230.00)

The weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**5,43,01,979**	5,43,01,979
Add:		
ESOPs	**–**	–
Convertible bonds	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**5,43,01,979**	5,43,01,979

Note:

The Company reports basic and diluted earnings/(loss) per share in accordance with Ind AS 33 on Earnings per share. Basic earnings/(loss) per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings/(loss) per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

Note No. 29 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Debt (A)	**1,758.38**	1,584.76
Equity (B)	**3,917.07**	4,771.74
Debt Ratio (A/B)	**0.45**	0.33

Categories of financial assets and financial liabilities

As at 31st March 2024

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**–**	**–**	**–**	**–**
Loans	**–**	**–**	**–**	**–**
Current Assets				
Trade Receivables	**2,252.48**	**–**	**–**	**2,252.48**
Other Bank Balances	**1,845.48**	**–**	**–**	**1,845.48**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets	**5.00**	**–**	**–**	**5.00**
Non-current Liabilities				
Borrowings	**–**	**–**	**–**	**–**
Other Financial Liabilities	**315.67**	**–**	**–**	**315.67**
Current Liabilities				
Borrowings	**244.43**	**–**	**–**	**244.43**
Trade Payables	**4,409.10**	**–**	**–**	**4,409.10**
Other Financial Liabilities	**2,283.76**	**–**	**–**	**2,283.76**

As at 31st March, 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	–	–	–
Loans	–	–	–	–
Current Assets				
Trade Receivables	2,159.95	–	–	2,159.95
Other Bank Balances	2,113.08	–	–	2,113.08
Loans	–	–	–	–
Other Financial Assets	11.35	–	–	11.35
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	391.71	–	–	391.71

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Liabilities				
Borrowings	113.32	–	–	113.32
Trade Payables	4,452.65	–	–	4,452.65
Other Financial Liabilities	2,351.52	–	–	2,351.52

Financial Risk Management Framework

The Company's activities expose it to credit risk. In order to manage the aforementioned risk, the Company operates a risk management policy and a program that performs close monitoring of and responding to risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral (As on 31 March 2024: Rs. 175.50 Lakhs (31 March 2023: Rs. 284.62 Lakhs), where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. In case of Exports to Nepal credit guarantee insurance cover is purchased.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on as at 31 March 2024, an amount of Rs. 14.70 Lakhs (31 March 2023: Rs. 14.70 Lakhs) has been recognised as contingent.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit and bank guarantees of Dealer which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

The financial instruments of the company mainly consist of trade receivables carried at amortised cost after providing for expected credit loss based on historical credit loss experience and adjusted for forward looking information.

In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

	As at 31st March 2024		
Particulars	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**–**	**0.67**	**0.39**
Gross carrying amount (Unsecured)	**1,565.90**	**2,104.36**	**3,670.26**
Loss allowance provision	–	**1,417.78**	**1,417.78**

	As at 31st March 2023		
Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	–	0.61	0.33
Gross carrying amount (Unsecured)	1,471.01	1,756.96	3,227.97
Loss allowance provision	–	1,068.02	1,068.02

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Balance as at beginning of the year	**1,068.02**	1,067.69
As per ECL in Opening Provisions	**–**	–
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	**381.70**	220.31
Amounts written off during the year as uncollectible	**(31.95)**	(219.98)
Balance at end of the year	**1,417.78**	1,068.02

The loss allowance provision has changed during the period due to amounts written off as uncollectible.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31st March, 2024				
Non-interest bearing	**5,423.35**	–	–	–
Fixed interest rate instruments	**1,513.95**	–	–	–
Total	**6,937.29**	–	–	–
As at 31st March, 2023				
Non-interest bearing	5,446.04	–	–	–
Fixed interest rate instruments	1,471.45	–	–	–
Total	6,917.49	–	–	–

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Secured Cash Credit facility		
- Expiring within one year	**2,000.00**	2,000.00
Secured Letter of Credit facility		
- Expiring within one year	**–**	**–**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured Bank Guarantee facility		
- Expiring within one year	**–**	**–**
Working Capital Facilities with Bank	**2,000.00**	2,000.00
Commercial Card Facility		
Continuing Agreement till Termination	**–**	–
Credit Card Facility	**–**	–

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31st March, 2024				
Non-interest bearing	**4,102.96**	**–**	**–**	**–**
Total	**4,102.96**	**–**	**–**	**–**
As at 31st March, 2023				
Non-interest bearing	4,284.38	–	–	–
Total	4,284.38	–	–	–

(v) Unhedged Foreign Currency Exposure

Pursuant to the RBI guidelines on "Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure" issued vide circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014, clarifications issued by RBI subsequently vide circular DBOD. No.BP.BC.116/21.06.200/2013-14 dated June 3, 2014 and RBI circular RBI/15-16/431 permitting writing of options dated June 23, 2016 The Company, as on March 31, 2024, does not have any Unhedged Foreign Currency Exposure (UFCE), as defined in the above mentioned RBI circulars.

Note No. 30 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value:

Particulars	As at 31st March, 2024 Carrying Amount	As at 31st March, 2024 Fair Value	As at 31st March, 2023 Carrying Amount	As at 31st March, 2023 Fair Value
Financial assets				
Financial assets carried at Amortised Cost:				
1) Trade and other receivables	**2,252.48**	**2,252.48**	2,159.95	2,159.95
2) Loans	**–**	**–**	–	–
3) Deposits and similar assets	**3,090.82**	**3,090.82**	2,746.50	2,746.50
Financial liabilities				
Financial liabilities held at amortised cost:				
1) Bank loans	**244.43**	**244.43**	113.32	113.32
2) Loans from Related Party	**–**	**–**	–	–

Note No. 31 - Segment information

Revenue from Major Geographic Location

Particulars	Year Ended on 31st March, 2024	Year Ended on 31st March, 2023
Revenue from India		
Revenue from External Customers	**17,979.52**	19,297.23
Revenue from Related Parties	**6,925.65**	252.56
	24,905.17	19,549.79
Outside India		
Nepal	**1.99**	34.37
Total revenue as per profit or loss	**24,907.16**	19,584.17

Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products:

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Manufactured Goods	**23,993.74**	18,781.61
Traded Goods	**913.42**	802.56
Total	**24,907.16**	19,584.17

Extent of the reliance on its major customers:

There is no Dealer whose revenue is more then 10% as against the total turnover of the company for the Financial Year 2023-2024.

Note No. 32 - Employee benefits

(A) Defined Contribution Plans:

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Providend Fund	**80.66**	79.06
(b) National Pension Fund	**0.43**	0.66
(c) Employees' State Insurance (ESI)	**6.54**	5.33
(d) Gujarat Labour Welfare Fund	**0.01**	0.01
	87.64	85.06

(B) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

"The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
Particulars	**31-Mar-24**	31-Mar-23
Expected Rate of Return on Assets	**N.A.**	N.A.
Discount rate	**7.14%**	7.36%
Expected rate of salary increase	**6.00%**	6.00%
Employee Turnover	**10.00%**	10.00%
Mortality Rate During Employment	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Retirement Age	**60 Years**	60 Years
Average Longevity	**20**	20

Defined benefit plans – as per actuarial valuation on 31st March, 2024

	Unfunded Plan Gratuity	
Particulars	**2024**	2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	**27.87**	23.38
Net interest expense	**10.36**	9.90
Components of defined benefit costs recognised in profit or loss	**38.23**	33.28
Remeasurement on the net defined benefit liability:		
Actuarial gains and loss arising from changes in Demographic Assumptions	**–**	–
Actuarial gains and loss arising from changes in financial assumptions	**1.91**	(3.37)
Actuarial gains and loss arising from experience adjustments	**7.88**	(0.29)
Components of defined benefit costs recognised in other comprehensive income	**9.80**	(3.66)
Total	**48.03**	**29.62**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2024		
1. Present value of defined benefit obligation as at 31st March 2024	**159.88**	142.21
2. Fair value of plan assets as at 31st March 2024	**–**	–
3. Surplus/(Deficit)	**159.88**	142.21
4. Current portion of the above	**31.33**	30.68
5. Non current portion of the above	**128.55**	111.52

	Unfunded Plan Gratuity	
Particulars	**2024**	2023
II. Change in the obligation during the year ended 31st March 2024		
1. Present value of defined benefit obligation at the beginning of the year	**142.21**	146.84
2. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**27.87**	23.38
– Interest Expense (Income)	**10.36**	9.90
3. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**1.91**	(3.37)
iii. Experience Adjustments	**7.88**	(0.29)
4. Benefit payments	**(30.36)**	(34.25)
5. Present value of defined benefit obligation at the end of the year	**159.88**	142.21
III. Actuarial assumptions		
1. Discount rate	**7.14%**	7.36%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1.00%**	**-5.20%**	**5.86%**
	2023	1.00%	-4.54%	5.09%
Salary growth rate	**2024**	**1.00%**	**6.08%**	**-5.56%**
	2023	1.00%	5.34%	-4.87%
Withdrawal Rate	**2024**	**1.00%**	**0.08%**	**-0.12%**
	2023	1.00%	0.14%	-0.18%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

Particulars	**2024**	2023
Within 1 year	**32.42**	31.79
1 - 2 year	**25.85**	27.73
2 - 3 year	**16.63**	21.08
3 - 4 year	**19.89**	12.97
4 - 5 year	**11.32**	15.68
5 - 10 years	**57.04**	40.16

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 8.29 years (2023: 7.34 years)

Experience Adjustments :

Particulars	Gratuity Period Ended				
	2024	2023	2022	2021	2020
1. Defined Benefit Obligation	**159.88**	142.21	146.84	130.97	153.31
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**159.88**	142.21	146.84	130.97	153.31
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**9.80**	(3.66)	14.82	3.20	(1.61)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 33 - Related Party Transactions

Analysis of Related Parties:

Sr.	Name of Company	Relationship	Parent
1	Mahindra & Mahindra Limited (M & M)	Ultimate Holding Company	–
2	Mahindra Holdings Limited	Holding Company	M & M
3	Mahindra Logistics Limited	Fellow Subsidiary Company	M & M
4	Mahindra CIE Automotive Limited	Associates Company of Holding Company	M & M
5	Mahindra Integrated Business Solutions Limited	Fellow Subsidiary Company	M & M
6	Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company	M & M
7	Fifth Gear Ventures Limited	Fellow Subsidiary Company	M & M
8	Government of Gujarat	Significant Influence over the Company	–

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties (Without GST)	For the year ended	Holding Company	Entities having significant influence over Company	Other related parties
Sale of goods	**31-Mar-24**	**6,925.65**	**–**	
	31-Mar-23	252.56	–	–
Purchase of Tractors	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	–	–
Receiving of services	**31-Mar-24**	**384.26**	**–**	**–**
	31-Mar-23	416.15	–	–

Nature of transactions with Related Parties (Without GST)	For the year ended	Holding Company	Entities having significant influence over Company	Other related parties
Royalty	**31-Mar-24**	**16.63**	**–**	**–**
	31-Mar-23	14.34	–	–
Purchase of Other Components	**31-Mar-24**	**5,559.85**	**–**	**479.35**
	31-Mar-23	5,668.39	–	842.97
Purchase of Assets	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	59.98	–	–
Expenses Reimbursed - Receipt	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	–	–
Expenses Reimbursed - Payment	**31-Mar-24**	**65.10**	**–**	**334.40**
	31-Mar-23	65.57	–	458.91

Nature of transactions with Related Parties (GST amount)	For the year ended	Holding Company	Entities having significant influence over Company	Other related parties
Sale of goods	**31-Mar-24**	**866.90**	**–**	**–**
	31-Mar-23	45.46	–	–
Purchase of Tractors	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	–	–
Receiving of services	**31-Mar-24**	**69.17**	**–**	**–**
	31-Mar-23	74.91	–	–
Royalty	**31-Mar-24**	**2.99**	**–**	**–**
	31-Mar-23	2.59	–	–
Purchase of Other Components	**31-Mar-24**	**1,013.20**	**–**	**58.74**
	31-Mar-23	1,091.95	–	123.57
Purchase of Assets	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	15.35	–	–
Expenses Reimbursed - Receipt	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	–	–
Expenses Reimbursed - Payment	**31-Mar-24**	**11.72**	**–**	**–**
	31-Mar-23	11.81	–	8.98

Nature of transactions with Related Parties	Balance as on	Holding Company	Entities having significant influence over Company	Other related parties
Trade payables	**31-Mar-24**	**2,517.64**	**–**	**91.46**
	31-Mar-23	3,209.10	–	113.65
Trade receivable	**31-Mar-24**	**36.19**	**–**	**–**
	31-Mar-23	–	–	–
Loans and advances taken	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	–	–

Note:

Related Party Transactions are made on arm's length basis.

Note No. 34 - IND AS 115

1 Movement of Contract Assets

Sr. No.	Particulars	As at 31st March, 2024
	Opening Balance	–
i)	Additions during the year	–
ii)	*Reclassification Adjustments:*	–
	- Reclass of opening balances of contract assets to trade receivables	–
	- Reclass of contract assets (out of additions during the year) to trade receivables	–
iii)	Cumulative catch up adjustment recognised during the year	–
iv)	Adjustments due to contract modification	–
v)	Impairment losses of contract asset	–
vi)	Addition on account of merger/acquisition of subsidiary	–
vii)	Deletion on account of demerger/sale of subsidiary	–
viii)	Currency Translation Adjustments	–
	Closing Balance	–

2 Movement of Contract Liabilities

Sr. No.	Particulars	As at 31st March, 2024
i)	Opening Balance	**422.33**
ii)	Addition during the year	**269.12**
iii)	*Reclassification Adjustments: -*	
	– Reclass of opening balances of contract liabilities to revenue	**(422.33)**
	– Reclass of contract liabilities (out of additions during the year) to revenue	–
iv)	Cumulative catch up adjustment recognised during the year	–
v)	Adjustments due to contract modification	–
vi)	Addition on account of merger/acquisition of subsidiary	–
vii)	Deletion on account of demerger/sale of subsidiary	–
viii)	Currency Translation adjustments	–
	Closing Balance	**269.12**

Note No. 35 - Leases

At inception of contract, the Company assesses whether the Contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

(i) Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Area Office: "Put the life" On the basis of the tenure of the lease agreement

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) **Lease Liabilities:** At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities in 'Financial Liabilities' in the Balance Sheet.

iii) **Short term leases and leases of low value of assets:** The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

A) The Company has lease contracts for area office in its operations. Details of amount recognised in profit and loss:

Amounts recognised in profit and loss	As at 31st March, 2024	As at 31st March, 2023
Depreciation expense on right-of-use assets	**6.10**	5.56
Interest expense on lease liabilities	**0.90**	0.44
Expense relating to short-term leases	**7.61**	8.84
Total	**14.62**	14.85

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

Maturity Analysis	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	**5.21**	3.73
Later than one year but not later than five years	**2.96**	1.91
Total	**8.17**	5.65

C) The total cash outflow for leases amount to Rs. 5.26 Lakhs during the year.

D) Below are the carrying amount of lease liabilities and the movement during the year:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Lease Liability	**5.65**	4.87
Additions	**7.79**	6.67
Accretion of interest	**–**	–
Payments	**(5.26)**	(5.89)
Cancelation of Lease during the year	**–**	–
Closing Lease Liability	**8.17**	5.65

E) Below is the breakup of Current and Non current lease liabilities:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current lease liabilities	**5.21**	3.73
Non current lease liabilities	**2.96**	1.91
Total	**8.17**	5.65

Note No. 36 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
	Contingent liabilities		
1	Bank guarantees	**14.70**	14.70
2	Bills discounted but not matured	**–**	–

	Particulars	As at 31st March, 2024	As at 31st March, 2023
3	Claims against the company not acknowledged as debt	**86.95**	80.75
4	Outstanding Demand of Income Tax Against Company		
(i)	Assessment Year 2014-2015 Note: Appeal filed with Income Tax Appellate Tribunal on 18th January, 2023 as appeal filed to CIT Appeals has been dismissed on 21st November, 2022 for further assessment being aggrieved with the disallowance of right bad debts claimed in the year.	**225.32**	190.95
(ii)	TDS mismatch	**10.43**	10.17

5 The Company is anticipating to enter into an agreement/MoU for Settlement with various non Hire Purchase Industrial Co-Operative Societies and Ancillaries within Company's Premises, therefore may require to pay Compensation to Co-Operative Societies or its members. Amount of such Compensation is not yet quantified.

6 The Company has entered into an agreement/MoU with Private Sector Banks and NBFCs for retail funding for providing loan to customer who buy company's Tractors. The said MOU also contains a clause on loss sharing in case of default in repayment by customer or loss incurred in case of repossession of asset and its resale. Anticipated loss from these agreements/MoUs are not quantified as of now. The Company is obtaining undertaking from its dealers to ensure no default in terms of these agreements.

Commitments

	Particulars	As at 31st March, 2024	As at 31st March, 2023
	Commitments		
1	Estimated amount of contracts remaining to be executed for capital expenditure	**81.42**	100.08

Note No. 37 - Ratios

Sr	Particulars	As at 31st March, 2024	As at 31st March, 2023	Remarks for Variance
1	Current Ratio	**1.29 : 1**	1.43 : 1	
2	Debt-Equity Ratio	**0.45 : 1**	0.33 : 1	
3	Debt Service Coverage Ratio	**-8.20 : 1**	1.45 : 1	Loss for FY 2023-24 resulted in adverse Debt service coverage.
4	Return on Equity Ratio	**-15.74%**	-4.17%	Loss for FY 2023-24 resulted in adverse Return on Equity.
5	Inventory turnover ratio	**7.82 Times**	5.92 Times	Reduction in Raw Materials and Finished Goods inventory resulted in improved Inventory Turnover.
6	Trade Receivables turnover ratio	**11.38 Times**	8.63 Times	Addition of Orchard Business increased Turnover. However, no considerable increase in Trade Receivables resulted in improved Trade receivable turnover.
7	Trade payables turnover ratio	**4.32 Times**	4.20 Times	Addition of Orchard Business increased Buying. However, no considerable increase in Trade Payables resulted in improved Trade payable turnover.
8	Net capital turnover ratio	**11.82 Times**	6.48 Times	Increase in overall turnover and reduction in Current Assets (Net of Current Liability) resulted in improved Net capital turnover.
9	Net profit ratio	**-3.41%**	-1.14%	Loss for FY 2023-24 resulted in adverse Net profit ratio.
10	Return on Capital employed	**-13.97%**	-2.54%	Loss for FY 2023-24 resulted in adverse return on capital employed ratio.
11	Return on investment	**-21.82%**	-4.71%	Loss for FY 2023-24 resulted in adverse return on investment ratio.

Note No. 38 - Other Statutory Information

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 39 - Previous Year Figures

Previous year’s figures have been regrouped/reclassified where necessary.

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Membership No. 045668
Partner
Place : Mumbai
Date : 19th April 2024

For and on behalf of the Board of Directors

Vikram Wagh
DIN: 00010979
(Director)

Harishkumar Gupta
DIN: 08400763
(Director)

Ashish Shah
Membership No: 114522
(Chief Financial Officer)

Sumeet Maheshwari
Membership No: ACS-15145
(Company Secretary)

Place : Mumbai
Date : 19th April 2024

INDEPENDENT AUDITORS' REPORT

To the members of Trringo.com Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Trringo.com Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
      (v) The Company has not declared/ paid/ declared and paid any dividend during the year.
      (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
Mumbai, April 16, 2024 UDIN: 24040852BKCCDCG865

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Trringo.com Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDCG865

Mumbai, April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the Company does not have immovable property held in the name of the Company. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 9.76 Lakhs during the current financial year and Rs. 19.45 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
Mumbai, April 16, 2024
UDIN: 24040852BKCCDCG865

BALANCE SHEET AS AT 31ST MARCH, 2024

Rupees in Lakhs

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	–	–
	(b) Income tax Assets (Net)	4	0.56	0.52
	SUB-TOTAL		0.56	0.52
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	6	0.00	0.00
	(ii) Cash and Cash Equivalents	7	23.66	33.76
	(iii) Other Financial Assets	8	6.66	6.92
	(b) Other Current Assets	5	176.16	175.01
	SUB-TOTAL		206.48	215.68
	TOTAL ASSETS		207.04	216.20
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	9	2,746.00	2,746.00
	(b) Other Equity	SOCE - B	(2,564.16)	(2,554.40)
	SUB-TOTAL		181.84	191.60
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Other Non-current Liabilities	12	–	–
	SUB-TOTAL		–	–
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables	10		
	- Total outstanding dues of micro and small enterprise		–	–
	- Total outstanding dues of creditors other than micro and small enterprise (including acceptances)		5.51	5.55
	(ii) Other Financial Liabilities	11	19.53	18.74
	(b) Other Current Liabilities	12	0.16	0.31
	SUB-TOTAL		25.20	24.60
	TOTAL		207.04	216.20

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 16th April, 2024

For Trringo.com Limited

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Shailee Parikh
Company Secretary
ACS: A72107

Nikhil Pai
Chief Financial Officer
M No. 110070

Place: Mumbai
Date: 16th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2024

Rupees in Lakhs

	Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
	Continuing Operations			
I	Revenue from operations	**13**	**–**	–
II	Other Income	**14**	**0.78**	0.76
III	**Total Revenue (I + II)**		**0.78**	0.76
IV	**EXPENSES**			
	(a) Employee benefit expense	**15**	**2.04**	2.04
	(b) Depreciation and amortisation expense	**16**	**–**	–
	(c) Other expenses	**17**	**8.51**	18.17
	Total Expenses (IV)		**10.55**	20.21
V	**Profit/(loss) before tax (III - IV)**		**(9.76)**	(19.45)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**–**	–
	Total tax expense		**–**	–
VII	**Profit/(loss) after tax for the period (V - VI)**		**(9.76)**	(19.45)
VIII	**Other comprehensive income/(Loss):**		**–**	–
IX	**Total comprehensive income for the period**		**(9.76)**	(19.45)
X	**Earnings per equity share:**	**18**		
	(1) Basic		**(0.04)**	(0.07)
	(2) Diluted		**(0.04)**	(0.07)

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 16th April, 2024

For Trringo.com Limited

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Shailee Parikh
Company Secretary
ACS: A72107

Nikhil Pai
Chief Financial Officer
M No. 110070

Place: Mumbai
Date: 16th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

Rupees in Lakhs

Particulars	**Note No.**	**Year ended 31st March, 2024**	Year ended 31st March, 2023
A Cash flows from operating activities			
Profit before tax for the year	**PL**	**(9.76)**	(19.45)
Adjustments for:			
Investment income recognised in profit or loss		**(0.78)**	(0.76)
Depreciation, amortisation and Impairment expenses	**3**	–	–
		(10.54)	(20.21)
Movements in working capital:			
Increase in trade and other receivables		–	7.17
(Increase)/decrease in other assets		**(0.89)**	(0.50)
Decrease in trade and other payables		**0.60**	(2.86)
Income taxes paid (net of refunds)		**(0.04)**	0.16
Net cash generated by operating activities		**(10.87)**	(16.24)
B Cash flows from investing activities			
Payments for property, plant and equipment		–	–
Proceeds from tangible assets		–	–
Net cash (used in)/generated by investing activities		–	–
C Cash flows from financing activities			
Interest Received		**0.78**	0.76
Net cash used in financing activities		**0.78**	0.76
Net increase in cash and cash equivalents		**(10.09)**	(15.48)
Cash and cash equivalents at the beginning of the year		**33.76**	49.24
Cash and cash equivalents at the end of the year		**23.67**	33.76

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 16th April, 2024

For Trringo.com Limited

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Nikhil Pai
Chief Financial Officer
M No. 110070

Place: Mumbai
Date: 16th April, 2024

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
No. of Shares	**27,460,000**	**–**	**27,460,000**	**–**	**27,460,000**
Rupees in Lakhs	**2,746**	**–**	**2,746**	**–**	**2,746**

(2) Previous reporting period

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
No. of Shares	27,460,000	–	27,460,000	–	27,460,000
Rupees in Lakhs	2,746.00	–	2,746.00	–	2,746.00

B. Other Equity

(1) Current reporting period

Rupees in Lakhs

Particulars	Reserves & Surplus	Other Comprehensive Income	
Particulars	Retained Earnings	Remeasurements of the defined benefit liabilities/(assets)	Total
Balance at the beginning of the current reporting period	(2,554.40)	–	(2,554.40)
Changes in accounting policy/prior period errors	–	–	–
Restated balance at the beginning of the current reporting period	(2,554.40)	–	(2,554.40)
Total Comprehensive Income for the current year	(9.76)	–	(9.76)
Dividends	–	–	–
Transfer to retained earnings	–	–	–
Any other change (to be specified)	–	–	–
Balance at the end of the current reporting period	(2,564.16)	–	(2,564.16)

STATEMENT OF CHANGES IN EQUITY (CONTD.)

(2) Previous reporting period

Rupees in Lakhs

Particulars	Reserves & Surplus	Other Comprehensive Income	
Particulars	Retained Earnings	Remeasurements of the defined benefit liabilities/(assets)	Total
Balance at the beginning of the current reporting period	(2,534.95)	–	(2,534.95)
Changes in accounting policy/prior period errors	–	–	–
Restated balance at the beginning of the current reporting period	(2,534.95)	–	(2,534.95)
Total Comprehensive Income for the current year	(19.45)	–	(19.45)
Dividends	–	–	–
Transfer to retained earnings	–	–	–
Any other change (to be specified)	–	–	–
Balance at the end of the current reporting period	(2,554.40)	–	(2,554.40)

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 16th April, 2024

For Trringo.com Limited

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

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Shailee Parikh
Company Secretary
ACS: A72107

Nikhil Pai
Chief Financial Officer
M No. 110070

Place: Mumbai
Date: 16th April, 2024

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Corporate Information

Trringo.com Limited is a 100 % subsidiary of Mahindra and Mahindra Limited and incorporated on 23rd May, 2016 under the provisions of the Companies Act, 2013 (CIN: U01409MH2016PLC281449). The Company is in the business of organized farm equipment rentals through a franchisee based model.

2. Significant accounting policies

(A) Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(B) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, presented in Indian rupees and rounded off to nearest lacs.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(C) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

(D) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(E) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

IT Software 3 to 6 years

(F) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(G) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(H) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(I) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services

Revenue from the rental services is recognised when the service is delivered and completed, all the following conditions are satisfied:

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the services rendered;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

(J) Government Grants

The Company directly or indirectly is entitled to incentives from government authorities in respect of custom hiring and service centers. The Company accounts for its entitlement as income on accrual basis.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. When the grants relates to an asset, it is recognized as income in equal amounts over the useful life of the related asset.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(K) Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(L) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(M) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(N) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

(O) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 3 - Property, Plant and Equipment

Rupees in Lakhs

Description of Assets	**Plant & Machinery**	**Vehicles**	**Computers & Edp Equipments**	**Office Equipment**	**Furniture & Fixtures**	**Total**
I. Gross Carrying Amount						
Balance as at 31st March 2023	–	–	–	–	–	–
Additions during the year	–					–
Disposals during the year	–					–
Balance as at 31st March 2024	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at 1st April 2023	–	–	–	–	–	–
Additions during the year	–					–
Disposals during the year	–					–
Balance as at 31st March 2023	–	–	–	–	–	–
II. Accumulated depreciation						
Balance as at 1st April 2023	–	–	–	–	–	–
Depreciation expense for the year					–	–
Eliminated on disposal of assets	–				–	–
Balance as at 31st March 2024	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at 1st April 2023	–	–	–	–	–	–
Depreciation expense for the year	–			–	–	–
Eliminated on disposal of assets	–				–	–
Balance as at 31st March 2023	–	–	–	–	–	–
III. Net carrying amount (I-II)						
Balance as at 31st March 2024	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at 31st March 2023	–	–	–	–	–	–

Note No. 4 - Current Tax and Deferred Tax

Rs in Lakhs

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Income tax Assets (Net)	**0.56**	0.52
TOTAL	**0.56**	0.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 5 Other assets (Non financials)

Rs in Lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities	**176.05**	**–**	174.75	–
(ii) Other advances				
Advance to suppliers	**0.10**	**–**	0.10	–
Prepaid Expenses	**–**	**–**	0.15	–
Other current Assets	**0.01**	**–**	0.01	–
TOTAL OTHER ASSETS	**176.16**	**–**	175.01	–

Note No. 6 - Trade receivables

Rs in Lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
(a) Trade Receivable considered good - Unsecured	**0.00**	**–**	0.00	–
(b) Trade Receivable which have significant increase in Credit Risk	**94.19**	**–**	94.19	–
(c) Trade Receivables credit impaired	**–**	**–**	–	–
Less: Allowance for expected credit loss	**94.19**	**–**	94.19	–
TOTAL TRADE RECEIVABLES	**0.00**	**–**	0.00	–

Note No. 7 - Cash and Cash Equivalent

Rs in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balances with banks	**7.00**	10.76
(b) Fixed Deposits with maturity less than 3 months	**16.66**	23.00
(c) Cash on hand	**–**	–
TOTAL CASH AND CASH EQUIVALENT	**23.66**	33.76

Note No. 8 - Other financial assets

Rs in Lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Security Deposits	**6.66**	**–**	6.92	–
TOTAL OTHER FINANCIAL ASSETS	**6.66**	**–**	6.92	**–**

Note No. 9 - Equity Share Capital

Particulars	As at 31st March, 2024 No of Shares	As at 31st March, 2024 Rupees in Lakhs	As at 31st March, 2023 No of Shares	As at 31st March, 2023 Rupees in Lakhs
Authorised:				
Equity shares of Rs 10 each with voting rights	**28,000,000**	**2,800.00**	28,000,000	2,800.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**27,460,000**	**2,746.00**	27,460,000	2,746.00
Total	**27,460,000**	**2,746.00**	27,460,000	2,746.00

Terms/Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(i) Reconciliation of the number of Ordinary (Equity) Shares and amount outstanding:

Particulars	2024 No. of Shares	2024 Rupees Lakhs	2023 No. of Shares	2023 Rupees Lakhs
Balance as at the beginning of the year	**27,460,000**	**2,746.00**	27,460,000	2,746.00
Add: Issue of Shares during the year	**–**	**–**	–	–
Balance as at the end of the year	**27,460,000**	**2,746.00**	27,460,000	2,746.00

(ii) Details of Ordinary (Equity) Shares held shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31st March, 2024 No. of Shares	As at 31st March, 2024 % Shareholding	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 % Shareholding
Equity shares with voting rights				
Mahindra and Mahindra Limited	**27,460,000**	**100%**	27,460,000	100%

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters at the end of the year

S. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Mahindra and Mahindra Limited	27,460,000	100%	NIL

Note No. 10 - Trade Payables

Rs in Lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**5.51**	**–**	5.55	–
TOTAL TRADE PAYABLES	**5.51**	**–**	5.55	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 11 - Other financial liabilities

Rs in Lakhs

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
a) Other Financial liabilities				
Capital Creditors	**8.29**	**–**	8.29	
Others	**11.24**	**–**	10.45	–
TOTAL OTHER FINANCIAL LIABILITIES	**19.53**	**–**	18.74	–

Note No. 12 - Other Liabilities (Non financial)

Rs in Lakhs

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
a. Statutory dues	**0.16**	**–**	0.31	–
b. Other	**–**	**–**	–	–
TOTAL OTHER LIABILITIES	**0.16**	**–**	0.31	–

Note No. 13 - Revenue from Operations

Rs in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from rendering of services	**–**	–
TOTAL REVENUE FROM OPERATIONS	**–**	–

Note No. 14 - Other Income

Rs in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Income from Fixed Deposits	**0.78**	0.76
TOTAL OTHER INCOME	**0.78**	0.76

Note No. 15 - Employee Benefit Expense

Rs in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Salaries and wages, including bonus	**2.03**	2.03
(b) Contribution to provident and other funds	**0.01**	0.01
(c) Staff welfare expenses	**0.00**	–
TOTAL EMPLOYEE BENEFIT EXPENSE	**2.04**	2.04

Note No. 16 - Depreciation and amortisation expense

Rs in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Depreciation	**–**	–
(b) Amortisation expense	**–**	–
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**–**	–

Note No. 17 - Other Expenses

Rs in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Rent expenses	**3.52**	4.71
(b) Rates and taxes	**0.06**	0.03
(c) Repairs and maintenance - Others	**0.10**	–
(d) Stores consumed	**–**	0.01
(e) Hire and Service Charges	**0.01**	0.15
(f) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.50**	1.00
(ii) For Taxation matters	**0.30**	0.50
(iii) For Tax Audit	**–**	–
(g) Legal and other professional costs	**3.71**	5.62
(h) Provision for doubtful debts	**–**	4.94
(i) Other expenses	**0.31**	1.21
TOTAL OTHER EXPENSES	**8.51**	18.17

Note No.17a - Other Expenses - Others

Rs in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Gen & Misc Exp	**0.05**	0.00
(b) Insurance	**0.15**	0.74
(c) Freight outward	**–**	0.43
(d) Bank Charges	**0.02**	0.02
(e) Domestic Power	**0.09**	0.02
TOTAL OTHER EXPENSES	**0.31**	1.21

Note No. 18 - Earnings per Share

Particulars	For the year ended 31st March, 2024 Rs per Share	For the year ended 31st March, 2023 Rs per Share
Basic Earnings per share		
From continuing operations	**(0.04)**	(0.07)
Diluted Earnings per share		
From continuing operations	**(0.04)**	(0.07)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit / (loss) for the year attributable to owners of the Company (Rs in Lakhs)	**(9.76)**	(19.45)
Profits used in the calculation of basic earnings per share	**(9.76)**	(19.45)
Weighted average number of equity shares	**27,460,000**	27,460,000
Earnings per share - Basic & Diluted	**(0.04)**	(0.07)

Note No. 19 - Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of debt to equity and maturity profile of overall debt portfolio of the Company.

Rs in Lakhs

	31st March, 2024	31st March, 2023
Equity	**2,746.00**	2,746.00
Debt	–	–
Total Capital	**2,746.00**	2,746.00

Categories of financial assets and financial liabilities

Rs in Lakhs

As at 31st March, 2024

	Amortised Costs	FVTPL	FVOCI	Total
As at 31st March, 2024				
Current Assets				
Cash and Cash equivalents	**23.66**	**–**	**–**	**23.66**
Trade Receivables	**–**	**–**	**–**	**–**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets	**6.66**	**–**	**–**	**6.66**
Current Liabilities				
Trade Payables	**5.51**	**–**	**–**	**5.51**
Other Financial Liabilities	**19.53**	**–**	**–**	**19.53**
As at 31st March, 2023				
Current Assets				
Cash and Cash equivalents	**33.76**	**–**	**–**	**33.76**
Trade Receivables	**–**	**–**	**–**	**–**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets	**6.92**	**–**	**–**	**6.92**
Current Liabilities				
Trade Payables	**5.55**	**–**	**–**	**5.55**
Other Financial Liabilities	**18.74**	**–**	**–**	**18.74**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Trade Receivables:

The Companys trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2024			
Current Liabilities			
Trade Payables	**5.51**		
Other Financial Liabilities	**19.53**		
Total	**25.04**	**–**	–
31 March, 2023			
Current Liabilities			
Trade Payables	**5.55**		
Other Financial Liabilities	**18.74**		
Total	**24.29**	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(iii) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2024			
Current Assets			
Trade Receivables	–		
Loans	–		
Other Financial Assets	**6.66**	–	–
Total	**6.66**	–	–

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2023			
Current Assets			
Trade Receivables	–		
Loans	–		
Other Financial Assets	**6.92**	–	–
Total	**6.92**	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Note No. 20 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rs in Lakhs

			Fair value hierarchy as at 31 March, 2024			
Financial assets	**Carrying Value**	**Fair value***	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at Amortised Cost						
– trade and other receivables	–	–	–	–	–	–
– Cash & Cash equivalent, deposits and similar assets	**23.66**	**23.66**	–	**23.66**	–	**23.66**
– Other Financial Assets	**6.66**	**6.66**	–	**6.66**	–	**6.66**
Total	**30.32**	**30.32**	–	**30.32**	–	**30.32**
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	**5.51**	**5.51**	–	**5.51**	–	**5.51**
– other liabilities	**19.53**	**19.53**	–	**19.53**	–	**19.53**
Total	**25.04**	**25.04**	–	**25.04**	–	**25.04**

Rs in Lakhs

			Fair value hierarchy as at 31 March, 2023			
Financial assets	**Carrying Value**	**Fair value***	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at Amortised Cost						
– trade and other receivables	–	–	–	–	–	–
– Cash & Cash equivalent, deposits and similar assets	33.76	33.76	–	33.76	–	33.76
– others Financial Assets	6.92	6.92	–	6.92	–	6.92
Total	40.67	40.67	–	40.67	–	40.67
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	5.55	5.55	–	5.55	–	5.55
– other liabilities	18.74	18.74	–	18.74	–	18.74
Total	24.29	24.29	–	24.29	–	24.29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 21 - Related Party Transactions

Name of the Parent Company	Mahindra & Mahindra Limited
Name of KMP of the Company	Mr. Gadadhar Jalad Roy (Whole Time Director)
	Mr. Nikhil Pai (Chief Financial Officer)
	Mr. Gaurav Juvatkar #

last day 17th January 2023

Details of transaction between the Company and its related parties are disclosed below:

Rs in Lakhs

Particulars	**For the year ended**	**Parent Company**
Nature of transactions with Related Parties		
Sale of Assets	31-Mar-24	–
	31-Mar-23	–
Purchase of property and other assets	31-Mar-24	–
	31-Mar-23	–
Receiving of services	31-Mar-24	4.46
	31-Mar-23	4.46

Rs in Lakhs

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**
Trade payables	31-Mar-24	7.56
	31-Mar-23	5.55

Note No. 22 - Ratios

Ratio	Formula	As at 31 March, 2024	As at 31 March, 2023	Change	Remarks
Current Ratio	Current Assets/ Current Liability	8.19	8.77	(6.53)	There is write back of deferred government grants in the current year
Debt Equity ratio	Total Debt/ Shareholder Equity	–	–	–	NA as there is no debt
Debt Service coverage ratio	Earning Available to Debt service/ Debt Service	–	–	–	NA as there is no debt
Return on Equity	NPAT/ Average Shareholder Equity	(0.00)	(0.01)	–	
Inventory Turnover ratio	COGS/ Average inventory	–	–	–	NA as company is into service industry
Trade receivable Turnover ratios	Net Sales/ Avg Debtors	–	–	–	
Trade Payable ratios	Purchase/ Average Creditors	1.54	1.47	4.60	In current year payment made to creditors
Net capital turnover ratio	Sales/ Working capital	–	–	–	
Net profit ratio	Net profit/ Net sales	–	–	–	
Return on capital employed	EBIT/ Capital Employed	(0.05)	(0.10)	(47.12)	In current year there is write back of govt. grant liability
Return on Investment		0.05	0.02	2.04	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 23 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2024 are as under:

Disclosures required under Section22 of the Micro Small and Medium Enterprises Development Act 2006

Rs in Lakhs

Particulars		31st March, 2024	31st March, 2023
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	– Principal amount due to micro and small enterprises	–	–
	– Interest due on above	–	–
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 24 - Segment Reporting

The Company operates in one segment namely renting of organised farm equipments, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 25

The company's ongoing projects have got completed and management is evaluating new projects for execution in the company in upcoming years and believes the going concern assumption in preparation of these financial statements is appropriate

Note No. 26 - Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

Note No. 27

Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024.

Note No. 28- Merger

Pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, at its Meeting held on 4th August, 2023, approved the merger of the Company, a wholly owned subsidiary of Mahindra & Mahindra Limited ("M&M "or "Transferee Company"), with M&M with Appointed Date as 1st April, 2023 as per the Scheme of Merger by Absorption of Mahindra Heavy Engines Limited, Mahindra Two Wheelers Limited and the Company with M&M ("Scheme"). The Scheme has been filed with the Hon'ble National Company Law Tribunal, Mumbai Bench for its approval.

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: 16th April, 2024

For Trringo.com Limited

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Shailee Parikh
Company Secretary
ACS: A72107

Nikhil Pai
Chief Financial Officer
M No. 110070

Place: Mumbai
Date: 16th April, 2024

INDEPENDENT AUDITOR'S REPORT

To the Stockholder and the Board of Directors,
Mahindra USA, Inc.

OPINION

We have audited the accompanying financial statements of Mahindra USA, Inc. (the "Company"), a Texas Corporation, which comprise the balance sheets as of March 31, 2024, and March 31, 2023, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and March 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

OTHER MATTER

In our report dated May 1, 2023, we expressed a qualified opinion that the March 31, 2023 financial statements fairly present the financial position, results of operations, and cash flows of Mahindra USA Inc. in accordance with accounting principles generally accepted in the United States of America except for the effects of a departure from such accounting principles where the Company did not consolidate its wholly owned subsidiary and presented its investment in the wholly owned subsidiary at cost in the separate parent company financial statements. As described in Note B.1(a) and B.7, the Company has fully impaired its investments at cost and dissolved its wholly owned subsidiary, whereby the Company is not required to apply consolidation principles as at March 31, 2024. Further the effects of non-consolidation on the March 31, 2023 financial statements were not significant. Accordingly, our present opinion on the March 31, 2023 financial statements, as presented herein, is different from that expressed in our previous report.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV CPA LLP
Atlanta, Georgia
April 29, 2024

BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

	Note	As at March 31, 2024	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	C	**43,451,054**	14,616,696
Accounts receivable, net	D	**7,535,059**	798,686
Inventories, net	E	**139,911,900**	147,021,262
Accounts and other receivable from related parties	M	**3,516,253**	990,741
Receivable from employees		**28,448**	7,597
Other current assets		**449,747**	508,919
Total current assets		**194,892,461**	163,943,900
Property, plant and equipment, net	F	**5,621,821**	5,920,817
Deferred tax asset	K	**30,390,015**	33,531,095
Operating lease - Right of use asset	J	**15,353,574**	18,720,090
Total assets		**246,257,871**	222,115,902
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable	H	**19,175,534**	31,931,335
Accounts and other payable to related parties	M	**80,442,728**	54,856,623
Other current liabilities	I	**88,403,376**	78,629,182
Operating lease - current lease liability	J	**4,191,867**	2,956,426
Total current liabilities		**192,213,505**	168,373,566
Non-current liabilities			
Operating lease – non-current lease liability	J	**12,527,819**	8,350,961
Other liabilities		**10,043,904**	8,350,960
Total liabilities		**214,785,228**	193,631,367
Commitments & contingencies *(Refer note U)*			
Stockholder's equity			
Common stock [Class A - $ 0.25 par value and Class B - $ 0.16 par value, aggregate authorized 1,153,750,000 shares, aggregate issued and outstanding 1,128,500,000 shares]	Q	**221,600,000**	221,600,000
Accumulated deficit		**(190,127,357)**	(193,115,465)
Total stockholder's equity		**31,472,643**	28,484,535
Total liabilities and stockholder's equity		**246,257,871**	222,115,902

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF INCOME

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
Operating revenues		
Sale of tractors, vehicles and parts and other operating revenues	**498,330,248**	517,995,275
Less: sales incentives	**(92,639,207)**	(73,596,579)
Total net revenue	**405,691,041**	444,398,696
Less: cost of sales (excluding depreciation)	**(340,704,168)**	(374,912,688)
Gross profit	**64,986,873**	69,486,008
Cost and expenses		
Selling, general and administrative expenses	**(61,957,060)**	(63,155,988)
Operating income	**3,029,813**	6,330,020
Finance cost	**–**	(53,989)
Other income	**1,519,353**	1,231,805
Net income before income tax expense	**4,549,166**	7,507,836
Income tax expense		
Current tax benefit (expense)	**1,580,022**	(1,879,890)
Deferred tax expense	**(3,141,080)**	(695,644)
Total net income	**2,988,108**	4,932,302

The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S EQUITY

For the years April 01, 2023 to March 31, 2024 and April 01, 2022 to March 31, 2023

(All amounts are stated in United States Dollars, except number of shares)

Particulars	Common stock – Class A (All shares and US$ in 000's)				Common stock – Class B (All shares and US$ in 000's)				Accumulated deficit	Total stockholder's equity (deficit)
	Authorized		Issued and outstanding		Authorized		Issued and outstanding			
	Shares	Value US$	Shares	Value US$	Shares	Value US$	Shares	Value US$		
As at April 01, 2022	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(198,047,767)**	**23,552,233**
Net income for the year	–	–	–	–	–	–	–	–	4,932,302	4,932,302
As at March 31, 2023	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(193,115,465)**	**28,484,535**
As at April 01, 2023	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(193,115,465)**	**28,484,535**
Net income for the year	–	–	–	–	–	–	–	–	2,988,108	2,988,108
As at March 31, 2024	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(190,127,357)**	**31,472,643**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Net income after income tax	**2,988,108**	4,932,302
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**2,139,068**	2,751,202
Unrealized foreign exchange gain	**(359,235)**	(218,698)
Deferred income tax	**3,141,080**	695,644
Changes in net operating assets and liabilities		
Accounts receivable	**(9,288,937)**	9,244,301
Inventories	**7,109,362**	(16,070,865)
Other current assets	**274,099**	(66,431)
Accounts payable	**12,857,385**	(28,003,984)
Operating lease-right of use assets	**3,366,516**	1,998,758
Operating lease-lease liability	**(3,143,580)**	(1,515,082)
Other current and non-current liabilities	**11,252,209**	9,709,640
Net cash provided by (used in) operating activities	**30,336,075**	(16,543,213)
Cash flows from investing activities		
Purchase of property, plant, and equipment	**(1,840,072)**	(1,370,249)
Net cash used in investing activities	**(1,840,072)**	(1,370,249)
Cash flows from financing activities		
Notes payable, net	**–**	(5,000,000)
Net cash used in financing activities	**–**	(5,000,000)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	**338,355**	227,650
Net increase (decrease) in cash and cash equivalents	**28,834,358**	(22,685,812)
Cash and cash equivalents at the beginning of the year	**14,616,696**	37,302,508
Cash and cash equivalents at the end of the year	**43,451,054**	14,616,696
Supplemental cash flow information		
Income taxes paid	**1,476,125**	1,676,117
Interest paid	**–**	73,668

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS

Mahindra USA, Inc. (the "Company") ("MAgNA") was incorporated on June 8, 1994 in the State of Texas and commenced business on March 15, 1995. The Company is owned by Mahindra and Mahindra Ltd. ("M&M"). M&M is a publicly traded corporation, headquartered in Mumbai, India, which, among other activities, manufactures farming equipment and automobiles. The Company sells tractors, parts, attachments, accessories and off-road vehicle in North America under wholesale distribution agreements.

The Company formed a subsidiary on August 9, 2016, Mahindra Mexico S de. R.L. de. C.V. ("MML"), to assemble and sell tractors, parts, attachments and accessories in Mexico and Latin America. MML commenced commercial operations in July 2018. The subsidiary company stands dissolved effective March 28, 2024.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. **Basis of preparation**

   a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP'), except for investments in its wholly owned subsidiary. The Company reported its investment in Mahindra Mexico S de. R.L. de. C.V. ("MML") using the cost basis until the dissolution of MML, for the reporting requirements of its ultimate parent company and shareholder; Mahindra and Mahindra Ltd. Accordingly, the financial statements for the year ended March 31, 2023, were presented as separate parent company financial statements.

   b. All amounts are stated in United States Dollars (USD), except as otherwise specified.

   c. The financial statements are presented for the years ended March 31, 2024, and March 31, 2023.

2. **Use of estimates**

   The preparation of financial statements in conformity with accounting principles generally accepted in US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates for determination of useful lives for property, plant & equipment, and long-lived assets for impairment, allowance for incentives and warranties, legal and tax contingencies, allowance for expected credit losses, accounting for leases and inventory valuation at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

3. **Cash and cash equivalents**

   The Company's cash and cash equivalents comprise of cash and bank balances. The Company does not have any cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in US bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. **Revenue recognition**

   The Company follows Accounting Standards Codification ('ASC') 606 – Revenue from Contracts with Customers for revenue recognition.

   Revenue from sale of tractors, parts, attachments, accessories, and off-road vehicle products is recognized when each of the following criteria is met:

   1. The Company and an independent dealer approve a contract with commercial substance.

   2. The sales price is determinable, and collectability of the payment is probable based on the terms outlined in the contract.

   3. Control of the goods is transferred to the dealer when the ordered goods are invoiced to the dealer and when the ordered items are ready for shipment.

   Transfer of control, and therefore revenue recognition is recorded at a point in time on the date when the tractors, parts, attachments, accessories, and off-road vehicle products are made available to the dealers.

   The Company participates in various retail sales incentives with its dealers. The Company records the estimated retail sales incentive programs offered to dealers as a reduction to revenue at the time of sale to the dealer. The estimate is based on historical data, announced incentive programs, field inventory levels, and retail sales volumes.

   <u>Revenue from sale of off-road vehicle products</u>

   The Company entered into a distribution agreement with Mahindra North American Technical Center, Inc. ("MNATC"), its related party, for sale of off-road vehicle and its parts and accessories manufactured by MNATC, in North America. During the year ended March 31, 2023, the Company recognized revenue from sales of these off-road vehicle and its parts and accessories on net basis as it is an agent in the transaction, in accordance with 'Principal versus Agent Considerations' guidance of ASC 606. Additionally, the Company receives reimbursements including a markup of certain directly related costs and expenses from MNATC which is recognized as 'other operating revenue' on the statements of income. The Company also has an arrangement to pass through sales incentive costs and warranty claims at actuals to MNATC.

   Effective April 01, 2023, the distribution agreement has been discontinued and the Company entered into a new arrangement with MNATC for supply of off-road vehicles whereby the Company has recorded sales from these vehicles on a gross basis, as it is acting as a principal in such sales.

   Product warranties

   The Company establishes reserves for product warranties at the time the related sale is recognized. The Company issues product warranties under which the performance of products delivered is generally guaranteed for a certain term. The accrual for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage.

5. **Accounts receivable and allowance for expected credit losses**

   Accounts receivables are stated at the amount billed to customers. Prior to the Company's adoption of Topic 326, the Company followed the specific identification method for recognizing allowance for doubtful debts. Management analyzes composition of the accounts receivable aging, historical bad debts, current economic trends, internal assessments of credit quality and the economic conditions in the industry, as well as in the economy as a whole and customer credit worthiness of each account receivable when evaluating the adequacy of the allowance for doubtful accounts. Under Topic 326, accounts receivable are recorded at the invoiced amount, net of allowance for credit losses. The Company regularly reviews the adequacy of the allowance for credit losses based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted for current market conditions, the current receivables aging, current payment terms and expectations of forward-looking loss estimates.

   Further, the Company has applied scope exception as per Accounting Standard Codification ("ASC") 326-20-15-3, for the accounts receivables balance from entities under common control. Therefore, the Company has not recorded any allowance for credit losses on receivables balance from entities under common control.

Changes in accounting policy

The Company adopted Accounting Standards Codification ("ASC") Topic 326, Financial Instruments—Credit Losses ("Topic 326"), effective April 01, 2023. As a result of the Company's adoption of this new standard, current expected credit losses ("CECL") are measured using lifetime "expected credit loss" methodology. The Company applied Topic 326 using the modified retrospective transition approach, which involves recognizing the cumulative effect of initial adoption of Topic 326 as an adjustment to its opening retained earnings as of April 01, 2023, however the cumulative effect on account of adoption of Topic 326 was considered as not material. Therefore, comparative information prior to the adoption date has not been adjusted.

6. Inventories

Inventories are stated at moving average price or net realizable value whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price less applicable selling expenses. The Company writes down obsolete or otherwise unmarketable inventory to its estimated realizable value.

7. Investment in subsidiary

The Company accounts for investment in its subsidiary using the cost method. The Company has fully impaired the value of investment in the wholly owned subsidiary considering the series of operating losses of the subsidiary, thereby resulting in absence of an ability to recover the carrying amount of the investment. The subsidiary company stands dissolved effective March 28, 2024.

8. Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase, improvements and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. Depreciation is provided over the useful lives of the related assets using the straight-line method for financial reporting and the modified accelerated cost recovery method for tax purposes. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

The estimated useful life used to determine depreciation is:

Buildings and building improvements	7-10 Years
Furniture and fixtures	3-10 Years
Plant & Machinery	3-7 Years
Computer and software	3-5 Years
Vehicles	3-5 Years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is a part of net operating loss.

Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post-implementation/operation stage of an internal use software development project are expensed as incurred.

9. Leases

The Company follows Accounting Standards Codification ("ASC") 842 Leases which requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company uses the practical expedients permitted under the standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard. The Company has not applied the recognition and measurement requirements of ASC 842 to certain assets on lease where the Management believes it to be immaterial.

The Company's leases are classified as operating leases, which are included in operating lease right-of-use assets and operating lease liabilities in the Company's balance sheet. Lease arrangements, which effectively transfer control of the underlying leased item, are capitalized, and recognized as finance leases.

Right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

10. Income taxes

In accordance with the provisions of FASB ASC Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

11. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates as at the last day of the year. Gains or losses, if any, on account of exchange difference either on settlement or translation are recognized in statements of comprehensive income, except those relating to acquisition of fixed assets which are adjusted to the cost of the respective asset.

12. Fair value measurements and financial instruments

The fair value hierarchy requires the use of observable market data when available. In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The following table sets forth by level within the fair value hierarchy, the Company's financial assets and liabilities that are accounted for at fair value on a recurring basis at March 31, 2024 and 2023, according to the valuation techniques the Company used to determine their fair values.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are support by little or no market activity. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and related party dues. The estimated fair value of cash, accounts receivable, accounts payable and related party dues approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

13. Advertising and marketing expenses

The Company subsidizes product advertising carried on by dealers within each dealer's local market and conducts dealer conferences. The Company also advertises in trade magazines, at trade shows and uses various other means of promotion, including product brochures and digital media to increase brand awareness and sale of products in the market. Expenditures without extended advertising value are expensed in the year accrued. The amount of advertising and marketing costs incurred by the Company for the year ended March 31, 2024, amounting to $3,671,166 (March 31, 2023: $2,650,743) is included in 'selling, general and administrative expenses' on the statement of comprehensive income.

14. Shipping and handling cost

The Company generally classifies freight billed to dealers as sales revenue. Shipping and handling activities are considered to be a separate performance obligation.

15. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	March 31, 2024	March 31, 2023
Balances with banks	**43,451,054**	14,616,696
Total	**43,451,054**	14,616,696

NOTE D – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, include the following:

	As at	
	March 31, 2024	March 31, 2023
Accounts receivable from customers	**8,331,968**	1,646,936
Less: Allowance for expected credit loss	**(796,909)**	(848,250)
Accounts receivable, net of allowances	**7,535,059**	798,686

NOTE E – INVENTORIES, NET

Major classes of inventories include the following:

	As at	
	March 31, 2024	March 31, 2023
Finished goods	**59,537,563**	53,482,812
Raw materials	**80,374,337**	93,538,450
Total	**139,911,900**	147,021,262

NOTE F – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net include the following:

	As at	
	March 31, 2024	March 31, 2023
Building and building improvements	**5,970,238**	5,548,023
Vehicles	**65,519**	65,519
Furniture and fixtures	**1,166,809**	1,068,709
Plant & machinery	**2,435,614**	1,651,074
Computers and software	**11,689,359**	11,274,961
Less: Accumulated depreciation and amortization	**(15,869,407)**	(13,746,477)
Property, plant and equipment, net	**5,458,132**	5,861,809
Capital work-in-progress	**163,689**	59,007
Property, plant and equipment, net	**5,621,821**	5,920,817

Depreciation and amortization expense for the year ended March 31, 2024, amounting to $ 2,139,068 (March 31, 2023: $2,751,202) is included in 'other selling, general and administrative expenses' on the statements of income.

During the years ended March 31, 2024, and March 31, 2023, capital work-in-progress of $ 1,699,091 and $ 2,138,581, respectively, was completed and capitalized to computer and software, building and building improvements and the other property, plant and equipment.

NOTE G – NOTES PAYABLE

As at March 31, 2024, and March 31, 2023, there are no notes payable outstanding. The Company repaid all outstanding notes payable in September 2022. The average interest rate paid by the Company during the year ended March 31, 2023 was 3.02%. Facilities from banks did not contain any restrictive covenants.

As at March 31, 2024 there are no irrevocable standby letter of credit. As at March 31, 2023, the Company had an irrevocable standby letter of credit for $12,000,000. The Company had an unutilized line of credit facility of $ 110,000,000 which was terminated in January 2024.

NOTE H – ACCOUNTS PAYABLE

	As at	
	March 31, 2024	March 31, 2023
Trade payables	**19,175,534**	31,931,335
Total	**19,175,534**	31,931,335

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	March 31, 2024	March 31, 2023
Accrued payables	**88,403,376**	78,629,182
Total	**88,403,376**	78,629,182

Expenses accrued as at March 31, 2024, and March 31, 2023, include advertising, marketing program costs, retail rate buy-downs, cash discounts, state franchise taxes, payroll and payroll taxes, employee bonuses, salesmen and customer bonuses, legal fees and provision for claims, property taxes, insurance deductibles, other expenses and warranty reserves. The Company participates in various retail incentives with its dealers and has accrued for the costs of these programs in effect as of the date of these financial statements.

NOTE J – LEASES

General description of the lease

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, and vehicles with varying terms.

Non-lease components: Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. The Company has not applied the recognition and measurement requirements of ASC 842 to certain assets on lease where the management believes it to be immaterial.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments: The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments in the nature of origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options: Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to administrative expenses on the statements of income.

Right of use (ROU) asset relating to finance lease of $ Nil as of March 31, 2024 (March 31, 2023: $52,746), is included in "property, plant and equipment, net" and lease liability relating to capital lease is $Nil as of March 31, 2024 (March 31, 2023: $Nil).

The table below presents the classification of lease related expenses as reported in the statements of comprehensive income.

	For the year ended	
Particulars	**March 31, 2024**	March 31, 2023
Amortization of ROU asset on finance lease (a)	**52,746**	241,246
Interest on finance lease liability (b)	**–**	–
Operating lease expense (c)	**4,632,122**	4,161,592
Total lease expense	**4,684,868**	4,402,838

(a) Amortization of ROU asset relating to finance lease is included in 'selling, general and administrative expenses' in the statements of comprehensive income.

(b) Interest on finance lease liability is included in 'finance cost' in the statements of comprehensive income.

(c) Operating lease expenses are included in 'selling, general and administrative expenses' in the statements of comprehensive income. Operating lease expenses include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2024, for operating leases having an initial or remaining non-cancelable lease term in excess of one year are as follows.

Year ended March 31,	Operating lease
2025, 2026 and 2027	10,515,289
2028 and 2029	6,556,327
2030 onwards	2,441,084
Total minimum lease payments	**19,512,700**
Less: Interest	2,793,014
Total lease liabilities	**16,719,686**

The following table presents the weighted-average remaining lease term and discount rates as of:

	March 31, 2024	March 31, 2023
Weighted-average remaining lease term (years)		
Operating leases	**6.52**	6.34
Weighted-average discount rate		
Operating leases	**4.42%**	4.36%

The following table presents supplemental information for operating and finance leases.

	For the year ended	
	March 31, 2024	March 31, 2023
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	**4,314,372**	4,196,896
Non-cash lease assets obtained in exchange for new lease liabilities		
Operating leases	**–**	796,403

NOTE K – INCOME TAXES

The Company files state tax returns and federal tax returns at the standalone level. The components of the provision for income tax expense are as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Current taxes (benefit) expense		
Federal	**(2,613,775)**	834,612
State	**1,033,753**	1,045,278
Deferred taxes (benefit) expense		
Federal	**3,234,056**	1,469,519
State	**(92,976)**	(773,875)
Total	**1,561,058**	**2,575,534**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

As of March 31, 2024 the Company has net deferred tax assets of $ 55,734,416. This is mainly attributable to three components, deferred tax on accrued dealer incentive of $15,776,132, accrued expenses of $7,735,406 and on net operating losses $28,665,833. Other components refer to deferred taxes on various other expenses, including slow moving inventory, warranty reserves and allowance for uncollectible accounts receivable. Out of total deferred tax assets, the Company has recognized deferred tax assets of $30,390,015 and created valuation allowance on the remaining balance of $25,344,401.

As of March 31, 2023 the Company has net deferred tax assets of $ 57,954,964. This is mainly attributable to three components, deferred tax on accrued dealer incentive of $12,070,266, accrued expenses of $6,983,122 and on net operating losses $34,694,287. Other components refer to deferred taxes on various other expenses, including slow moving inventory, warranty reserves and allowance for uncollectible accounts receivable. Out of total deferred tax assets, the Company has recognized deferred tax assets of $33,531,095 and created valuation allowance on the remaining balance of $24,423,869.

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the evaluation of positive and negative evidence, the Company has determined that the entire amount of deferred tax assets may not be realizable in near future and accordingly created a valuation allowance of $25,344,401 and $24,423,869 as of March 31, 2024 and March 31, 2023, respectively.

As per the Coronavirus, Aid, Relief, and Economic Security act (CARES ACT) amended section 172(b)(1) to provide for a carry back for any net operating loss (NOL) arising in a taxable year beginning after December 31, 2017, and before January 1, 2021, to each of the five taxable years preceding the taxable year in which the loss arises (carryback period). The Company has availed the benefit and carried back the NOL's of $10,438,122 against which the refund amounting to $3,418,813 has been received during the year.

The Company has federal net operating losses of $111,588,319 and $124,793,960 as at March 31, 2024 and March 31, 2023, respectively. These net operating losses generated will be carried forward indefinitely. The Company has state net operating loss carryforwards of approximately $127,363,204 and $ 130,529,183 as at March 31, 2024 and March 31, 2023, which if unutilized will expire based on the statutes of various states.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions at March 31, 2024 and March 31, 2023.

The tax years 2020 to 2022 remain subject to examination by the taxing authorities.

NOTE L – EMPLOYEE BENEFIT PLANS

The Company adopted a 401(k)-retirement plan effective April 1, 1998. The total expense for employee retirement contribution plans for the year ended March 31, 2024, was $355,434 (March 31, 2023 – $339,704). The amounts have been included in selling, general and administrative expenses.

NOTE M – RELATED PARTY TRANSACTIONS

The Company had transactions relating to purchase & sales of goods and services, loans, advances, issue of shares and investments with following related parties:

A. Ultimate Parent Company

1. Mahindra and Mahindra Ltd.

B. Fellow Subsidiaries

1. Mahindra Integrated Business Solution Limited
2. Bristlecone India Limited
3. Bristlecone Inc.
4. Mahindra and Mahindra Financial Services Ltd
5. Mahindra Automotive Australia Pty Ltd.
6. Mahindra Vehicle Manufacturers Limited
7. Mahindra do Brasil Industrial Ltd.
8. Mahindra Overseas Investment Company Mauritius Limited
9. Mahindra Automotive North America Inc.
10. Mahindra North American Technical Center, Inc.

C. Associates

1. Mitsubishi Mahindra Agricultural Machinery Co., Ltd
2. Mahindra Finance USA, LLC
3. Tech Mahindra (Americas) Inc

D. Subsidiary of the Company

1. Mahindra Mexico S de RL de CV (Dissolved effective March 28, 2024)

   The Company purchases tractors and parts from related parties, including M&M and Mitsubishi Mahindra Agricultural Machinery Co. Ltd., on an open account, which is paid when due. Accounts payable are net of amounts the Company has paid for warranty claims and legal fees.

The Company has the following payables:

	As at	
	March 31, 2024	March 31, 2023
Mahindra and Mahindra Ltd., Farm Equipment Sector	**49,142,927**	38,934,764
Mitsubishi Mahindra Agricultural Machinery Co., Ltd	**24,923,507**	14,933,048
Mahindra and Mahindra Ltd., Auto Sector	**330,079**	606,200
Mahindra and Mahindra Ltd., Head Office	**43,338**	124,313
Mahindra Integrated Business Solution Limited	**52,050**	16,250
Bristlecone India Limited	**52,193**	25,056
Mahindra North American Technical Center, Inc.	**5,840,111**	167,676
Mahindra Automotive North America Inc.	**58,523**	49,316
Total	**80,442,728**	54,856,623

In addition, the Company conducts business and records transactions with related parties for goods and services. As a result, the Company has the following receivables:

	As at	
	March 31, 2024	March 31, 2023
Mahindra and Mahindra Ltd., Farm Equipment Sector	**77,241**	24,628
Mahindra and Mahindra Financial Services Ltd.	**50,065**	44,952
Mahindra and Mahindra Ltd., Auto Sector	**810**	–
Mahindra Mexico S de RL de CV	**222,726**	–
Mahindra Automotive Australia Pty Ltd.	**–**	183,122
Mahindra North American Technical Center, Inc.	**3,165,411**	606,886
Tech Mahindra (Americas) Inc	**–**	131,153
Total	**3,516,253**	990,741

The Company entered into transactions with its related parties in the normal course of business. The Company's purchases of tractors and parts from M&M Ltd. and Mitsubishi Mahindra Agricultural Machinery Co. Ltd. for the years ended March 31, 2024, and March 31, 2023, were $172,317,114 and $ 179,391,802, respectively. The dealers of Mahindra USA, Inc. avail themselves of a financing facility from Mahindra Finance USA LLC.

NOTE N - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant credit risk consist principally of cash and accounts receivable. Risks associated with cash are mitigated by banking with financial institutions that management believes to be of high credit quality. The Company performs ongoing credit evaluations of its dealers and maintains reserves for potential credit losses. To date, such losses have been within management's expectations.

NOTE O - RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE P - ASSEMBLY AND SERVICE AGREEMENT

The Company has entered into agreements with third party assemblers for the final assembly of tractors. These agreements stipulate that assemblers are to assemble the tractors in accordance with procedures provided by the Company so that the tractors are ready for sale to dealers. The assemblers store inventory owned by the Company in a secure location.

The assemblers are paid on a piecemeal basis at various rates depending on the respective model and related accessories. These rates are reviewed and negotiated at regular intervals.

NOTE Q - STOCKHOLDER'S EQUITY

Authorized common stock

The authorized Class A common stock is 460,000,000 shares with a par value of $ 0.25 and the authorized Class B common stock is 693,750,000 shares with a par value of $0.16 as at March 31, 2024 and as at March 31, 2023.

Common stock issued

Class A common stock issued and outstanding is 456,000,000 shares at $ 0.25 par value each and Class B common stock issued and outstanding is 672,500,000 shares at $0.16 par value each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE R - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date at which financial statements were available for issue. There were no subsequent events or transactions identified which require disclosure.

NOTE S - COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved in various legal proceedings which are considered ordinary litigation incidents to its business. In the management's opinion, adequate provisions have been made for the contingencies and none of the current litigation will have a materially adverse effect on the Company's financial position.

As of March 31, 2024, and March 31, 2023, the Company did not have any capital commitment outstanding.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mahindra North American Technical Center, Inc.

Opinion

We have audited the accompanying financial statements of Mahindra North American Technical Center, Inc. ('the Company') which comprise the balance sheets as of March 31, 2024, and March 31, 2023, the related statements of loss, stockholder's (deficit) equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and March 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

As discussed in Note-B to the financial statements, the Company has suffered losses from operations and has generated negative cashflows from operations. The Company also has an accumulated deficit. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

Other matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of these financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

KNAV CPA LLP

Atlanta, Georgia
May 03, 2024

BALANCE SHEETS

	USD As at March 31,		INR As at March 31,	
	2024	2023	**2024**	2023
ASSETS				
Current assets				
Cash and cash equivalents	**3,191,719**	102,855	**266,093,613**	8,575,021
Accounts receivable	**66,330**	13,840	**5,529,932**	1,153,841
Accounts receivable, related parties	**2,646,301**	30,199	**220,622,114**	2,517,691
Inventories	**10,350,752**	14,782,605	**862,942,194**	1,232,425,779
Prepaid expenses and other current assets	**5,261**	123,515	**438,610**	10,297,446
Total current assets	**16,260,363**	15,053,014	**1,355,626,463**	1,254,969,778
Property, plant and equipment, net	**2,479,515**	1,283,038	**206,717,166**	106,966,878
Intangible assets, net	**24,930**	–	**2,078,414**	–
Operating leases right-of-use assets, net	**5,980,346**	1,888,675	**498,581,446**	157,458,835
Other assets	**69,652**	119,503	**5,806,887**	9,962,965
Total assets	**24,814,806**	18,344,230	**2,068,810,376**	1,529,358,456
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)				
Current liabilities				
Trade payables	**1,094,152**	1,456,820	**91,219,454**	121,455,084
Operating lease liability	**951,855**	1,334,377	**79,356,151**	111,247,010
Accrued expenses	**5,227,846**	9,926,808	**435,845,521**	827,597,983
Intercompany payables	**12,119,118**	10,315,964	**1,010,370,866**	860,041,919
Other current liabilities	**–**	–	**–**	–
Total current liabilities	**19,392,971**	23,033,969	**1,616,791,992**	1,920,341,996
Operating lease liability – non-current	**5,285,867**	1,053,102	**440,682,732**	87,797,114
Total liabilities	**24,678,838**	24,087,071	**2,057,474,724**	2,008,139,110
Stockholder's equity (deficit)				
Common stock, $ 0.10 par value 100,000 shares authorized. 1,000 shares issued and outstanding	**100**	100	**8,337**	8,337
Common stock, $ 25 par value 5,000,000 shares authorized 2,880,539 shares issued and outstanding (March 31, 2022: 2,581,709 shares)	**71,988,480**	64,517,729	**6,001,679,578**	5,378,843,067
Additional paid in capital	**9,900**	9,900	**825,363**	825,363
Accumulated deficit	**(71,862,512)**	(70,270,570)	**(5,991,177,626)**	(5,858,457,421)
Total stockholder's equity (deficit)	**135,968**	(5,742,841)	**11,335,652**	(478,780,654)
Total liabilities and stockholder's equity (deficit)	**24,814,806**	18,344,230	**2,068,810,376**	1,529,358,456

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF LOSS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	**2024**	2023
Operating revenues	**33,360,156**	32,914,789	**2,781,236,206**	2,744,105,959
Cost of revenue	**29,287,336**	30,528,104	**2,441,685,202**	2,545,128,030
Gross profit	**4,072,820**	2,386,685	**339,551,004**	198,977,929
Selling, general and administrative expenses	**7,577,303**	7,944,982	**631,719,751**	662,373,149
Depreciation and amortization	**523,756**	1,766,300	**43,665,538**	147,256,431
Total costs and expenses	**8,101,059**	9,711,282	**675,385,289**	809,629,580
Operating loss	**(4,028,239)**	(7,324,597)	**(335,834,285)**	(610,651,652)
Interest income	**102,562**	–	**8,550,594**	–
Other income	**2,335,999**	–	**194,752,236**	–
Restructuring expenses	**–**	(1,098,367)	**–**	(91,570,857)
Loss on disposal of asset	**(2,264)**	–	**(188,750)**	–
Loss before income taxes	**(1,591,942)**	(8,422,964)	**(132,720,205)**	(702,222,509)
Deferred tax expense	**–**	–	**–**	–
Net loss	**(1,591,942)**	(8,422,964)	**(132,720,205)**	(702,222,509)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S (DEFICIT) EQUITY

(All amounts are stated in USD, except number of shares)

	Common stock						
	Authorized		Issued & outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's equity
Particulars	**Shares**	**Value ($)**	**Shares**	**Value ($)**			
Balance as on April 1, 2022	5,100,000	125,010,000	2,561,709	64,017,829	9,900	(61,847,606)	2,180,124
Common stock issued during the year	–	–	20,000	500,000	–		500,000
Net loss for the year	–	–	–	–	–	(8,422,964)	(8,422,964)
Balance as at March 31, 2023	**5,100,000**	**125,010,000**	**2,581,709**	**64,517,829**	**9,900**	**(70,270,570)**	**(5,742,841)**
Balance as on April 1, 2023	5,100,000	125,010,000	2,581,709	64,517,829	9,900	(70,270,570)	(5,742,841)
Common stock issued during the year	–	–	298,830	7,470,751	–		7,470,751
Net loss for the year	–	–	–	–	–	(1,591,942)	(1,591,942)
Balance as at March 31, 2024	**5,100,000**	**125,010,000**	**2,880,539**	**71,988,580**	**9,900**	**(71,862,512)**	**135,968**

(The accompanying notes are an integral part of these financial statements)

	Common stock						
	Authorized		Issued & outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's equity
Particulars	**Shares**	**Value (INR)**	**Shares**	**Value (INR)**			
Balance as on April 1, 2022	5,100,000	10,422,083,700	2,561,709	5,337,166,404	825,363	(5,156,234,912)	181,756,855
Common Stock issued during the year	–	–	20,000	41,685,000	–	–	41,685,000
Net loss for the year		–		–	–	(702,222,509)	(702,222,509)
Balance as at March 31, 2023	**5,100,000**	**10,422,083,700**	**2,581,709**	**5,378,851,404**	**825,363**	**(5,858,457,421)**	**(478,780,654)**
Balance as on April 1, 2023	5,100,000	10,422,083,700	2,581,709	5,378,851,404	825,363	(5,858,457,421)	(478,780,654)
Common Stock issued during the year	–	–	298,830	622,836,511	–	–	622,836,511
Net loss for the year		–		–	–	(132,720,205)	(132,720,205)
Balance as at March 31, 2024	**5,100,000**	**10,422,083,700**	**2,880,539**	**6,001,687,915**	**825,363**	**(5,991,177,626)**	**11,335,652**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	**2024**	2023
Cash flow from operating activities				
Net loss	**(1,591,942)**	(8,422,964)	**(132,720,205)**	(702,222,509)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation & amortization	**523,756**	**1,766,300**	**43,665,538**	**147,256,431**
Loss on disposal of asset	**(2,264)**	–	**(188,750)**	–
Provision for expected credit loss	**39,511**	–	**3,294,005**	–
Changes in assets and liabilities				
Accounts receivable	**(92,000)**	(1,137)	**(7,670,013)**	(94,792)
Accounts receivable, related parties	**(2,616,102)**	821,472	**(218,104,424)**	68,486,121
Inventories	**4,431,853**	(6,009,437)	**369,483,585**	(501,006,763)
Prepaid expenses and other current assets	**118,254**	201,940	**9,858,835**	16,835,737
Other assets	**49,851**	–	**4,156,078**	–
Operating lease right-of-use assets	**(4,091,671)**	1,791,283	**(341,122,611)**	149,339,264
Operating lease liability	**3,850,243**	(1,285,904)	**320,994,759**	(107,205,816)
Trade payables	**(362,669)**	(902,284)	**(30,235,715)**	(75,223,417)
Intercompany payables	**1,803,154**	8,147,802	**150,328,949**	679,282,253
Accrued expenses	**(4,698,963)**	180,336	**(391,752,543)**	15,034,612
Net cash used in operating activities	**(2,638,989)**	(3,712,593)	**(220,012,512)**	(309,518,879)
Cash flow from investing activities				
Purchase of property and equipment	**(1,715,702)**	(389,687)	**(143,038,076)**	(32,488,205)
Purchase of intangibles	**(27,196)**	–	**(2,267,331)**	–
Net cash used in investing activities	**(1,742,898)**	(389,687)	**(145,305,407)**	(32,488,205)
Cash flow from financing activities				
Proceeds from investment by Parent	**7,470,751**	500,000	**622,836,511**	41,685,000
Net cash provided by financing activities	**7,470,751**	500,000	**622,836,511**	41,685,000
Net increase (deccrease) in cash and cash equivalents	**3,088,864**	(3,602,280)	**257,518,592**	(300,322,084)
Cash and cash equivalents at the beginning of the year	**102,855**	3,705,135	**8,575,021**	308,897,105
Cash and cash equivalents at the end of the year	**3,191,719**	102,855	**266,093,613**	8,575,021
Supplemental cash flow information				
Income taxes paid	**–**	–	**–**	–
Interest expense paid	**–**	–	**–**	–

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A – ORGANIZATION AND NATURE OF OPERATIONS

Mahindra North American Technical Center, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on December 18, 2013 and is a wholly owned subsidiary of Mahindra Automotive North America, Inc. ("MANA"). The Company engineers, designs, develops, assembles, and delivers parts and vehicles to the global automotive market, both for on and off-road use, as an Original Equipment Manufacturer ("OEM") headquartered in Auburn Hills, MI.

Ownership of the Company changed on April 30, 2017, when 100% of its stock was acquired by MANA from Mahindra USA, Inc. ("MAgNA").

In Michigan, when engaged in automotive manufacturing activities, the Company does business as ("d/b/a") Mahindra Automotive North America Manufacturing ("MANAM"). MANAM produces ROXOR, an off-road side- by-side vehicle. MANAM shipped 1,993 vehicles during the fiscal year ended March 31, 2024.

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and-desist order was effective from August 11, 2020. The company stopped selling Roxor Vehicles since then.

Considering the cease-and-desist order, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA requested the United States District Court, Eastern District of Michigan to enjoin the post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

During the year ended March 31, 2024, Sixth Circuit Court of Appeals issued its opinion on FCA's Renewed Motion to prevent the sale of the Post-2020 ROXOR in Accordance with the Safe-Distance Rule. Specifically the Court of Appeals remanded the case to the Eastern District of Michigan judge asking him to assess whether the "Safe Distance Rule" should have been applied when reviewing the post-2020 ROXOR.

The United States District Court, Eastern District of Michigan concluded that the "Safe Distance Rule" was not applicable and that the Post-2020 ROXOR was non-infringing. FCA did not appeal. The remaining issues were resolved without an award of damages, and the case was closed.

During the year ended March 31, 2022, the Company launched the redesigned ROXOR and started selling the redesigned ROXOR from November 2021 in the United States and Canada. Before the cease-and-desist order, the Company used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through its affiliate company Mahindra Vehicle Sales and Services, Inc ("MVSS") to its customers. However, effective September 01, 2021, ROXOR as well as its parts and accessories and services relating thereto (collectively with the ROXOR, the "Products") are distributed through Mahindra USA, Inc ("MAgNA").

The Company continues to supply the accessories and service parts to MVSS to honor the warranty or product liability on sales made through MVSS before the cease-and-desist order.

NOTE B – GOING CONCERN EVALUATION

The Company has reported loss amounting to USD 1,591,942 (INR 132,720,205) and USD 8,422,964 (INR 702,222,509) for the years ended March 31, 2024, and March 31, 2023, respectively. This has resulted in an accumulated deficit of USD 71,862,512 (INR 5,991,177,626) as at March 31, 2024 and USD 70,270,570 (INR 5,858,457,421) as at March 31, 2023. Additionally, the Company has negative operating cash flows amounting to USD 2,638,989 (INR 220,012,512) for the year ended March 31, 2024, and USD 3,712,593 (INR 309,518,879) for the year ended March 31, 2023. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 7,470,751 (INR 622,836,511) and USD 500,000 (INR 41,685,000) during the years ended March 31, 2024, and March 31, 2023, respectively, for meeting the cash flow requirements. During the year ended March 31, 2024, the Company did not seek any additional funding from the ultimate parent company as the Company had reduced its costs which lead to the gross profit of the Company increasing from 7% for the year ended March 31, 2023, to 12% for the year ended March 31, 2024. The plans of the management to mitigate the adverse effects, inter alia are as follows:

1) Reviving its business operations through organizational restructuring.
2) The Company has implemented new business cost reduction plans resulting in reduction in cost for the ROXOR.
3) The Company expects a higher scale of volume of sale to MAgNA through expansion of MAgNA's dealer network.
4) With respect to the litigation, the matter was ruled out in favor of the Company and none of the parties appealed the verdict. The remaining issues were resolved without an award of damages. Hence the Company is positive with its future prospects.

Based on the above mitigating factors, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

    a. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of

America ("US GAAP") to reflect the financial position, results of operation and cash flows of the Company.

b. The financial statements are for the fiscal years ended March 31, 2024, and March 31, 2023.

c. Financial information in this report is in US dollars ("USD") and in Indian rupees ("INR"). For the fiscal years ended March 31, 2024, and March 31, 2023, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 83.37 INR per dollar as on March 31, 2024. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's (deficit) equity.

2. *Use of estimates*

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affects the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include the useful lives of plant, property and equipment, provision for inventory obsolescence, slow moving and non-moving items, valuation allowance for deferred tax assets and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Cash and cash equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR 20,842,500). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. *Inventories*

Raw materials, work in progress and finished goods inventories are stated at the lower of cost and net realizable value, with cost being determined on a weighted average basis. The measurement of inventories includes the direct cost of materials and labor as well as indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs for sale and distribution.

The Company makes additional adjustments to its inventory reserves based on the identification of specific situations and increases its inventory reserves accordingly. As further changes in future economic or industry conditions occur, the Company will revise the estimates that were used to calculate its inventory reserves.

5. *Income taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due, plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying financial statements.

6. *Revenue recognition*

Sale of manufactured goods

The Company follows Accounting Standards Codification ('ASC') 606 – Revenue from Contracts with Customers for revenue recognition. The Company entered into a distribution agreement with Mahindra USA Inc ("MAgNA" or "affiliate"), its related party, for sale of its off-road vehicle and its parts and accessories.

Revenue from sale of off-road vehicles is recognized when each of the following criteria is met:

a. The Company approve a contract with commercial substance.

b. The sales price is determinable, and collectability of the payment is probable based on the terms outlined in the contract.

c. Control of the goods is transferred to the affiliate when the ordered items are shipped.

Transfer of control, and therefore revenue recognition is recorded at a point in time on the date when the off-road vehicle, parts and accessories are shipped to the affiliate.

The Company participated in various retail sales incentives and programs with its affiliate till year ended March 31, 2024. The Company recorded the estimated retail sales incentive programs offered to dealers as a reduction to revenue at the time of sale to the dealer. The estimate was based on historical data, announced incentive programs, field inventory levels, and retail sales volumes. Effective January 01, 2024, the Company is not responsible for sponsoring any retail sales incentives and programs for its affiliate.

7. *Product warranty*

The Company provides a limited warranty for redesigned ROXOR for a period of two years or 12,000 miles whichever is lesser. The warranty reserve is established at the time of sale to the distributorship based on management's best estimate using historical rates and trends. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD 1,245,709 (INR 103,854,759) as on March 31, 2024 (March 31, 2023: USD 872,624 (INR 72,750,663)).

8. *Product liability*

The Company is subject to product liability claims in the normal course of business. Adequate insurance coverage is carried for catastrophic product liability claims. The Company self-insures product liability claims up to the purchased catastrophic insurance coverage. The estimated costs resulting from uninsured losses are charged to operating expenses when it is probable a loss has been incurred and the amount of the loss is reasonably determinable.

9. *Property, plant, and equipment*

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method except for production tools. Upon retirement or disposal of assets, the cost and accumulated depreciation will be eliminated from the accounts and the resulting gain or loss will be credited or charged to operations.

The estimated useful life used to determine depreciation is:

Particulars	**Useful life**
Computers	3-5 years
Furniture	5-7 years
Leasehold improvements	5-15 years
Machinery & equipment	3-5 years
Tooling	2-5 years

The cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in- progress.

The Company expenses all capital expenses below USD 5,000. Expenditures for maintenance and repairs are charged to expense. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

10. *Intangible assets*

Intangible assets are comprised of computer software which has been recognized at cost and amortized over a period of 3 years or its estimated useful life. Subsequent expenditure is capitalized only when it increases the future economic benefit from the specific assets to which it relates.

11. *Government incentives*

The Company receives incentives from the Michigan Economic Development Corporation ("MEDC") in the form of business development grants. These grants are recognized at their fair values in the statement of loss where there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

12. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

13. *Leases*

The lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

14. *Expected credit losses*

Prior to the Company's adoption of Topic 326, the accounts receivable balance was reduced by an allowance for doubtful accounts that was determined based on the Company's assessment of the collectability of customer accounts. Under Topic 326, accounts receivable are recorded at the invoiced amount, net of discount and others and provision for credit loss. The Company regularly reviews the adequacy of the provision for credit loss based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted for current market conditions, the current receivables aging, current payment terms and expectations of forward-looking loss estimates. Provision for credit loss was USD 39,511(INR (3,294,032)) as of March 31, 2024 and allowance for doubtful accounts was USD NIL (INR NIL) of March 31, 2023, and is classified within "Accounts receivable, net" in the balance sheets.

See "Recent accounting pronouncements adopted" section below for information pertaining to the adoption of ASU 2016- 13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instrume

15. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

16. *Recent Accounting Pronouncements Adopted*

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets measured at amortized cost as well as certain off balance sheet commitments (loan commitments, standby letters of credit, financial guarantees, and other similar instruments). The Company adopted ASU 2016-13 on April 01, 2023 using a modified retrospective approach. Results for reporting periods beginning April 01, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of this standard did not have a material impact on the Company's financial statements.

NOTE D – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2024	2023	2024	2023
Bank balances	**3,191,719**	102,855	**266,093,613**	8,575,021
Total	**3,191,719**	102,855	**266,093,613**	8,575,021

NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2024	2023	2024	2023
Accounts receivable	**105,841**	13,840	**8,823,964**	1,153,841
Less: provision for expected credit loss	**(39,511)**	–	**(3,294,032)**	–
Total	**66,330**	13,840	**5,529,932**	1,153,841

The movement in provision for expected credit loss/doubtful accounts during the year was as follows:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	2024	2023	2024	2023
Balance at beginning of the year Provision for expected credit loss	**–**	–	**–**	–
for the current year	**39,511**	–	**3,294,032**	–
Total	**39,511**	–	**3,294,032**	–

NOTE F – INVENTORIES

Inventories comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2024	2023	2024	2023
Raw materials	**7,223,698**	11,560,619	**602,239,702**	963,808,806
Material in transit	**2,080,313**	1,547,931	**173,435,695**	129,051,007
Work-in-process	**923,036**	1,634,632	**76,953,511**	136,279,270
Finished goods	**2,899,192**	5,985,711	**241,705,637**	499,028,726
Less: provision for slow moving, damaged goods and obsolescence	**(2,775,487)**	(5,946,288)	**(231,392,351)**	(495,742,031)
Total	**10,350,752**	14,782,605	**862,942,194**	1,232,425,779

NOTE G – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	2023	**2024**	2023
Prepaid insurance	**–**	51,666	**–**	4,307,395
Prepaid others	**5,261**	71,849	**438,610**	5,990,051
Total	**5,261**	123,515	**438,610**	10,297,446

NOTE H – PROPERTY, PLANT AND EQUIPMENT, NET

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	2023	**2024**	2023
Leasehold improvements	**2,974,161**	2,189,821	**247,955,803**	182,565,377
Machinery & equipment	**3,397,665**	2,866,117	**283,263,331**	238,948,173
Furniture	**102,494**	4,723	**8,544,925**	393,757
Computers	**72,866**	61,374	**6,074,838**	5,116,750
Tooling	**2,370,954**	2,359,850	**197,666,435**	196,740,695
	8,918,138	7,481,885	**743,505,165**	623,764,752
Less: Accumulated depreciation	**(6,686,560)**	(6,198,847)	(557,458,507)	(516,797,874)
Capital work-in-progress	**247,935**	–	20,670,341	–
Property, plant and equipment, net	**2,479,515**	1,283,038	**206,716,166**	106,966,878

Depreciation expense for the year ended March 31, 2024, was USD 521,489 (INR 43,476,538) (March 31, 2023: USD 1,747,266 (INR 145,669,566)). In the year ended March 31, 2024, the Company disposed off the machinery & equipment and computer equipment of having net block USD NIL (INR NIL) and USD 2,264 (INR 188,750), respectively and gross block amounting to USD 32,780 (INR 2,732,869) and USD 3,260 (INR 271,786) respectively and accumulated depreciation of USD 32,780 (INR 2,732,869) & USD 996 (INR 83,037) respectively and a loss amounting to USD 2,264 (INR 188,750) was recognized from the disposal of these assets.

NOTE I – INTANGIBLE ASSETS, NET

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	2023	**2024**	2023
Software	**352,245**	325,048	**29,366,666**	27,099,252
Less: Accumulated amortization	**(327,315)**	(325,048)	**(27,288,252)**	(27,099,252)
Total	**24,930**	–	**2,078,414**	–

Amortization expense for the year is USD 2,267 (INR 189,000) (March 31, 2023: USD 19,034 (INR:1,586,865). The estimate of annual amortization expense for the following years for the intangible assets is as follows:

	Amounts in	
March 31,	**USD**	**INR**
2025	9,065	755,749
2026	9,065	755,749
2027	6,800	566,916
Total	**24,930**	2,078,414

NOTE J – ACCRUED EXPENSES

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	2023	**2024**	2023
Accrued vacation	**36,936**	47,683	**3,079,354**	3,975,332
Accrued payable	**1,188,796**	198,254	**99,109,923**	16,528,436
MEDC accrual*	**531,250**	850,000	**44,290,313**	70,864,500
Accrual for restructuring	**–**	1,098,367	**–**	91,570,857
Sourcing liability	**1,735,328**	1,814,273	**144,674,295**	151,255,940
Accrued merit pay	**193,295**	355,211	**16,115,004**	29,613,941
Accrued payroll	**94,200**	108,990	**7,853,454**	9,086,496
Accrued warranty expense	**1,245,709**	872,624	**103,854,759**	72,750,663
Co-op liability	**100,000**	1,203,000	**8,337,000**	100,294,110
Rebate liability	**–**	3,326,836	**–**	277,358,317
Withholding payroll taxes	**5,333**	11,662	**444,612**	972,261
Others	**45,000**	39,908	**3,751,650**	3,327,130
Total	**5,175,847**	9,926,808	**431,510,198**	827,597,983

The Company had entered into a distribution agreement with MAgNA for the sale of the Products on September 01, 2021. MAgNA was considered as an agent in the transaction in accordance with 'Principal versus Agent Considerations' guidance of ASC 606. Additionally, all the sales incentives and programs were sponsored by the Company. Effective April 01, 2023, the distribution agreement has been discontinued and the Company entered into a new arrangement with MAgNA for supply of off-road vehicles whereby the sale of the Product would be a principal-to-principal transaction and all the sales incentive, and programs would be sponsored by MAgNA. Additionally on January 01, 2024, the Company transferred its rebate liability and Co-op liability to MAgNA for all its earlier sales.

During the year ended March 31, 2024, the marketing cost was USD 100,000 (INR 8,337,000).

*Refer note R - government incentive and credits

NOTE K – LEASES

The Company has entered various facility and equipment operating leases with varying terms. In most circumstances, management expects that in the normal course of business, leases will be renewed or replaced by other leases.

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2024 and March 31, 2023.

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	2023	**2024**	2023
Assets				
Operating lease right-of-use assets	**5,980,346**	1,888,675	**498,581,446**	157,458,835
Total lease assets	**5,980,346**	1,888,675	**498,581,446**	157,458,835
Liabilities				
Current				

Particulars	USD As at March 31, 2024	USD As at March 31, 2023	INR As at March 31, 2024	INR As at March 31, 2023
Operating lease liabilities	**951,855**	1,334,377	**79,356,151**	111,247,010
Non-current				
Operating lease liabilities	**5,285,867**	1,053,102	**440,682,732**	87,797,114
Total lease liabilities	**6,237,722**	2,387,479	**520,038,883**	199,044,124

The table below presents the classification of lease related expenses as reported in the statements of loss.

Particulars	USD For the year ended March 31, 2024	USD For the year ended March 31, 2023	INR For the year ended March 31, 2024	INR For the year ended March 31, 2023
Operating lease expenses*	**1,559,438**	2,258,906	**130,010,346**	188,324,993
Total lease expenses	**1,559,438**	2,258,906	**130,010,346**	188,324,993

* Operating lease expenses are included in selling, general and administrative expenses in the statements of loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2024, for operating leases having an initial or remaining non- cancelable lease term in excess of one year are as follows:

Year ended March 31,	Amount USD	Amount INR
2025	1,385,876	115,540,482
2026	1,366,668	113,939,111
2027	1,311,632	109,350,760
2028	1,307,098	108,972,760
2029	1,307,098	108,972,760
2030	980,324	81,729,612
Total minimum lease payments	**7,658,696**	**638,505,486**
Less: Interest	1,420,974	118,466,602
Present value of lease payments	**6,237,722**	**520,038,883**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2024.

Weighted-average remaining lease term (years)	
Operating leases	5.58
Weighted-average discount rate	
Operating leases	7.57%

The following table presents supplemental information for operating leases for the year ended March 31, 2024, and March 31, 2023:

Particulars	USD For the year ended March 31, 2024	USD For the year ended March 31, 2023	INR For the year ended March 31, 2024	INR For the year ended March 31, 2023
Supplemental information				
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	**1,420,669**	1,468,515	**118,441,175**	122,430,096

NOTE L – REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

Particulars	USD For the year ended March 31, 2024	USD For the year ended March 31, 2023	INR For the year ended March 31, 2024	INR For the year ended March 31, 2023
Vehicle sales	**33,285,971**	32,394,527	**2,775,051,402**	2,700,731,716
Parts and accessory sales	**32,495**	474,484	**2,709,100**	39,557,731
Bike sales	**41,690**	**45,778**	**3,475,704**	**3,816,512**
Total revenue by product line	**33,360,156**	32,914,789	**2,781,236,206**	2,744,105,959

The following table presents revenue disaggregated by timing of recognition:

Particulars	USD For the year ended March 31, 2024	USD For the year ended March 31, 2023	INR For the year ended March 31, 2024	INR For the year ended March 31, 2023
Products transferred at a point in time	**33,360,156**	32,914,789	**2,781,236,206**	2,744,105,959
Total revenue by timing of revenue recognition	**33,360,156**	32,914,789	**2,781,236,206**	2,744,105,959

The following table presents revenue disaggregated by geography based on Company's locations:

Particulars	USD For the year ended March 31, 2024	USD For the year ended March 31, 2023	INR For the year ended March 31, 2024	INR For the year ended March 31, 2023
United States of America	**33,360,156**	32,914,789	**2,781,236,206**	2,744,105,959

Contract balances

The Company's contracts with customers are comprised of purchase orders along with standard terms and conditions. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets and liability balances as of March 31, 2024 and March 31, 2023:

Particulars	USD As at March 31, 2024	USD As at March 31, 2023	INR As at March 31, 2024	INR As at March 31, 2023
Accounts receivable	**66,330**	13,840	**5,529,932**	1,153,841
Accounts receivable, related parties	**2,646,301**	30,199	**220,622,114**	2,517,691

NOTE M – INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to federal taxation and in the State of Michigan.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	Year ended March 31,		**Year ended March 31,**	
Particulars	**2024**	2023	**2024**	2023
Deferred tax asset (liability)				
Net operating loss – federal	**14,236,375**	12,316,407	**1,186,886,584**	1,026,818,852
Accrued vacation	**8,014**	10,740	**668,127**	895,394
Research and development credit	**499,422**	499,422	**41,636,812**	41,636,812
Accrued warranty	**270,275**	196,542	**22,532,827**	16,385,707
Accrued merit pay	**41,938**	80,005	**3,496,371**	6,670,017
Co-op liability	**21,696**	270,953	**1,808,796**	22,589,352
Accrued MEDC	**115,263**	119,654	**9,609,476**	9,975,554
Obsolescence reserve	**602,183**	1,339,291	**50,203,997**	111,656,691
Incentive accrual	**–**	702,463	**–**	58,564,340
Flooring interest accrual	**–**	46,845	**–**	3,905,468
Bad debts	**8,572**	18,582	**714,648**	1,549,181
163 (j) Interest limitation adjustment	**419,021**	434,986	**34,933,781**	36,264,783
Foreign tax credit	**–**	1,158,810	**–**	96,609,990
UNICAP	**17,893**	21,826	**1,491,739**	1,819,634
Lease assets	**55,841**	112,347	**4,655,464**	9,366,369
Net operating loss - Michigan	**1,042,737**	998,597	**86,932,984**	83,253,032
Prepaid expenses	**(1,142)**	(45,154)	**(95,211)**	(3,764,491)
Fixed assets	**(190,017)**	(185,325)	**(15,841,717)**	(15,450,545)
Valuation allowance	**(17,148,071)**	(18,096,991)	**(1,429,634,678)**	(1,508,746,140)
Total	**–**	–	**–**	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference becomes deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 17,148,071 (INR 1,429,634,678) is recognized as at March 31, 2024 (March 31, 2023 USD 18,096,991 (INR 1,508,746,140).

The Company has federal net operating losses (“NOLs”) carryforwards of USD 67,792,263 (INR 5,651,840,966) and USD 58,650,902 (INR 4,889,725,700) as at March 31, 2024 and March 31, 2023, respectively. Out of the total NOLs of USD 67,792,263 (INR 5,651,840,966), if unutilized, NOLs of USD 28,521,191 (INR 2,377,811,694) will begin to expire from the year 2035, whereas the remaining NOLs will be carried forward indefinitely.

The Company has state NOLs of USD 21,998,679 (INR 1,834,029,868) and USD 20,637,195 (INR 1,720,522,947) as at March 31, 2023 and March 31, 2022, respectively which if unutilized will begin to expire from the year 2026.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2020, 2021 and 2022 remain subject to examination by the taxing authorities.

NOTE N – RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Automotive North America, Inc. (“MANA”)	Parent company
3	Mahindra Vehicle Sales and Service, Inc (“MVSS”) Mahindra Integrated Business Solutions Private Limited –	Affiliate company
4	US Branch (“MIBS”)	Affiliate company
5	Mahindra USA, Inc (“MAgNA”)	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	For the year ended March 31		**For the year ended March 31**	
Particulars	**2024**	2023	**2024**	2023
<u>Transactions during the year</u>				
Mahindra Integrated Business Solution Pvt Limited – US branch				
Expenses incurred on our behalf	**287,405**	18,904	**23,960,955**	1,576,026
Administrative services received	**79,820**	142,428	**6,654,593**	11,874,222
Expenses incurred on their behalf	**140,074**	108,739	**11,677,969**	9,065,570
Mahindra Tractor Assembly, Inc.				
Expenses incurred on their behalf	**–**	59,325	**–**	4,945,925
Mahindra Vehicle Sales and Services, Inc.				
Accessories and service parts	**–**	66,605	**–**	5,552,859
Expenses incurred on their behalf	**392,188**	115,085	**32,696,714**	9,594,636
Mahindra Automotive North America, Inc.				
Corporate cost allocation	**2,517,385**	2,948,333	**209,874,387**	245,802,522
Issuance of common stock	**7,470,751**	500,000	**622,836,511**	41,685,000
Expenses incurred on their behalf	**70,963**	69,672	**5,916,185**	5,808,555
Expenses incurred on our behalf	**278,498**	4,803	**23,218,378**	400,426

	USD		INR	
	For the year ended March 31		For the year ended March 31	
Particulars	**2024**	2023	**2024**	2023
Mahindra and Mahindra, Limited				
Purchase of raw materials	**12,111,161**	20,577,067	**1,009,707,493**	1,715,510,076
Expenses Incurred on our behalf	**3,517**	980	**293,212**	81,703
Mahindra USA Inc				
Commission on sale of vehicles	**–**	757,804	**–**	63,178,119
Expense incurred on our behalf	**4,092,446**	2,169,310	**341,187,223**	180,855,374
Liabilities transferred during the year	**2,676,532**	–	**223,142,473**	–
Purchase of spare parts	**2,070**	4,986	**172,576**	415,683
Sale of spare parts	**32,744**	520,682	**2,729,867**	43,409,258
Sale during the year	**34,435,894**	37,309,204	**2,870,920,483**	3,110,468,337

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	2023	**2024**	2023
Balances at the end of the year Accounts receivable, related parties				
Mahindra Vehicle Sales and Service, Inc.	**–**	6,555	**–**	546,491
Mahindra USA, Inc	**2,634,777**	–	**219,661,358**	–
MIBS	**11,524**	23,644	**960,756**	1,971,200
Total	**2,646,301**	30,199	**220,622,114**	2,517,691
Intercompany payables				
Mahindra USA, Inc	**–**	440,468	**–**	36,721,817
Mahindra Automotive North America, Inc.	**622,212**	2,945,575	**51,873,813**	245,572,588
Mahindra and Mahindra, Limited	**11,496,906**	6,929,921	**958,497,053**	577,747,514
Total	**12,119,118**	10,315,964	**1,010,370,866**	860,041,919

NOTE O – COMMITMENTS AND CONTINGENCIES

Litigation

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and-desist order was effective from August 11, 2020. The company stopped selling Roxor Vehicles since then.

Considering the cease-and-desist order, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA requested the United States District Court, Eastern District of Michigan to enjoin the post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

During the year ended March 31, 2024, Sixth Circuit Court of Appeals issued its opinion on FCA's Renewed Motion to prevent the sale of the Post-2020 ROXOR in Accordance with the Safe-Distance Rule. Specifically, the Court of Appeals remanded the case to the Eastern District of Michigan judge asking him to assess whether the "Safe Distance Rule" should have been applied when reviewing the post-2020 ROXOR.

The United States District Court, Eastern District of Michigan concluded that the "Safe Distance Rule" was not applicable and that the Post-2020 ROXOR was non-infringing. FCA did not appeal. The remaining issues were resolved without an award of damages, and the case was closed.

NOTE P – EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD 25,660 (INR 2,139,274) and USD 37,677 (INR 3,141,131) for the years ended March 31, 2024, and March 31, 2023, respectively.

NOTE Q – COMMON STOCK

Common stock

The authorized share capital of the Company as of March 31, 2024, and March 31, 2023, was 5,000,000 shares, respectively of $ 25 each and 100,000 shares of $ 0.10 each. As at March 31, 2024 and March 31, 2023, total shares issued and outstanding was 2,880,539 and 2,581,709 shares, respectively.

The Company issued 298,830 shares and 20,000 shares for USD 25 each for years ended March 31, 2024, and March 31, 2023, respectively.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE R – GOVERNMENT INCENTIVE AND CREDITS

Michigan Economic Development Incentive (MEDC)

The Company, during the year ended March 31, 2019, had recorded government grant incentive income received from MEDC amounting to USD 531,250 (INR 44,290,313). The Company had received this incentive on account of creation of 50 qualified jobs in State of Michigan. During the year 2022, the Company had additionally received USD 318,750 (INR 26,574,188). However, due to the onset of COVID and cease-and-desist order, the Company had furloughed approximately 86 employees and even terminated few employees during the year ended March 31, 2021. The Company terminated and furloughed few other employees in the current year as well on account of its plan of rightsizing and restructuring. Due to these uncertain circumstances, the management believes that it could have potentially violated the conditions stipulated based on which the Company had received the grant in FY 2018-19 and FY 2021-22. The Company is currently evaluating its exposure and is in continuous discussions with the MEDC authorities. The Company has therefore recognized an accrual amounting to USD 531,250 (INR 44,290,313) and USD 850,000 (INR 70,864,500) as at March 31, 2024 and March 31, 2023 for MEDC incentive received in FY 2018-19 and FY 2021-22.

NOTE S – RISK AND UNCERTANITIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan

NOTE T – SUBSEQUENT EVENTS

The net assets of Mahindra North American Technical Center, Inc. were merged with Mahindra Automotive North America, Inc. on April 1, 2024. The strategic rationale for the merger was to simplify the business, streamline operations, reduce overheads, and drive organizational efficiency. The Company evaluated all events and transactions that occurred after March 31, 2024, through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any events or transactions except as disclosed above, that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Automotive North America, Inc.

Qualified opinion

We have audited the accompanying separate parent company financial statements of Mahindra Automotive North America, Inc. ("the Company") which comprise the balance sheets as of March 31, 2024, and March 31, 2023, the related statements of profit and loss, stockholder's equity and cash flows for the years then ended, and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of not consolidating the wholly owned subsidiaries and except for the possible effects of the impairment adjustments to the carrying amounts as discussed in the Basis of qualified opinion paragraph, the separate parent company financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and March 31, 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of qualified opinion

As discussed in Note D. 1 a, to the separate parent company financial statements, the Company reports investment in its wholly owned subsidiaries, Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Service, Inc., on cost basis.

Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have decreased by USD 137,976,357 (INR: :11,503,088,883) and USD 137,947,507 (INR 11,500,683,659) as on March 31, 2024 and March 31, 2023, respectively; total liabilities would have decreased by USD 24,993,119 (INR 2,083,676,331) and USD 24,363,666 (INR 2,031,198,834) as on March 31, 2024 and March 31, 2023, respectively; stockholder's equity would have decreased by USD 162,969,476 (INR 13,586,765,214) and USD 162,311,173 (INR 13,531,882,493) as on March 31, 2024 and March 31, 2023, respectively and net loss would have been reported as USD 1,083,018 (INR 90,291,211) and USD 8,321,471 (INR 693,761,037) for each of the years then ended

The Company has not reviewed its investments in Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Services, Inc as of March 31, 2024, and March 31, 2023, for impairment. We have not been able to obtain sufficient and appropriate evidence over the recoverable amounts of those investments as of March 31, 2024, and March 31, 2023. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate parent company financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

As discussed in Note-B to the financial statements, the Company has suffered losses from operations and has generated negative cashflows from operations. The Company also has an accumulated deficit. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

Other matter

The supplementary information presented in Indian Rupee in the separate parent company financial statements is solely for the convenience of the users of these separate parent company financial statements. The supplementary information presented in Indian Rupee does not form part of the audited separate parent company financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Responsibilities of management for the separate parent company financial statements

Management is responsible for the preparation and fair presentation of these separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the separate parent company financial statements are issued.

Auditor's responsibilities for the audit of the separate parent company financial statements

Our objectives are to obtain reasonable assurance about whether the separate parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction on use and distribution

This report is intended solely for use by the Company's management in connection with the reporting requirements of its ultimate parent company, Mahindra & Mahindra Limited for the year ended March 31, 2024, and March 31, 2023, and should not be used by, or distributed to, anyone in the Group, any of its components, or any other third party.

KNAV P.A.
Atlanta, Georgia
May 03, 2024

Separate Parent Company Financial Statements

BALANCE SHEETS

	USD As of March 31,		INR As of March 31,	
	2024	2023	2024	2023
ASSETS				
Current assets				
Cash and cash equivalents	**2,744,285**	10,187,000	**228,791,040**	849,290,190
Accounts receivable, related parties	**1,334,612**	3,344,035	**111,266,602**	278,792,198
Prepaid expenses & other current assets	**765,508**	331,015	**63,820,402**	27,596,721
Total current assets	**4,844,405**	13,862,050	**403,878,044**	1,155,679,109
Investment in subsidiaries	**162,084,249**	153,263,499	**13,512,963,839**	12,777,577,912
Investments	**1,020,000**	1,050,000	**85,037,400**	87,538,500
Operating lease right-of-use asset	**844,637**	934,525	**70,417,387**	77,911,349
Property and equipment, net	**7,437,285**	7,597,171	**620,046,450**	633,376,146
Intangible assets, net	**–**	16,667	**–**	1,389,528
Other assets	**53,532**	38,598	**4,462,963**	3,217,915
Total assets	**176,284,108**	176,762,510	**14,696,806,083**	14,736,690,459
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Accounts payables	**185,931**	74,522	**15,501,067**	6,212,896
Intercompany payable, related parties	**2,000**	2,000	**166,740**	166,740
Operating lease liability	**212,129**	159,202	**17,685,195**	13,272,671
Accrued expenses and other current liabilities	**1,032,494**	1,103,132	**86,079,025**	91,968,118
Total current liabilities	**1,432,554**	1,338,856	**119,432,027**	111,620,425
Other liabilities				
Operating leases liability - non current	**728,885**	876,270	**60,767,142**	73,054,630
Total liabilities	**2,161,439**	2,215,126	**180,199,169**	184,675,055
Stockholder's equity				
Common stock, $ 25 par value March 31, 2024: 8,000,000 shares authorized 7,773,737 shares issued and outstanding (March 31, 2023: 8,000,000 shares authorized 7,773,737 shares issued and outstanding)	**194,343,430**	194,343,430	**16,202,411,759**	16,202,411,759
Accumulated deficit	**(20,220,761)**	(19,796,046)	**(1,685,804,845)**	(1,650,396,355)
Total stockholder's equity	**174,122,669**	174,547,384	**14,516,606,914**	14,552,015,404
Total liabilities and stockholder's equity	**176,284,108**	176,762,510	**14,696,806,083**	14,736,690,459

(The accompanying notes are an integral part of these separate parent company financial statements)

Separate Parent Company Financial Statements

STATEMENTS OF PROFIT AND LOSS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	**2023**	**2024**	**2023**
Operating revenues	**6,917,738**	7,698,689	**576,731,817**	641,839,702
Cost of revenue	**1,287,692**	968,865	**107,354,882**	80,774,275
Gross profit	**5,630,046**	6,729,824	**469,376,935**	561,065,427
Selling, general and administrative expenses	**5,972,694**	6,438,936	**497,943,499**	536,814,094
Depreciation and amortization expense	**252,998**	239,176	**21,092,443**	19,940,103
Total cost and expenses	**6,225,692**	6,678,112	**519,035,942**	556,754,197
Operating (loss) profit	**(595,646)**	51,712	**(49,659,007)**	4,311,230
Net (loss) gain arising on investments measured	**(30,000)**	(30,000)	**(2,501,100)**	(2,501,100)
Other income	**200,931**	2,267,972	**16,751,617**	189,080,826
(Loss) profit before income tax	**(424,715)**	2,289,684	**(35,408,490)**	190,890,956
Income tax expense	**–**	–	**–**	–
Net (loss) profit	**(424,715)**	2,289,684	**(35,408,490)**	190,890,956

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of stockholder's equity

(All amounts are stated in United States Dollars, except number of shares)

	Common Stock					
	Authorized		Issued & outstanding			
Particulars	Shares	Value($)	Shares	Value($)	Accumulated (deficit)	Total shareholder's equity
Balance as of April 1, 2022	8,000,000	200,000,000	7,417,737	185,443,430	(22,085,730)	163,357,700
Common stock issued during the year	–	–	356,000	8,900,000	–	8,900,000
Net profit	–	–	–	–	2,289,684	2,289,684
Balance as at March 31, 2023	**8,000,000**	**200,000,000**	**7,773,737**	**194,343,430**	**(19,796,046)**	**174,547,384**
Balance as of April 01, 2023	8,000,000	200,000,000	7,773,737	194,343,430	(19,796,046)	174,547,384
Net loss	–	–	–	–	(424,715)	(424,715)
Balance as at March 31, 2024	**8,000,000**	**200,000,000**	**7,773,737**	**194,343,430**	**(20,220,761)**	**174,122,669**

(The accompanying notes are an integral part of these separate parent company financial statements)

(All amounts are stated in Indian Rupees, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	Shares	Value	Shares*	Value	Accumulated deficit	Total shareholder's equity (deficit)
Balance as of April 01, 2022	8,000,000	16,674,000,000	7,417,737	15,460,418,759	(1,841,287,310)	13,619,131,449
Common stock issued during the year	–	–	356,000	741,993,000	–	741,993,000
Net profit	–	–	–	–	190,890,955	190,890,955
Balance as at March 31, 2023	**8,000,000**	**16,674,000,000**	**7,773,737**	**16,202,411,759**	**(1,650,396,355)**	**14,552,015,404**
Balance as of April 01, 2023	8,000,000	16,674,000,000	7,773,737	16,202,411,759	(1,650,396,355)	14,552,015,404
Net loss	–	–	–	–	(35,408,490)	(35,408,490)
Balance as at March 31, 2024	**8,000,000**	**16,674,000,000**	**7,773,737**	**16,202,411,759**	**(1,685,804,845)**	**14,516,606,914**

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Net (loss) profit	**(424,715)**	2,289,684	**(35,408,490)**	190,890,956
Adjustment to reconcile net (loss) profit to net cash from (used in) operating activities				
Depreciation and amortization expense	**252,998**	239,176	**21,092,443**	19,940,103
Net loss arising on investments measeured at fair value	**30,000**	30,000	**2,501,100**	2,501,100
Changes in assets and liabilities				
Accounts receivable, related parties	**2,009,422**	(1,631,289)	**167,525,512**	(136,000,564)
Prepaid expenses and other current assets	**(434,490)**	(146,403)	**(36,223,431)**	(12,205,618)
Operating lease right- of -use assets	**89,888**	46,210	**7,493,963**	3,852,528
Other assets	**(14,935)**	11,642	**(1,245,131)**	970,594
Accounts payables	**111,408**	(97,835)	**9,288,085**	(8,156,504)
Intercompany payable, related parties	**–**	(25,000)	**–**	(2,084,250)
Operating leases liability	**(94,458)**	(65,539)	**(7,874,963)**	(5,463,986)
Accrued expenses and other current liabilities	**(70,638)**	(2,227,127)	**(5,889,090)**	(185,675,578)
Net cash generated from (used in) operating activities	**1,454,480**	(1,576,481)	**121,259,998**	(131,431,219)
Cash flows from investing activities				
Purchase of property, equipment	**(76,445)**	(25,056)	**(6,373,220)**	(2,088,919)
Investment in subsidiary	**(8,820,750)**	(2,370,000)	**(735,385,928)**	(197,586,900)
Net cash used in investing activities	**(8,897,195)**	(2,395,056)	**(741,759,148)**	(199,675,819)
Cash flows from financing activities				
Issuance of common stock	**–**	8,900,000	**–**	741,993,000
Net cash flows from financing activities	**–**	8,900,000	**–**	741,993,000
Net (decrease) increase in cash and cash equivalents	**(7,442,715)**	4,928,463	**(620,499,150)**	410,885,960
Cash and cash equivalents at beginning of the year	**10,187,000**	5,258,537	**849,290,190**	438,404,230
Cash and cash equivalents at the end of the year	**2,744,285**	10,187,000	**228,791,040**	849,290,190
Supplemental cash flow information				
Income taxes paid	**–**	–	**–**	–

(The accompanying notes are an integral part of these separate parent company financial statements.)

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Mahindra Automotive North America, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on March 27, 2017 and is a wholly owned subsidiary of Mahindra Overseas Investment Company Mauritius, Limited ("MOICML"). Both, the Company and MOICML are subsidiaries of Mahindra and Mahindra Limited ("M&M"). The Company engineers, designs, develops, assembles and delivers parts and vehicles to the global automotive market for off-road use, as an Original Equipment Manufacturer ("OEM") headquartered in Auburn Hills, MI.

The Company owns 100% of two separate business units ("Group"); Mahindra Vehicle Sales and Service, Inc. ("MVSS") which was previously engaged in the sales of off-road recreational vehicles and Mahindra North American Technical Centre, Inc. ("MNATC") which is involved in the manufacture of off-road vehicles. The Company's vehicle brand, ROXOR, is an off-road side-by-side vehicle.

NOTE B - SUBSIDIARIES OPERATIONS

On April 30, 2017, the Company acquired all the stock of MNATC from Mahindra USA, Inc., another wholly owned subsidiary of M&M.

On January 15, 2018, MNATC began producing ROXOR vehicles from its facility in Auburn Hills, MI. In Michigan, when engaged in automotive manufacturing activities, MNATC does business as "d/b/a" Mahindra Automotive North America Manufacturing ("MANAM").

MVSS was formed on May 13, 2017 to function as the sales and distribution business unit for ROXOR. MVSS used to purchase the ROXORs manufactured by MANAM and wholesale them to MVSS's dealerships. Effective September 01, 2021, ROXOR vehicles and its parts and accessories are distributed through Mahindra USA, Inc ("MAgNA").

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and-desist order was effective from August 11, 2020. The company stopped selling Roxor Vehicles since then.

Considering the cease-and-desist order, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA requested the United States District Court, Eastern District of Michigan to enjoin the post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

During the year ended March 31, 2024, Sixth Circuit Court of Appeals issued its opinion on FCA's Renewed Motion to prevent the sale of the Post-2020 ROXOR in Accordance with the Safe-Distance Rule. Specifically the Court of Appeals remanded the case to the Eastern District of Michigan judge asking him to assess whether the "Safe Distance Rule" should have been applied when reviewing the post-2020 ROXOR.

The United States District Court, Eastern District of Michigan concluded the so called "Safe Distance Rule" was not applicable and that the Post-2020 ROXOR was non-infringing. FCA did not appeal. The remaining issues were resolved without an award of damages, and the case was closed.

NOTE C - GOING CONCERN EVALUATION

The Company has incurred a loss of USD 424,715 (INR 35,408,490) during the year ended March 31, 2024. There is an accumulated deficit of USD 20,220,761 (INR 1,685,804,845) as at March 31, 2024 and USD 19,796,046 (INR 1,650,396,355) as at March 31, 2023. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. During the year ended March 31, 2024, the Company did not seek any additional funding from the ultimate parent company as the Company generated positive operating cash flows amounting to USD 1,454,480 (INR 121,259,998). The plans of the management to mitigate the adverse effects, inter alia are as follows:

1) Reviving its business operations through organizational restructuring.
2) The Company have implemented new business cost reduction plans resulting in reduction in costs for ROXOR.
3) The Company expects higher scale of volume of sale to MAgNA through expansion of MAgNA's dealer network.
4) With respect to the litigation, the matter was ruled out in favor of the Company and none of the parties appealed the verdict, and the remaining issues were resolved without an award of damages. Hence the Company is positive with its future prospects.

Based on the above mitigating factors, the separate parent company financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. Basis of preparation

a. The accompanying separate parent company financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company. The Company reports investment in its wholly owned subsidiary, Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Service, Inc., on cost basis for the reporting requirements of its ultimate parent company, Mahindra and Mahindra Limited. Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have decreased by USD 137,976,357 (INR:11,503,088,883) and USD 137,947,507 (INR 11,500,683,659) as on March 31, 2024 and March 31, 2023, respectively; total liabilities would have decreased by USD 24,993,119 (INR 2,083,676,331) and USD 24,363,666 (INR 2,031,198,834) as on March 31, 2024 and March 31, 2023, respectively; stockholder's equity would have decreased by USD 162,969,476 (INR 13,586,765,214) and USD 162,311,173 (INR 13,531,882,493) as on March 31, 2024 and March 31, 2023, respectively and net loss would have been reported as USD 1,083,018 (INR 90,291,211) and USD 8,321,471 (INR 693,761,037) for each of the years then ended.

b. The separate parent company financial statements are for the years ended March 31, 2024, and March 31, 2023.

c. Financial information in the separate parent company financial statements is shown in U.S. dollars ("USD") and in Indian rupees ("INR"). For the fiscal years ended March 31, 2024, and March 31, 2023, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 83.37 INR per dollar on March 31, 2024. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

d. Certain reclassifications, regroupings and reworking have been made in the separate parent company financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported separate parent company net profit or stockholder's equity.

2. Use of estimates

The preparation of separate parent company financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the separate parent company financial statements. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation allowance for deferred tax assets, and other contingencies. Management believes that the estimates used in the preparation of the separate parent company financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the separate parent company financial statements.

3. Revenue recognition

Revenue of the Company comprise of fees for services rendered to its ultimate parent company and its subsidiaries. These fees have been accrued as the related services have been performed.

Revenue is recognized upon transfer of control of services promised to customers in an amount that reflects the consideration the Company expects to receive in exchange for these products or services.

4. Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR 20,842,500). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

5. Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to statements of profit and loss.

The estimated useful life used to determine depreciation is:

Buildings	39-40 years
Leasehold improvements	7 years or the lease period
Furniture	5-7 years
Computer equipment	2 years

Expenditures for maintenance and repairs are charged to statement of loss. Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

The cost of property and equipment not ready for use before such date are disclosed under capital work-in-progress.

6. Intangible assets

Intangible assets comprise of computer software which has been recognized at cost and amortized over a period of estimated useful life. Subsequent expenditures are capitalized only when it increases the future economic benefit from the specific assets to which it relates.

Category	Useful life
Software	3 years

7. Income taxes

Income taxes are provided for the tax effects of transactions reported in the separate parent company financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying separate parent company financial statements.

8. Investments

Investments are carried at fair value and any upward and downward adjustments are adjusted through statement of profit and loss. Acquisition related expenditure if any, is expensed in the year of incurring the same.

9. Unbilled receivables

Unbilled receivables represent value of services performed in accordance with the contract terms but not billed.

10. Leases

Accounting Standard Update ("ASU") 2016-02, Leases

The Company adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

11. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the separate parent company financial statements.

12. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

13. Accounts receivable & allowance for doubtful debts

Accounting policy of expected credit loss – "Prior to the Company's adoption of Topic 326, the accounts receivable balance was reduced by an allowance for doubtful accounts that was determined based on the Company's assessment of the collectability of customer accounts. Under Topic 326, accounts receivable are recorded at the invoiced amount, net of discount and others and provision for credit loss. The Company regularly reviews the adequacy of the provision for credit loss based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted for current market conditions, the current receivables aging, current payment terms and expectations of forward-looking loss estimates. During the year ended March 31, 2024 there was no material impact on adoption of this standard. See "Recent accounting pronouncements adopted" section below for information pertaining to the adoption of ASU 2016- 13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments".

14. Recent accounting pronouncements adopted

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets measured at amortized cost as well as certain off balance sheet commitments (loan commitments, standby letters of credit, financial guarantees, and other similar instruments). The Company adopted ASU 2016-13 on April 01, 2023, using a modified retrospective approach. Results for reporting periods beginning April 01, 2023, are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of this standard did not have a material impact on the Company's financial statements.

NOTE E - CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Bank balances	**2,744,285**	10,187,000	**228,791,040**	849,290,190
Total	**2,744,285**	10,187,000	**228,791,040**	849,290,190

NOTE F - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Prepaid software license fee	**336,406**	111,272	**28,046,168**	9,276,747
Prepaid insurance	**192,145**	212,491	**16,019,129**	17,715,375
Prepaid others	**–**	7,252	**–**	604,599
Unbilled revenue	**236,957**	–	**19,755,105**	–
Total	**765,508**	331,015	**63,820,402**	27,596,721

NOTE G - INVESTMENT IN SUBSIDIARIES

Investments comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Investment in MNATC, Inc.	**71,998,480**	64,527,729	**6,002,513,278**	5,379,676,767
Investment in MVSS, Inc.	**90,085,769**	88,735,770	**7,510,450,561**	7,397,901,145
Total	**162,084,249**	153,263,499	**13,512,963,839**	12,777,577,912

NOTE H - INVESTMENT

Financial asset	**Fair value as at March 31, 2024 USD**	**Fair value as at March 31, 2023 USD**	**Fair value as at March 31, 2024 INR**	**Fair value as at March 31, 2023 INR**	**Fair value hierarchy**
Investment	1,020,000	1,050,000	85,037,400	87,538,500	Level 3

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Opening balance	**1,050,000**	1,080,000	**87,538,500**	90,039,600
Fair value through earnings	**(30,000)**	(30,000)	**(2,501,100)**	(2,501,100)
Closing balance	**1,020,000**	1,050,000	**85,037,400**	87,538,500

Valuation technique(s) used and key input(s): Discounted cash flow method.

Key inputs-financial projections - These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.

Significant unobservable input(s): Financial projections and discount rates to discount future cash flows.

Relationship of unobservable inputs to fair value: Any change in the discount factor, financial projections, etc. would entail corresponding change in valuation of equity component.

NOTE I - PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Land	**1,350,000**	1,350,000	**112,549,500**	112,549,500
Building	**7,005,050**	7,005,050	**584,011,019**	584,011,019
Furniture	**62,276**	62,276	**5,191,950**	5,191,950
Computer equipment	**25,056**	25,056	**2,088,919**	2,088,919
Leasehold improvements	**184,946**	184,946	**15,418,948**	15,418,948
Construction in progress	**76,445**	–	**6,373,220**	–
	8,703,773	8,627,328	**725,633,555**	719,260,336
Less: Accumulated depreciation	**(1,266,488)**	(1,030,157)	**(105,587,105)**	(85,884,189)
Property and equipment, net	**7,437,285**	7,597,171	**620,046,450**	633,376,146

Depreciation expense for the year is USD 236,331 (INR 19,702,915) (March 31, 2023: USD 230,843 (INR:19,245,381).

NOTE J - INTANGIBLE ASSETS, NET

Intangible assets comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Software	**25,000**	25,000	**2,084,250**	2,084,250
Less: Accumulated amortization	**(25000)**	(8,333)	**(2,084,250)**	(694,722)
Intangible assets, net	**–**	16,667	**–**	1,389,528

In March 2022, the Company purchased software from its affiliate company – Mahindra Tractor Assembly, Inc., amounting to USD 25,000 (INR 2,054,750). Amortization expense is USD 16,667 (INR 1,389,528) for year ended March 31, 2024, and USD 8,333 (INR 694,722) for the year ended March 31, 2023.

NOTE K - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2024	2023	2024	2023
Accrued vacation	**184,077**	114,129	**15,346,499**	9,514,935
Accrued merit-pay	**431,517**	351,271	**35,975,572**	29,285,463
Accrued payroll	**103,200**	98,897	**8,603,784**	8,245,043
Accrued federal and state income taxes	**110,114**	110,114	**9,180,204**	9,180,204
Accrued accounts payable	**113,308**	310,894	**9,446,488**	25,919,233
Withholding payroll taxes	**12,669**	10,782	**1,056,215**	898,895
Others	**77,609**	107,045	**6,470,263**	8,924,345
Total	**1,032,494**	1,103,132	**86,079,025**	91,968,118

NOTE L - LEASES

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2024 and March 31, 2023.

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2024	2023	2024	2023
Assets				
Operating lease right-of-use assets	**844,637**	934,525	**70,417,387**	77,911,349
Total lease assets	**844,637**	934,525	**70,417,387**	77,911,349
Liabilities				
Current				
Operating lease liabilities	**212,129**	159,202	**17,685,195**	13,272,671
Long term				
Operating lease liabilities	**728,885**	876,270	**60,767,142**	73,054,630
Total lease liabilities	**941,014**	1,035,472	**78,432,337**	86,327,301

The table below presents the classification of lease related expenses as reported in the statements of income.

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	2024	2023	2024	2023
Operating lease expense*	**295,699**	292,722	**24,652,426**	24,404,233
Total lease expense	**295,699**	292,722	**24,652,426**	24,404,233

*Operating lease expense are included in selling, general and administrative expenses in the statements of profit or loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2024, for operating leases having an initial or remaining non- cancelable lease term in excess of one year are as follows.

Year ended March 31	Amount (USD)	Amount (INR)
2025	248,791	20,741,706
2026	224,523	18,718,483
2027	207,113	17,267,011
2028	207,656	17,312,281
2029	148,986	12,420,963
2030	–	–
Total minimum lease payments	**1,037,069**	**86,460,444**
Less: Interest	96,055	8,008,105
Present value of lease payments	**941,014**	**78,452,339**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2024.

Weighted-average remaining lease term (years)	
Operating leases	4.47
Weighted-average discount rate	
Operating leases	4.43%

The following table presents supplemental information for operating leases for the year ended March 31, 2024, and March 31, 2023.

	USD		INR	
	Year ended March 31		Year ended March 31	
Supplemental information	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows used in operating leases	**220,898**	197,781	**18,416,266**	16,489,002
	220,898	197,781	**18,416,266**	16,489,002

NOTE M - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to taxation in the United States and the State of Michigan. The income tax expense is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Current and deferred tax expense	–	–	–	–
Income tax expense	–	–	–	–

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Deferred tax asset (liability)				
Net operating loss – federal	**4,025,829**	4,048,163	**335,633,378**	337,495,382
Net operating loss – state (Michigan)	**268,416**	247,258	**22,377,842**	20,613,899
Accrued vacation	**39,938**	25,705	**3,329,631**	2,143,026
Accrued merit pay	**93,624**	79,117	**7,805,433**	6,595,984
Earnings in Subsidiary	**(58,580)**	(67,569)	**(4,883,815)**	(5,633,228)
163 (j) interest limitation adjustment	**176,958**	179,396	**14,752,988**	14,956,245
Lease assets	**20,910**	22,736	**1,743,267**	1,895,500
Prepaid expenses	**(114,677)**	(72,921)	**(9,560,621)**	(6,079,424)
Fixed assets	**(6,675)**	(23,407)	**(556,495)**	(1,951,442)
Total	**4,445,743**	4,438,478	**370,641,608**	370,035,942
Less: valuation allowance	**(4,445,743)**	(4,438,478)	**(370,641,608)**	(370,035,942)
Total deferred tax assets	–	–	–	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 4,445,743 (INR 370,641,608) is recognized as at March 31, 2024 (March 31, 2023 USD 4,438,478 (INR 370,035,911)).

The Company has federal net operating losses ("NOLs") carryforwards of USD 19,170,613 (INR 1,598,254,006) and USD 18,796,308 (INR 1,567,048,198) as at March 31, 2024, and March 31, 2023, which if unutilized, will be carried forward indefinitely.

The Company has state NOLs carryforwards of USD 5,662,791 (INR 472,106,886) and USD 5,603,498 (INR 467,163,628) as at March 31, 2024 and March 31, 2023, which if unutilized will begin to expire from the year 2028.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2020, 2021 and 2022 remain subject to examination by the taxing authorities.

NOTE N - RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Overseas Investment Company Mauritius Limited	Parent company
3	Mahindra North American Technical Center, Inc.	Wholly owned subsidiary
4	Mahindra Vehicle Sales and Services, Inc.	Wholly owned subsidiary
5	Mahindra Integrated Business Solutions - US Branch	Affiliate company
6	Mahindra Integrated Business Solutions Pvt Ltd	Affiliate company
7	Mahindra, USA, Inc ("MAgNA")	Affiliate company

Summary of transactions and balances with related parties are as follows:

Particulars	USD For the year ended March 31, 2024	USD For the year ended March 31, 2023	INR For the year ended March 31, 2024	INR For the year ended March 31, 2023
Transactions during the year				
Mahindra Overseas Investment Company Mauritius Limited				
Issuance of common stock	**-**	8,900,000	**-**	741,993,000
Mahindra & Mahindra Limited				
Management service fee	**901,912**	782,822	**75,192,403**	65,263,870
Expense incurred on behalf of MANA	**2,793**	1,351	**232,852**	112,633
Mahindra Integrated Business Solutions Pvt Ltd				
Purchase of service	**24,000**	23,867	**2,000,880**	1,989,792
Mahindra Integrated Business Solutions – US Branch				
Management service fee	**2,944,621**	3,758,209	**245,493,053**	313,321,884
Expenses incurred on behalf of MANA	**107,072**	37,210	**8,926,593**	3,102,198
Expense incurred on behalf of MIBS	**151,900**	39,533	**12,663,903**	3,295,866
Mahindra North American Technical Centre, Inc.				
Management service fee allocation*	**2,517,385**	2,948,333	**209,874,387**	245,802,522
Investment	**7,470,751**	500,000	**622,836,511**	41,685,000
Expense incurred on behalf of MANA	**70,963**	69,672	**5,916,185**	5,808,555
Expense incurred on behalf of MNATC	**278,498**	4,803	**23,218,385**	400,426
Mahindra Vehicle Sales and Services, Inc.				
Investment	**1,350,000**	1,870,000	**112,549,500**	155,901,900
Expenses incurred on behalf of the Company	**2,030**	2,617	**169,241**	218,179
Mahindra USA Inc.				
Management service fee allocation*	**256,717**	215,109	**21,402,487**	17,941,974
Expenses reimbursements to the Company	**-**	1,379	**-**	114,967
Balances at the end of the year				
Due from related parties				
Mahindra & Mahindra, Limited	**233,780**	180,860	**19,490,239**	15,078,298
Mahindra North American Technical Center, Inc.	**622,212**	2,945,576	**51,873,813**	245,572,671
Mahindra USA Inc.	**58,522**	49,316	**4,878,978**	4,111,475
Mahindra Integrated Business Solutions	**420,097**	168,283	**35,023,487**	14,029,754
	1,334,612	3,344,035	**111,266,602**	278,792,198
Intercompany payable, others				
Mahindra Integrated Business Solutions Pvt Ltd	**2,000**	2,000	**166,740**	166,740
	2,000	2,000	**166,740**	166,740

* The Company allocates cost to its wholly owned subsidiaries and affiliate company.

NOTE O - COMMITMENTS AND CONTINGENCIES

Long term purchase commitment

On September 24, 2019, the Company signed a Vendor Subscription Agreement(“VSA”) with Icon International Inc.(“ICON”), a subsidiary of Omnicom Media Group, for purchase of certain media advertising for 5 years in an amount not less than USD 2,263,022 (INR:188,668,144) each year. In addition, the Company signed an indemnity bond amounting to USD 1,600,000 (INR: 133,392,000) with Atlantic Specialty Insurance Company which bound Mahindra Automotive North America, Inc., and its subsidiaries to purchase media advertising through ICON. If the Company fails to place the minimum amount of advertising spend on the contract anniversary each year it will be assessed a penalty of 15% of the shortfall. ICON provides composition and consultation services at no charge for media placements. ICON’s placement services include broadcast, digital, and print media advertising which will be billed to the Company at a competitive market rate. During the term of the agreement the Company agreed to provide ICON with the right of first refusal on any media being placed.

Due to the cease-and desist order, the Company was prohibited to sell, market, import and manufacture the model year 2018, 2019 and 2020 ROXOR off-road vehicle in the US. Since the Company’s operations were paused and it could not carry out marketing activities, the management decided to opt out of long-term contracts and commitments entered by the Company. During the year ended March 31, 2021, the Company believed that it would be able to terminate the VSA by paying the penalty and thus created an accrual of USD 625,000 (INR: 52,106,250) as at March 31, 2021.

During the year ended March 31, 2023, the Company renegotiated the VSA with ICON and extended the agreement till March 31, 2025. MVSS accrued an amount of USD 1,062,319 (INR 88,565,535) as at March 31, 2023 as its best estimate for penalty liability mentioned in the VSA. However, during the current year ended March 31, 2024 the agreement was terminated and the liability was settled with payment of USD 1,040,099 (INR 83,713,066) by MVSS.

Litigation

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA’s claims relating to unregistered “trade dress” of FCA’s Jeep branded vehicles both at the International Trade Commission (“ITC”) and at the United States District Court, Eastern District of Michigan. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and-desist order was effective from August 11, 2020. The company stopped selling Roxor Vehicles since then.

Considering the cease-and-desist order, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge (“ALJ”) found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA requested the United States District Court, Eastern District of Michigan to enjoin the post-2020 ROXOR based on the “safe distance rule”. The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

During the year ended March 31, 2024, Sixth Circuit Court of Appeals issued its opinion on FCA’s Renewed Motion to prevent the sale of the Post-2020 ROXOR in Accordance with the Safe-Distance Rule. Specifically the Court of Appeals remanded the case to the Eastern District of Michigan judge asking him to assess whether the “Safe Distance Rule” should have been applied when reviewing the post-2020 ROXOR.

The United States District Court, Eastern District of Michigan concluded that the “Safe Distance Rule” was not applicable and that the Post-2020 ROXOR was non-infringing. FCA did not appeal. The remaining issues were resolved without an award of damages, and the case was closed.

NOTE P - STOCKHOLDER’S EQUITY

Common stock

The authorized share capital of the Company as of March 31, 2024 and March 31, 2023 was 8,000,000 shares and 8,000,000 shares, respectively, of $ 25 each. As at March 31, 2024 and March 31, 2023 total shares issued and outstanding was 7,773,737 and 7,773,737 shares, respectively.

The Company issued NIL shares and 356,000 shares for USD 25 each for years ended March 31, 2024, and March 31, 2023, respectively.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE Q - RISKS AND UNCERTAINITIES

The Company’s future results of operations involve several risks and uncertainties.

Factors that could affect the Company’s future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company’s ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company’s ability to execute on its business plan.

NOTE R - REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue disaggregated by product line:

	USD		INR	
	Year ended March 31, 2024	**Year ended March 31, 2023**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Service	**6,917,738**	7,698,689	**576,731,817**	641,839,702
Total revenue by product line	**6,917,738**	7,698,689	**576,731,817**	641,839,702

Revenue disaggregated by timing of recognition:

	USD		INR	
	Year ended March 31, 2024	**Year ended March 31, 2023**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Products transferred over time	**6,917,738**	7,698,689	**576,731,817**	641,839,702
Total revenue by timing of recognition	**6,917,738**	7,698,689	**576,731,817**	641,839,702

Revenue disaggregated by geography based on Company's locations:

	USD		INR	
	Year ended March 31, 2024	**Year ended March 31, 2023**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
United States	**6,015,826**	6,915,867	**501,539,414**	576,575,832
India	**901,912**	782,822	**75,192,403**	65,263,870
Total revenue by geography	**6,917,738**	7,698,689	**576,731,817**	641,839,702

Contract assets

The Company's contracts with customers with dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets as at March 31, 2024 and March 31, 2023:

	USD		INR	
	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2024**	**As at March 31, 2023**
Accounts receivable, related parties	**1,334,612**	3,344,035	**111,266,602**	278,792,198

NOTE S - EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD 52,409 (INR 4,369,338) and USD 45,821 (INR 3,820,097) for the years ended March 31, 2024 and March 31, 2023, respectively.

NOTE T - ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of selling, general and administrative expenses in the statement of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2024 and March 31, 2023 is USD 7,352 (INR 612,936) and USD 9,259 (INR 771,923) respectively.

NOTE U - SUBSEQUENT EVENTS

The net assets of MNATC. were merged with the Company on April 1, 2024. The strategic rationale for the merger was to simplify the business, streamline operations, reduce overheads, and drive organizational efficiency. The Company evaluated all events and transactions that occurred after March 31, 2024, through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any events or transactions except as disclosed above, that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Vehicle Sales and Services, Inc.

OPINION

We have audited the accompanying financial statements of **Mahindra Vehicle Sales and Services, Inc.** ('the Company') which comprise the balance sheets as of March 31, 2024, and March 31, 2023, and the related statements of profit or loss, stockholder's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and March 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER

As discussed in Note-B to the financial statements, the Company has generated negative cashflows from operations and has a net capital deficiency. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note-B. Our opinion is not qualified with respect to this matter.

OTHER MATTER

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of these financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit

KNAV CPA LLP.
Atlanta, Georgia
May 03, 2024

BALANCE SHEETS

	USD As of March 31, 2024	USD As of March 31, 2023	INR As of March 31, 2024	INR As of March 31, 2023
ASSETS				
Current assets				
Cash and cash equivalents	**59,857**	133,971	**4,990,278**	11,169,162
Accounts receivable, net of allowance	**49,230**	11,102	**4,104,305**	925,574
Intercompany receivable	**39,989**	–	**3,333,883**	–
Prepaid expenses & other current assets	**–**	110	**–**	9,171
Total current assets	**149,076**	145,183	**12,428,466**	12,103,907
Property and equipment, net	**–**	4,533	**–**	377,916
Operating lease right-of-use assets, net	**–**	4,354	**–**	362,993
Total assets	**149,076**	154,070	**12,428,466**	12,844,816
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)				
Current liabilities				
Accounts payable	**–**	5,592	**–**	466,205
Operating lease liability	**–**	3,517	**–**	293,212
Accrued expenses and other current liabilities	**1,280,382**	3,553,353	**106,745,447**	296,243,040
Intercompany payables	**–**	6,555	**–**	546,490
Total current liabilities	**1,280,382**	3,569,017	**106,745,447**	297,548,947
Total liabilities	**1,280,382**	3,569,017	**106,745,447**	297,548,947
Stockholder's deficit				
Common stock, $ 25 par value 5,000,000 shares authorized, 3,603,431 shares issued and outstanding, (March 31, 2023: Common stock, $ 25 par value 5,000,000 shares authorized, 3,549,431 shares issued and outstanding)	**90,085,770**	88,735,770	**7,510,450,645**	7,397,901,145
Accumulated deficit	**(91,217,076)**	(92,150,717)	**(7,604,767,626)**	(7,682,605,276)
Total stockholder's deficit	**(1,131,306)**	(3,414,947)	**(94,316,981)**	(284,704,131)
Total liabilities and stockholder's (deficit)	**149,076**	154,070	**12,428,466**	12,844,816

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF PROFIT (LOSS)

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Operating revenues	**90,818**	105,118	**7,571,497**	8,763,688
Cost of revenue	**99,192**	97,935	**8,269,637**	8,164,841
Gross profit (loss)	**(8,374)**	7,183	**(698,140)**	598,847
Selling, general and administrative expenses	**625,830**	2,194,268	**52,175,447**	182,936,123
Depreciation and amortization	**4,533**	850	**377,916**	70,865
Total costs and expenses	**630,363**	2,195,118	**52,553,363**	183,006,988
Operating loss	**(638,737)**	(2,187,935)	**(53,251,503)**	(182,408,141)
Interest (income) expense	**(12)**	256	**(1,000)**	21,343
Other income	**(1,572,366)**	–	**(131,088,153)**	–
Income (loss) before income taxes	**933,641**	(2,188,191)	**77,837,650**	(182,429,484)
Income tax expense (benefit)	**–**	–	**–**	–
Net income (loss)	**933,641**	(2,188,191)	**77,837,650**	(182,429,484)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S DEFICIT

(All amounts are stated in United States Dollars, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	**Shares**	**Value**	**Shares**	**Value**	**Accumulated deficit**	**Total shareholder's equity (deficit)**
Balance as of April 01, 2022	5,000,000	125,000,000	3,474,631	86,865,770	(89,962,526)	(3,096,756)
Common stock issued during the year	–	–	74,800	1,870,000	–	1,870,000
Net loss for the year	–	–	–	–	(2,188,191)	(2,188,191)
Balance as of March 31, 2023	**5,000,000**	**125,000,000**	**3,549,431**	**88,735,770**	**(92,150,717)**	**(3,414,947)**
Balance as of April 01, 2023	5,000,000	125,000,000	3,549,431	88,735,770	(92,150,717)	(3,414,947)
Common stock issued during the year	–	–	54,000	1,350,000	–	1,350,000
Net profit for the year	–	–	–	–	933,641	933,641
Balance as of March 31, 2024	**5,000,000**	**125,000,000**	**3,603,431**	**90,085,770**	**(91,217,076)**	**(1,131,306)**

(All amounts are stated in Indian Rupees, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	**Shares**	**Value**	**Shares**	**Value**	**Accumulated deficit**	**Total shareholder's equity (deficit)**
Balance as of April 01, 2022	5,000,000	10,421,250,000	3,474,631	7,241,999,245	(7,500,175,792)	(258,176,547)
Common stock issued during the year	–	–	74,800	155,901,900	–	155,901,900
Net loss for the year	–	–	–	–	(182,429,484)	(182,429,484)
Balance as of March 31, 2023	**5,000,000**	**10,421,250,000**	**3,549,431**	**7,397,901,145**	**(7,682,605,276)**	**(284,704,131)**
Balance as of April 01, 2023	**5,000,000**	**10,421,250,000**	**3,549,431**	**7,397,901,145**	**(7,682,605,276)**	**(284,704,131)**
Common stock issued during the year	–	–	54,000	112,549,500	–	112,549,500
Net profit for the year	–	–	–	–	77,837,650	77,837,650
Balance as of March 31, 2024	**5,000,000**	**10,421,250,000**	**3,603,431**	**7,510,450,645**	**(7,604,767,626)**	**(94,316,981)**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Cash flow from operating activities				
Net profit (loss)	**933,641**	(2,188,191)	**77,837,650**	(182,429,484)
Adjustments to reconcile net profit (loss) to net cash used in operating activities				
Depreciation and amortization	**4,533**	850	**377,916**	70,865
Provision for expected credit losses	**2,423**	–	**202,006**	–
Changes in assets and liabilities				
Accounts receivable, net of allowance	**(40,552)**	(629)	**(3,380,820)**	(52,441)
Accounts receivable, related party	**–**	2,481	**–**	206,841
Prepaid expenses & other current assets	**110**	4,137	**9,171**	344,902
Accounts payable	**(5,593)**	(151,572)	**(466,289)**	(12,636,558)
Intercomany receivable	**(39,989)**		**(3,333,884)**	
Intercompany payables	**(6,555)**	(343,180)	**(546,490)**	(28,610,917)
Operating lease right-of-use assets	**4,353**	13,839	**362,910**	1,153,757
Operating lease liability	**(3,517)**	(13,677)	**(293,212)**	(1,140,250)
Accrued expenses and other current liabilities	**(2,272,968)**	675,482	**(189,497,342)**	56,314,935
Net cash used in operating activities	**(1,424,114)**	(2,000,460)	**(118,728,384)**	(166,778,350)
Cash flows from financing activities				
Issuance of common stock	**1,350,000**	1,870,000	**112,549,500**	155,901,900
Net cash provided by financing activities	**1,350,000**	1,870,000	**112,549,500**	155,901,900
Net decrease in cash and cash equivalents	**(74,114)**	(130,460)	**(6,178,884)**	(10,876,450)
Cash and cash equivalents at the beginning	**133,971**	264,431	**11,169,162**	22,045,612
Cash and cash equivalents at the end	**59,857**	133,971	**4,990,278**	11,169,162
Supplemental cash flow information				
Income taxes paid	**–**	–	**–**	–
Interest paid	**–**	256	**–**	21,343

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Mahindra Vehicle Sales and Services, Inc. (hereinafter referred to as the “Company”) was incorporated in the state of Delaware on April 19, 2017 and is a wholly owned subsidiary of Mahindra Automotive North America, Inc. (“MANA”). The Company’s original purpose was to delivers parts and vehicles primarily to the North American automotive market for off-road use.

The Company used to sell and distribute parts and vehicles to distributors and dealers (collectively “dealerships”), the majority of which are independently owned. As at March 31, 2022, the Company has contractual relationships in North America with approximately 363 dealerships. Throughout the years ended March 31, 2023 and 2024, many such dealers voluntarily terminated their dealership relationship with the Company. The only vehicle sold by the Company to dealerships is ROXOR, an off-road side-by-side vehicle manufactured by Mahindra North American Technical Center, Inc. d/b/a Mahindra Automotive North America Manufacturing (“MANAM”). During the year ended March 31, 2022, the parent company MANA decided to sell the redesigned ROXOR through its affiliate Mahindra USA LLC (“MAgNA”).

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA’s claims relating to unregistered “trade dress” of FCA’s Jeep branded vehicles both at the International Trade Commission (“ITC”) and at the United States District Court, Eastern District of Michigan. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and-desist order was effective from August 11, 2020. The company stopped selling Roxor Vehicles since then.

Considering the cease-and-desist order, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge (“ALJ”) found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA requested the United States District Court, Eastern District of Michigan to enjoin the post-2020 ROXOR based on the “safe distance rule”. The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

During the year ended March 31, 2024, Sixth Circuit Court of Appeals issued its opinion on FCA’s Renewed Motion to prevent the sale of the Post-2020 ROXOR in Accordance with the Safe-Distance Rule. Specifically the Court of Appeals remanded the case to the Eastern District of Michigan judge asking him to assess whether the “Safe Distance Rule” should have been applied when reviewing the post-2020 ROXOR.

The United States District Court, Eastern District of Michigan concluded that the “Safe Distance Rule” was not applicable and that the Post-2020 ROXOR was non-infringing. FCA did not appeal. The remaining issues were resolved without an award of damages, and the case was closed.

The Company continued catering its services of warranty and selling the accessory & service parts under the warranty agreement of ROXOR previously sold.

NOTE B - GOING CONCERN

There were no sales of redesigned ROXOR in the current year by the Company. In the month of November 2021, the parent company, Mahindra Automotive North America, Inc. (“MANA”), launched the redesigned ROXOR, and management decided to sell ROXOR through its affiliate Mahindra USA Inc (“MAgNA”). However, the Company continued catering its services of warranty and selling the accessory & service parts under the warranty agreement with its dealerships pertaining to the ROXORs previously sold. The Company has an accumulated deficit of USD 1,131,306 (INR 94,316,981) as at March 31, 2024 and USD 3,414,947 (INR 284,704,131) as at March 31, 2023. Additionally, the Company has negative operating cash flows of USD 1,424,114 (INR 118,728,384) for the year ended March 31, 2024 and USD 2,000,460 (INR 166,778,350) for the year ended March 31, 2023. Although, these events and condition cast significant doubt on the Company’s ability to continue as a going concern, in view of the continued support from the parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue to be in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 1,350,000 (INR 112,549,500) during the current year in the form of capital contribution and the Company has reported profits in the current year ended March 31, 2024, amounting to USD 933,641 (INR 77,837650).

Even though the parent company has started selling redesigned ROXOR through its affiliate MAgNA, the Company will remain in existence because of the dealership obligations and the warranty services to be honoured. Based on the above factors, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America (“US GAAP”) to reflect the financial position, results of operation and cash flows of the Company.

   b. The financial statements are for the fiscal years ended March 31, 2024, and March 31, 2023.

   c. Financial information in this report is in U.S. dollars (“USD”) and in Indian rupees (“INR”). For the fiscal year ended March 31, 2024, and March 31, 2023, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 83.37 INR per dollar on March 31, 2024. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or statement of stockholder’s deficit.

2. *Use of estimates*

   The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, warranties, volume incentives, rebates, and co-operative advertising programs, valuation allowance for deferred tax assets and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Operating leases*

   The Company adopted Accounting Standards Codification 842 and all the related amendments (“new lease standard”) using the modified retrospective method.

   The standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations.

   Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

   Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

   The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

   Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangement.

   The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company’s outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

   Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

4. *Revenue recognition*

<u>*Sale of manufactured goods*</u>

The Company follows Accounting Standards Codification ('ASC') 606 – Revenue from Contracts with Customers for revenue recognition.

Revenue from sale of off-road vehicles, service parts and accessories is recognized when each of the following criteria is met:

a. The Company approve a contract with commercial substance.

b. The sales price is determinable, and collectability of the payment is probable based on the terms outlined in the contract.

c. Control of the goods is transferred to the affiliate when the ordered items are shipped.

Transfer of control, and therefore revenue recognition is recorded at a point in time on the date when the off-road vehicle, service parts and accessories are shipped to the customer.

During the year ended March 31, 2022, Mahindra North American Technical Center, Inc. d/b/a Mahindra Automotive North America Manufacturing ("MANAM") launched and started selling the redesigned ROXOR from November 2021 in the United States of America and Canada. Before the cease-and-desist order, MANAM used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through the Company to its customers. However, effective September 01, 2021, MANAM entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MAgNA") to distribute the redesigned ROXOR as well as its parts and accessories and services relating thereto (collectively with ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MAgNA's dealership network. Effective September 01, 2021, and onwards, the Company continues to honor the services of warranty and selling the accessory & service parts under the warranty agreement of the ROXORs previously sold.

The Company participated in various retail sales incentives and programs. The Company recorded the estimated retail sales incentive programs offered to dealers as a reduction to revenue at the time of sale to the dealer. The estimate was based on historical data, announced incentive programs, field inventory levels, and retail sales volumes.

Shipping and handling services

The Company also performs shipping and handling activities for its customers which is treated as a separate performance obligation as these activities are performed after the customer obtains control of the goods. The Company acts as an agent for shipping and handling services and recognizes revenue on net basis.

5. *Other income*

The Company records the following in the other income; (a) interest income and (b) liabilities written back. During the year ended March 31, 2024 and March 31, 2023, the Company has recorded USD 1,055,188 (INR 87,971,024) and USD NIL (INR NIL) respectively as other income on account of liabilities written back.

6. *Product warranty*

The Company provides a limited warranty for ROXOR for a period of two years or 12,000 miles whichever is lesser. The warranty reserve is established at the time of sale to the distributorship based on management's best estimate using historical rates and trends. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD NIL (INR: NIL) at March 31, 2024 (March 31, 2023: USD 1,092,043 (INR: 91,043,623)).

7. *Cash and cash equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR:20,842,500). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

8. *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations.

The estimated useful life used to determine depreciation is:

Computers	3 years
Vehicles	5 - 10 years

Expenditures for maintenance and repairs are charged to expense. Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

9. *Intangible assets*

Intangible assets are comprised of computer software which has been recognized at cost and amortized over a period of 3 years or its estimated useful life. Subsequent expenditure is capitalized only when it increases the future economic benefit from the specific assets to which it relates

10. *Expected credit losses*

Prior to the Company's adoption of Topic 326, the accounts receivable balance was reduced by an allowance for doubtful accounts that was determined based on the Company's assessment of the collectability of customer accounts. Under Topic 326, accounts receivable are recorded at the invoiced amount, net of discount and others and provision for credit loss. The Company regularly reviews the adequacy of the provision for credit loss based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted for current market conditions, the current receivables aging, current payment terms and expectations of forward-looking loss estimates. Provision for credit loss was USD 1,351 as of March 31, 2024 and allowance for doubtful accounts was USD 9,185 as of March 31, 2023, and is classified within "Accounts receivable, net of allowances" in the balance sheets. See "Recent accounting pronouncements adopted" section below for information pertaining to the adoption of ASU 2016- 13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments

11. *Income taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying financial statements.

12. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

NOTES TO FINANCIAL STATEMENTS

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

13. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

14. *Recent accounting pronouncements adopted*

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets measured at amortized cost as well as certain off balance sheet commitments (loan commitments, standby letters of credit, financial guarantees, and other similar instruments). The Company adopted ASU 2016-13 on April 01, 2023, using a modified retrospective approach. Results for reporting periods beginning April 01, 2023, are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of this standard did not have a material impact on the Company's financial statements.

NOTE D - CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Bank balances	**59,857**	133,971	**4,990,278**	11,169,162
Total	**59,857**	133,971	**4,990,278**	11,169,162

NOTE E - ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

Accounts receivable, net of allowances comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Accounts receivable	**50,581**	20,179	**4,216,938**	1,682,322
Dealer financing receivable	**–**	108	**–**	9,004
Allowance for doubtful debts	**(1,351)**	(9,185)	**(112,633)**	(765,752)
Total	**49,230**	11,102	**4,104,305**	925,574

The movement in provision for expected credit loss/doubtful accounts during the year was as follows:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Balance at beginning of the year	**9,185**	9,086	**765,752**	757,500
Provision for expected credit loss for the current year	**2,423**	727	**202,007**	60,610
Bad debts expense	**(10,257)**	(628)	**(855,126)**	(52,358)
Balance at the end of the year	**1,351**	9,185	**112,633**	765,752

Interest expense on dealer financing receivable for the year ended March 31, 2024, was USD NIL (INR: NIL) and for the year ended March 31, 2023 was USD 256 (INR:21,343).

NOTE F - PREPAID EXPENSES

Prepaid expenses comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Prepaid software license fee	**–**	110	**–**	9,171
Total	**–**	110	**–**	9,171

NOTE G - PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Computers	**5,730**	16,361	**477,710**	1,364,016
Vehicles	**8,500**	8,500	**708,645**	708,645
	14,230	24,861	**1,186,355**	2,072,661
Less: Accumulated depreciation	**(14,230)**	(20,328)	**(1,186,355)**	(1,694,745)
Property and equipment, net	**–**	4,533	**–**	377,916

Depreciation expense for the year is USD 4,533 (INR: 377,916) (March 31, 2023: USD 850 (INR: 70,865). In the year ended March 31, 2024, the Company disposed off the computer equipment having net block of USD NIL (INR NIL) and gross block amounting USD 10,632 (INR 886,390) and accumulated depreciation of USD 10,632 (INR 886,390). No gain or loss was realized from the disposal of assets.

NOTE H - INTANGIBLE ASSETS, NET

Intangible assets comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Software	**–**	1,170,574	**–**	97,590,838
Less: Accumulated amortization	**–**	(1,170,574)	**–**	(97,590,838)
Intangible assets, net	**–**	–	**–**	–

Amortization expense for the year is USD NIL (March 31, 2023: USD NIL). In the year ended March 31, 2024, the Company disposed off the intangible assets having net block amounting to USD NIL (INR NIL) and gross block amounting to USD 1,170,575 (INR 97,490838) and accumulated amortization amounting to USD 1,170,575 (INR 97,490838). No gain or loss was realized from the disposal of assets.

NOTES TO FINANCIAL STATEMENTS

NOTE I - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES
Accrued expenses and other current liabilities comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Accrued warranty	–	1,092,043	–	91,043,625
Accrued accounts payable	–	1,486,750	–	123,950,348
Accrued state taxes	**8,182**	5,439	**682,133**	453,449
Dealership closure liability	**1,197,595**	723,536	**99,843,495**	60,321,196
Others	**74,605**	245,585	**6,219,819**	20,474,421
Total	**1,280,382**	3,553,353	**106,745,447**	296,243,040

NOTE J - LEASES

The Company has entered various facility and equipment operating leases with varying terms. In most circumstances, management expects that in the normal course of business, leases will be renewed or replaced by other leases.

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2024 and March 31, 2023.

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Assets				
Operating lease right-of-use assets	–	4,354	–	362,993
Total lease assets	–	4,354	–	362,993
Liabilities				
Current				
Operating lease liabilities	–	3,517	–	293,212
Long term				
Operating lease liabilities	–	–	–	–
Total lease liabilities	–	3,517	–	293,212

The table below presents the classification of lease related expenses as reported in the statements of income.

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Operating lease expenses*	**50,537**	123,558	**4,213,270**	10,301,030
Total lease expenses	**50,537**	123,558	**4,213,270**	10,301,030

* Operating lease expenses are included in selling, general and administrative expenses in the statements of loss. Operating lease expense includes short-term leases, variable lease costs and leases which do not meet the capitalization requirement of the Company.

The following table presents supplemental information for operating leases for the year ended March 31, 2024 and March 31, 2023.

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Supplemental information				
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	4,720	14,160	393,506	1,180,519

NOTE K - REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Parts and accessories sales	**90,818**	105,118	**7,571,497**	8,763,688
Total revenue by product line	**90,818**	105,118	**7,571,497**	8,763,688

The following table presents revenue disaggregated by timing of recognition:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
Products and services transferred at a point in time	**90,818**	105,118	**7,571,497**	8,763,688
Total revenue by timing of revenue recognition	**90,818**	105,118	**7,571,497**	8,763,688

The following table presents revenue disaggregated by geography based on Company's locations:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2024**	**2023**	**2024**	**2023**
United States of America	**21,726**	24,331	**1,811,297**	2,028,475
Canada	**69,092**	80,787	**5,760,200**	6,735,213
Total revenue by geography	**90,818**	105,118	**7,571,497**	8,763,688

Contract balances

The Company's contracts with customers are comprised of dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

NOTES TO FINANCIAL STATEMENTS

The following table provides information about contract assets and liability balances as of March 31, 2024 and March 31, 2023:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2024	2023	2024	2023
Accounts receivable	**49,230**	11,102	**4,104,305**	925,574

NOTE L - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to taxation in the United States of America and the State of Michigan. The Company is a member of the federal consolidated tax group of its parent company, MANA.

The provision for income tax expense (benefit) for the year ended March 31, 2024 and March 31, 2023 is USD NIL and USD NIL, respectively.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	As at March 31,		As at March 31,	
	2024	2023	2024	2023
Deferred tax asset (liability)				
Net operating loss - Federal	**18,157,476**	18,223,270	**1,513,788,774**	1,519,274,020
Net operating loss - MI	**1,063,815**	1,084,714	**88,690,257**	90,432,606
Interest expense limitation	**681,610**	707,625	**56,825,826**	58,994,696
Accrued warranty	**–**	245,962	**–**	20,505,852
Bad debts	**293**	2,069	**24,427**	172,493
Contributions	**7,719**	8,013	**643,533**	668,044
Lease assets	**–**	(189)	**–**	(15,757)
Previous year incentive accrual	**259,836**	162,963	**21,662,527**	13,586,225
Prepaid expenses	**–**	(25)	**–**	(2,084)
Property and equipment		(1,021)		(85,121)
Valuation allowance	**(20,170,749)**	(20,433,381)	**(1,681,635,344)**	(1,703,530,974)
Total	**–**	–	**–**	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference becomes deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 20,170,749 (INR 1,681,635,344) is recognized as at March 31, 2024 (March 31, 2023 USD 20,433,381 (INR 1,703,530,974)).

The Company has federal net operation loss (“NOLs”) carry forwards of USD 86,464,173 (INR: 7,208,518,103) as at March 31, 2024 (March 31, 2023: USD 86,777,477 (INR: 7,234,638,257). Out of the total NOLs of USD 86,464,173 (INR: 7,208,518,103), if unutilized, NOLs of USD 28,738,274 (INR: 2,395,909,903) will begin to expire from the year 2037, whereas the remaining NOLs will be carried forward indefinitely.

The Company has state net operating losses carry forwards of USD 22,176,776 (INR: 1,848,877,815) as at March 31, 2024 (March 31, 2023: USD 22,489,261 (INR: 1,874,929,690), which if unutilized will begin to expire from the year 2027.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2020, 2021 and 2022 remain subject to examination by the taxing authorities.

NOTE M - RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Automotive North America, Inc. (“MANA”)	Parent company
3	Mahindra Integrated Business Solutions Pvt Ltd - US Branch (“MIBS”)	Affiliate company
4	Mahindra North American Technical Center, Inc. (“MNATC”)	Affiliate company
5	Mahindra Finance USA LLC	Affiliate company
6	Mahindra USA Inc. (“MAgNA”)	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2024	2023	2024	2023
Transactions during the year				
Mahindra Automotive North America, Inc.				
Capital contribution received	**1,350,000**	1,870,000	**112,549,500**	155,901,900
Expense incurred on behalf MANA	**2,030**	2,617	**169,241**	218,179
Mahindra Integrated Business Solutions Pvt Ltd - US Branch (erstwhile – Mahindra Vehicles Manufacturers Limited)				
Expense incurred on behalf MIBS	**–**	20,796	**–**	1,733,763
Mahindra North American Technical Center, Inc.				
Accessories and service parts purchases	**–**	66,605	**–**	5,552,859
Expense incurred on behalf MVSS	**392,188**	115,084	**32,696,714**	9,594,553
Mahindra USA Inc.				
Expense incurred on our behalf	**84,037**	–	**7,006,165**	–
Mahindra and Mahindra Ltd.				
Expenses incurred on the behalf of MVSS	**1,223**	1,080	**101,962**	90,040
Balances at the end of the year				
Intercompany payables, net				
Mahindra North American Technical Center, Inc.	**–**	6,555	**–**	546,490
	–	6,555	**–**	546,490
Intercompany receivable, net				
Mahindra USA Inc.	**39,989**	–	**3,333,883**	–
	39,989	–	**3,333,883**	–

NOTES TO FINANCIAL STATEMENTS

NOTE N - COMMITMENT AND CONTINGENCIES

Long term purchase commitment

On September 24, 2019, the Company signed a Vendor Subscription Agreement ("VSA") with Icon International Inc.("ICON"), a subsidiary of Omnicom Media Group, for purchase of certain media advertising for 5 years in an amount not less than USD 2,263,022 (INR: 188,668,144) each year. In addition, the Company signed an indemnity bond amounting to USD 1,600,000 (INR: 133,392,000) with Atlantic Specialty Insurance Company which bound Mahindra Automotive North America, Inc., and its subsidiaries to purchase media advertising through ICON. If the Company fails to place the minimum amount of advertising spend on the contract anniversary each year it will be assessed a penalty of 15% of the shortfall. ICON provides composition and consultation services at no charge for media placements. ICON's placement services include broadcast, digital, and print media advertising which will be billed to the Company at a competitive market rate. During the term of the agreement the Company agreed to provide ICON with the right of first refusal on any media being placed.

Due to the cease-and desist order, the Company was prohibited to sell, market, import and manufacture the model year 2018, 2019 and 2020 ROXOR off-road vehicle in the US. Since the Company's operations were paused and it could not carry out marketing activities, the management decided to opt out of long-term contracts and commitments entered by the Company. During the year ended March 31, 2021, the Company believed that it would be able to terminate the VSA by paying the penalty and thus created an accrual of USD 625,000 (INR: 52,106,250) as at March 31, 2021.

During the year ended March 31, 2023, the Company renegotiated the VSA with ICON and extended the agreement till March 31, 2025. The Company accrued an amount of USD 1,062,319 (INR 88,565,535) as at March 31, 2023 as its best estimate for penalty liability mentioned in the VSA. However, during the current year ended March 31, 2024, the agreement was terminated, and the liability was settled with the payment of USD 1,040,099 (INR 83,713,066).

LITIGATION

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and-desist order was effective from August 11, 2020. The company stopped selling Roxor Vehicles since then.

Considering the cease-and-desist order, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA requested the United States District Court, Eastern District of Michigan to enjoin the post-2020 ROXOR based on the "safe distance rule". The Court denied the request on May 17, 2021. FCA appealed to the Sixth Circuit Court of Appeals.

During the year ended March 31, 2024, Sixth Circuit Court of Appeals issued its opinion on FCA's Renewed Motion to prevent the sale of the Post-2020 ROXOR in Accordance with the Safe-Distance Rule. Specifically, the Court of Appeals remanded the case to the Eastern District of Michigan judge asking him to assess whether the "Safe Distance Rule" should have been applied when reviewing the post-2020 ROXOR.

The United States District Court, Eastern District of Michigan concluded that the "Safe Distance Rule" was not applicable and that the Post-2020 ROXOR was non-infringing. FCA did not appeal. The remaining issues were resolved without an award of damages, and the case was closed.

NOTE O - RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes and the Company's ability to execute on its business plan.

NOTE P - ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of selling, general and administrative expenses in the statements of profit (loss). Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2024 and March 31, 2023 is USD NIL (INR: NIL) and USD 1,849,058 (INR: 154,155,965), respectively.

NOTE Q - COMMON STOCK

Common stock

The authorized share capital of the Company as of March 31, 2024, and March 31, 2023, was 5,000,000 shares of $ 25 each. As at March 31, 2024 and March 31, 2023 total shares issued and outstanding was 3,603,431 and 3,549,431 shares, respectively.

The Company issued 54,000 shares and 74,800 shares for USD 25 each during the years ended March 31, 2024, and March 31, 2023, respectively.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE R - EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans covering substantially all employees. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD NIL (INR NIL) and USD NIL (INR: NIL) for the year ended March 31, 2024, and year ended March 31, 2023, respectively.

NOTE S - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2024, through the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To
Officers of
Mahindra do Brasil Industrial Ltda.
Dois Irmãos - RS

Opinion

We have examined the financial statements of **Mahindra do Brasil Industrial Ltda**., which comprise the balance sheet as of March 31, 2024, and the related statements of income, changes in members' equity and cash flows for the fiscal year then ended, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above fairly state in all material aspects the equity and financial position of **Mahindra do Brasil Industrial Ltda**. as of March 31, 2024, the performance of its operations, and its cash flows for the fiscal year ended on that date, in accordance with the accounting practices adopted in Brazil.

Foundation for Opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section titled "Auditor's responsibility for the financial statements audit." We are independent in regard to the Company in accordance with the relevant ethical principles set out in the Code of Ethics for Professional Accountants and professional standards laid down by the Federal Accounting Council and we comply with all the other ethical responsibilities in accordance with these standards. We believe the audit evidence we achieved is sufficient and appropriate to substantiate our opinion.

Governance and Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in Brazil and the internal controls deemed necessary by Management for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless Management intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid closing its operations.

Those responsible for the Company governance are those responsible for supervising the preparation process of the financial statements.

Auditors' Responsibility for the Audit of the Financial Statements

Our goals are to obtain reasonable assurance that the financial statements are jointly free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards will always detect any material misstatements. Such misstatements may occur due to fraud or error and are considered material when, individually or jointly, they can influence, from a reasonable perspective, the economic decisions of the users based on the referred financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the financial statements, whether caused by fraud or error, plan and perform audit procedures in response to such risks, and obtain appropriate and sufficient audit evidence to substantiate our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that of error, as fraud may involve circumvention of internal controls, collusion, counterfeiting, omission, or willful misrepresentation.
- We obtain understandings of internal controls relevant to auditing in order to plan appropriate audit procedures in given circumstances, but not for the purpose of expressing opinion on the effectiveness of the Company's internal controls.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by Management.
- We conclude on the adequacy of the Executive Board's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a relevant uncertainty in regard to events or conditions that may cause significant doubt concerning the capacity for operational continuity of the Company. If we conclude there is material uncertainty when preparing our audit report, we will highlight the relevant disclosures in the financial statements or include modification in our opinion in the event the disclosures were inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer be in operational continuity.
- We assess the overall submission, structure, and content of financial statements, including disclosures, and whether the financial statements represent the related transactions and events in a manner consistent with the appropriate submission goal.

We communicate with governance, among other aspects, on the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in the internal controls identified during our work.

Porto Alegre, RS, April 19, 2024.

Viviane Barcelos Cangussu Machado
Accountant – CRCRS No. 68.068

Sérgio Laurimar Fioravanti
Accountant – CRCRS No. 48.601

Baker Tilly Brasil RS Auditores Independentes S/S
CRCRS No. 006706/O
CVM 12.360
CNAIPJ 000023

BALANCE SHEET

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

Asset	03/31/2024	03/31/2023
Current		
Cash and cash equivalents (Note 3)	**14,476**	41,128
Trade receivables (Note 4)	**21,806**	32,155
Inventories (Note 5)	**102,495**	101,657
Taxes recoverable (Note 6)	**9,160**	6,272
Other credits (Note 7)	**2,027**	3,155
Right-of-use asset (Note 12)	**659**	–
Advances to suppliers	**1,210**	647
	151.833	185,014
Noncurrent asset		
Deferred taxes (Note 21)	**7,191**	–
	7,191	–
Deposits in Court	**141**	121
Right-of-use asset (Note 12)	**814**	–
Property, plant, and equipment (Note 8)	**12,798**	2,438
Intangible assets (Note 9)	**152**	25
Total noncurrent	**21,096**	2,584
Total assets	**172,929**	187,598

Explanatory notes are an integral part of the financial statements.

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

BALANCE SHEET

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

Liability	**03/31/2024**	03/31/2023
Current		
Suppliers (Note 10)	**34,137**	99,021
Taxes receivable and installments (Note 11)	**3,317**	3,695
Salaries and vacation payable	**1,789**	1,443
Advances from Customers	**316**	949
Miscellaneous Provisions	**2,460**	2,617
Lease liability (Note 12)	**659**	–
Other accounts payable	**60**	46
	42,738	107,771
Noncurrent		
Warranty provisions	**14,200**	10,296
Lease liability (Note 12)	**814**	–
Total noncurrent	**15,014**	10,296
Total liabilities	**57,752**	118,067
Members' equity		
Capital (Note 15)	**60,975**	60,975
Legal Reserve (Note 15)	**2,285**	–
Retained income	**51,920**	8,556
	115,177	69,531
Total liabilities and members' equity	**172,929**	187,598

Explanatory notes are an integral part of the financial statements.

STATEMENT OF INCOME

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

	03/31/2024	03/31/2023
Revenue (Note 16)	**308.278**	293,775
Cost of sales (Note 17)	**(218.459)**	(192,557)
Gross profit	**89.819**	101,218
Marketing and Sales Expenses (Note 18)	**(15.088)**	(13,546)
General administrative and tax expenses (note 19)	**(6.981)**	(5,918)
Other Operating Revenue/Expenses	**518**	1,034
Operating profit	**68.268**	82,788
Financial income (note 20)		
Financial expenses	**(19.325)**	(9,660)
Financial revenues	**2.782**	2,688
	(16.543)	(6,972)
Profit for the fiscal year before income tax and social contribution	**51.725**	75,816
Income tax and social contribution		
Current	**(13.270)**	(19,908)
Deferred (Note 21)	**7.191**	
	(6.079)	(19,908)
Profit for the fiscal year	**45.646**	55,908
Number of shares at the end of the fiscal year	**60.975.100**	60,975,100
Income per membership interest in BRL	**0,75**	0.92

Explanatory notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

In BRL	Capital	Legal Reserve	Equity valuation adjustment	Accumulated profits (losses)	Total
Balance as of March 31, 2022	**60,975**	**–**	**(2,618)**	**(44,734)**	**13,623**
Equity valuation adjustment			2,618	(2,618)	–
Profit for the fiscal year				55,908	55,908
Balance as of March 31, 2023	**60,975**	**–**	**–**	**8,556**	**69,531**
Profit for the fiscal year				**45,646**	**45,646**
Legal Reserve		**2,282**		**(2,282)**	**–**
Balance as of March 31, 2024	**60,975**	**2,282**	**–**	**51,920**	**115,177**

Explanatory notes are an integral part of the financial statements.

CASH FLOW STATEMENT

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

	03/31/2024	03/31/2023
Cash flow in operating activities		
Loss for the fiscal year	**45,646**	55,908
Adjustments for:		
Inventory Adjustment	**(26)**	585
Slow turn provision	**(47)**	178
Fixed asset write-off	**583**	783
Scrap write-off	**599**	376
Depreciation and amortization	**371**	496
Write-off (recovery) of tax credit	**–**	(1,623)
Deferred taxes	**(7,191)**	–
	39,935	56,703
Changes in assets and liabilities		
(Increase) decrease in trade receivables	**10,349**	(13,023)
(Increase) decrease in inventories	**(1,364)**	(62,672)
(Increase) decrease in advances	**(563)**	(551)
(Increase) decrease in tax recoverable	**(2,888)**	2,184
(Increase) decrease in other credits	**1,128**	(477)
(Increase) decrease in right-of-use asset	**(1,473)**	–
Increase (decrease) in suppliers and related parties	**(64,884)**	53,130
Increase (decrease) in taxes and installments payable	**(378)**	901
Increase (decrease) in salaries and vacation payable	**346**	263
Increase (decrease) in advance payments from customers	**(633)**	210
Increase (decrease) in miscellaneous provisions	**3,727**	6,175
Increase (decrease) in Lease liability	**1,473**	–
Increase (decrease) in other accounts payable	**13**	25
Cash flow in operating activities	**(55,147)**	(13,835)
Cash flow from investing activities		
Property, plant, and equipment transfers	**–**	(651)
Acquisition of property, plant, and equipment and intangible assets	**(11,441)**	(1,344)
Cash flow used in investment activities	**(11,441)**	(1,995)
Cash flow from financing activities		
Loans and financing	**–**	(10,426)
Long-term Investments	**–**	65
Cash from (used in) financing activities	**–**	(10,361)
Net increase in cash and cash equivalents	**(26,652)**	30,513
Cash and cash equivalents in April 1	**41,128**	10,615
Cash and cash equivalents in March 31	**14,476**	41,128

Explanatory notes are an integral part of the financial statements.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

1. Operational Context

Mahindra do Brasil Industrial Ltda is a company headquartered in Dois Irmãos-RS, at Rua 10 de Setembro, 1097, in Bairro Centro. The company was incorporated on January 14, 2016.

The company's main objective is the Manufacture of Agricultural Tractors, Parts, and Accessories, as well as the wholesale trade of new and used cars, vans, and utility vehicles; retail sale of new cars, vans, and SUVs; retail trade of used parts and accessories for motor vehicles; wholesale trade of machinery, apparatus, and equipment for agricultural use; parts and pieces; maintenance and mechanical repair services for motor vehicles; installation of industrial machines; manufacture of other equipment and devices not previously specified; wholesale trade of new parts and accessories for motor vehicles; other private-equity firms, except holding companies; Other service activities provided primarily to companies not previously specified; body shop or bodywork and painting services for motor vehicles.

2. Summary of the Main Accounting Policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in all the fiscal years presented, unless otherwise specified

The financial statements were approved by the Management as of April 19, 2024.

2.1 Basis for Preparation

The preparation of the financial statements requires the use of certain critical accounting estimates, as well as the exercise of judgment by the Company's management in the application of the accounting policies. The areas that require a higher level of judgment and are more complex, as well as those with assumptions and estimates that are significant for the financial statements, are disclosed in Note 2.15.

(a) Financial Statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil, including the pronouncements, guidelines, and interpretations issued by NBC TG in accordance with Laws no. 6404/1976 and 11638/2007.

2.2 Foreign Currency Conversion

Functional and Presentation Currency

The items included in the Company's financial statements are measured using the currency of the main economic environment in which the Company operates ("functional currency"). The financial statements are presented in reais (BRL), which is the Company's functional currency.

Foreign Currency Transactions

Transactions in foreign currency are converted into reais at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currencies on the reporting date are translated into the functional currency at the exchange rate calculated on that date. The foreign exchange gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for interest and payments effective during the period, and the amortized cost in a foreign currency at the exchange rate at the end of the reporting period. Foreign currency differences resulting from the conversion are recognized in the income.

2.3 Balancing of Income

The income of operations is ascertained in consideration of the accounting accrual basis.

2.4 Cash and Cash Equivalents

They are comprised of financial resources held in cash, bank accounts, and financial investments. Financial investments are valued at cost, plus income earned through the balance sheet date. These financial instruments are intended for trading and are recorded at realizable values (Note 3).

2.5 Financial Instruments

Recognition and Measurement

The Company classifies its financial assets under the following categories: loans and receivables are measured at fair value through income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets in the initial recognition.

Loans and Receivables

This category includes receivables that are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the balance sheet date (these are classified in noncurrent assets). The Company's receivables comprise trade accounts receivable, other trade receivables, and cash and cash equivalents, except for short-term investments. Receivables are recorded at amortized cost using the effective interest method.

Financial Assets Measured at Fair Value Through Income

Financial assets measured at fair value through income are financial assets held for active and frequent trading. Assets in this category are classified in current assets. Gains or losses arising from changes in the fair value of financial assets measured at fair value through income are presented in the statement of income under "financial statement" in the period in which they occur. They basically refer to short-term financial investments.

2.6 Non-derivative Financial Liabilities

The Company recognizes debt securities issued and subordinated liabilities initially on the date they are originated. All other financial liabilities are initially recognized on the trade date, on which the Company becomes a party to the contractual provisions of the instrument. The Company writes off a financial liability when its contractual obligations are discharged, canceled, or expired.

Financial assets and liabilities are offset, and the net amount submitted in the balance sheet only when the Company currently has a legal right to offset the amounts and intends to liquidate them on a net basis or to realize the asset and settle the liability simultaneously. The Company has the following non-derivative financial liabilities: loans with related parties, suppliers, loans, and other accounts payable.

Such liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, such financial liabilities are measured at amortized cost using the effective interest method.

2.7 Inventories

This cost is based on the average price principle and comprises incurred expenses from inventory purchases, as well as their respective shipping costs.

The net realizable amount is the estimated sales price in the normal course of business, deducted from the estimated costs for completion and sales expenses.

2.8 Property, Plant, and Equipment

(a) Recognition and Measurement

The Company chose to revalue property, plant, and equipment at deemed cost on October 31, 2016. The effects of deemed cost decreased property, plant, and equipment against members' equity, net of tax effects (Note 8).

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

After the transition of the NBC TG's, property, plant, and equipment items are now measured at the historical cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses.

Cost includes expenses that are directly attributable to the purchase of an asset. Software purchased to enable the functionality of a device is capitalized as part of such equipment.

Gains and losses on the disposal of property, plant, and equipment are determined by comparing the proceeds arising from the disposal with the book value of the fixed asset, and are recognized as net within other revenues in the income.

(b) Subsequent Costs

The replacement cost of property, plant, and equipment is recognized in the carrying amount of the asset in the event it is probable that the economic benefits incorporated into the asset will flow to the Company and provided that their cost can be reliably measured. The carrying amount of the asset that has been replaced by another asset is written off. Recurring maintenance of property, plant, and equipment are recognized in the income as incurred.

(c) Depreciation

Depreciation is recognized in the income based on the straight-line method in relation to the estimated useful life of each part of property, plant, and equipment, since this is the method that most closely reflects the consumption pattern of future economic benefits incorporated into the asset.

2.9 Reduction to Impairment

The Company analyzes the existence of evidence that the carrying amount of an asset will not be recovered. If such evidence is identified, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the highest value between: (a) its fair value less costs that would be incurred to sell it and (b) its value in use. The value in use is equivalent to the discounted cash flows (before taxes) derived from the continued use of the asset until the end of its useful life.

When the residual book value of the asset exceeds its recoverable value, the Company recognizes a reduction in the book balance of this asset (impairment or deterioration). For assets recorded at cost, the impairment is recorded in the income for the period. If the recoverable amount of an individual asset is not determined, an analysis of the recoverable amount of the cash-generating unit to which the asset belongs is performed.

2.10 Provisions

Allowance is recognized due to a past event and if the Company has a legal or constructive obligation that can be reliably estimated, and it is probable that an economic resource will be required to settle the obligation. Provisions are calculated by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the value of money at that time and specific risks for the liability

Financial liabilities are classified as financial liabilities at fair value through the income, as the case may be. The Company determines the classification of its financial liabilities at the time of their initial recognition. The Company's financial liabilities include accounts payable to suppliers, tax and labor obligations.

2.11 Capital

The membership interests are all paid in and classified as members' equity. Mandatory minimum dividends, if any, as defined in the articles of association, are recognized as a liability.

2.12 Operating Revenue

Operating revenue from the sale of goods in the ordinary course of business is measured at the fair value of the compensation received or receivable. Operating income is recognized when there is convincing evidence that: i) the most significant risks and benefits inherent in the ownership of the goods have been transferred to the buyer, which in the Company's case is when the products are delivered to its customers, ii) that it is probable that the economic and financial benefits will flow to the Company, iii) that the associated costs and the possible return of goods can be estimated reliably, iv) that there is no ongoing involvement with the goods sold, and v) that the value of operating revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be reliably measured, then the discount is recognized as a reduction in operating revenue as sales are recognized.

2.13 Financial Revenue and Expenses

Financial income basically comprises interest income, discounts, income from financial investments and gains from exchange variation.

Financial expenses include interest expenses, financial expenses, and loans and financing, as well as the respective passive exchange variations.

2.14 Income Tax and Social Contribution

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus an additional 10% on taxable income exceeding BRL 240,000 for income tax and 9% on taxable income for social contribution, and consider the offset of tax losses and negative basis of social contribution, limited to 30% of real profit.

Deferred income tax and social contribution are recognized about tax losses, negative base of social contribution and about temporarily differences and are disclosure on noncurrent assets according to it essentially and realization expectation. The accounting value of asset deferred income tax and social contribution is annually mensurated and a loss provision is established when the accounting value cannot recover with the taxable profit, present or future or for other ways to realize inside the standards. The Management there are recorded the taxes credits of income tax and social contributions about temporary additions, considering the expectation of generating future taxable profits.

2.15 Critical Accounting Estimates and Judgments

Estimates and accounting judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances.

Based on assumptions, the Company makes estimates regarding the future. By definition, the resulting accounting estimates will rarely correspond to the actual related results. Estimates and assumptions which present significant risk and are likely to cause a material adjustment in the book values of assets and liabilities for the next fiscal year are included in the following explanatory notes.

3. Cash and Cash Equivalents

	03/31/2024	03/31/2023
Cash	**2**	1
Cash in bank account	**149**	189
Investments	**14,325**	40,938
	14,476	41,128

The Company makes financial investments in large financial institutions with the purpose of generating financial income while not using the resources. Investments in reais are made in CDBs and Investment Funds issued by the bank and repo (repurchase) operations, the repo (repurchase) is an investment in bank leasing debentures with daily liquidity and guarantee of repurchase by the bank.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

4. Trade Receivables

	03/31/2024	03/31/2023
Brazilian clients	**23,152**	33,500
(-) Allowance for expected losses	**(1,346)**	(1,346)
	21,806	32,155

The Company sells its products directly to its dealers through its commercial department. The provision for expected losses is considered sufficient by management, considering the company's history of losses.

5. Inventories

	03/31/2024	03/31/2023
Raw material:	**10,381**	25,099
Inventory in transit	**14,280**	47,830
Finished products	**5,086**	2,553
Goods for resale	**85**	71
Statement tractor inventory	**1,643**	2,156
(-) Provision for inventory loss - others	**(1,455)**	(1,502)
Third party tractor inventory - general warehouse	**72,287**	25,305
Products in possession of third parties	**188**	145
	102,495	101,657

6. Taxes Recoverable

	03/31/2024	03/31/2023
ICMS recoverable	**244**	528
PIS recoverable	**1,860**	1,169
COFINS recoverable	**7,004**	4,387
Other taxes	**52**	188
	9,160	6,272

7. Other Credits

	03/31/2024	03/31/2023
Other trade receivables	**658**	111
Amounts to be appropriated	**242**	442
Advance of labor funds	**21**	37
Advances to forwarding agents and suppliers	**1,106**	2,565
	2,027	3,155

Amounts in Accounts Receivable refer to reimbursement from the controller, in addition to consortium quotas, awaiting consideration. Advances to forwarding agents and suppliers refer to import processes in transit, as well as expenses with fairs to be appropriated, respectively.

8. Property, Plant, and Equipment

a) Composition

		03/31/2023			03/31/2024		
	Depreciation rate	Cost	Depreciation	Net	Cost	Depreciation	Net
Lands		–	–	–	**8,184**	**–**	**8,184**
Machinery and equipment	10% per year	1,159	(417)	742	**1,214**	**(517)**	**697**
Vehicle	10% per year			–	**509**	**(51)**	**458**
Tools	10% per year	192	(44)	148	**200**	**(64)**	**136**
Improvements in property owned by third parties	20% per year	259	(218)	41	**259**	**(259)**	**–**
Furniture and fixtures	10% per year	12	(5)	7	**435**	**(22)**	**413**
IT - Equipment	20% per year	272	(193)	79	**365**	**(240)**	**125**
Improvement in progress in third-party properties		9	–	9	**–**	**–**	**–**
Improvement in progress		46	–	46	**211**	**–**	**211**
Facilities	10% per year	162	(95)	67	**162**	**(112)**	**50**
Training equipment	10% per year	–	–	–	**238**	**(2)**	**236**
Property, plant, and equipment (capex ongoing)		–	–	–	**46**	**–**	**46**
Property, plant, and equipment (ongoing)		–	–	–	**1,723**	**–**	**1,723**
Test tractors		502	–	502	**–**	**–**	**–**
Engineering tooling	10% per year	224	(50)	174	**415**	**(86)**	**329**
Development in prototypes		623	–	623	**187**	**–**	**187**
		3,460	**(1,022)**	**2,438**	**14,146**	**(1,351)**	**12,795**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

b) Transaction

	Lands	Machinery and equipment	Vehicle	Tools	Improve-ments in third-party assets	Furniture and fixtures	IT - Equipment	Property, plant, and equipment (ongoing)	Improvement in progress in third-party properties	Facilities	Training equipment	Property, plant, and equipment (capex ongoing)	Property, plant, and equipment (ongoing)	Test tractors	Engineering tooling	Development in prototypes	Total
Cost																	
Opening Balance	–	1,159	–	192	259	12	272	46	9	162	–	–	1,109	502	224	623	2,427
Additions	8,184	81	71	7	–	412	93	211	605	–	238	46	–	–	192	59	1,342
Write-offs	–	(25)	(64)	–	–	–	–	(46)	(614)	–	–	–	614	(502)	–	(494)	(783)
Transfers	–	0	502	–	–	–	–	–	–	–	–	–	–	–	–	–	474
Closing Balance	**8,184**	**1,214**	**509**	**200**	**259**	**435**	**365**	**211**	**0**	**162**	**238**	**46**	**1,723**	**0**	**415**	**187**	**3,460**
Depreciation																	
Opening Balance	–	(417)		(44)	(218)	(5)	(193)	–	–	(96)	–	–	–	–	–	–	(720)
Additions	–	(101)	(57)	(20)	(41)	(17)	(45)	–	–	(15)	(2)	–	–	–	(50)	–	(704)
Write-offs	–	–	6	–	–	–	–	–	–	–	–	–	–	–	(37)	–	226
Transfers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	177
Closing Balance	**–**	**(517)**	**(51)**	**(64)**	**(259)**	**(21)**	**(240)**	**–**	**–**	**(112)**	**(2)**			**–**	**(86)**	**–**	**(1,022)**
Balance as of Mar. 31, 2023	**–**	**742**	**–**	**148**	**41**	**7**	**79**	**46**	**9**	**67**	**–**	**–**	**–**	**502**	**174**	**623**	**2,438**
Balance as of Mar. 31, 2024	**8,184**	**697**	**458**	**136**	**–**	**413**	**127**	**211**	**–**	**51**	**236**	**46**	**1,723**	**–**	**329**	**188**	**12,798**

9. Intangible Assets

		03/31/2023	03/31/2024		
	Amortization rate	**Net**	**Cost**	**Accumulated amortization**	**Net**
IT - Software and Licenses	20% per year	25	167	**(40)**	**152**
		25	167	**(40)**	**152**

10. Suppliers

The Company has suppliers abroad of inputs that are related parties: Mahindra & Mahindra and Erkunt.

	03/31/2024	03/31/2023
National suppliers	**4,753**	6,407
International suppliers	**29,384**	92,614
	34,137	99,021

The obligations with the controller refer to the purchase of inputs and finished products without foreign exchange exposure, whose payment term is 180 days from the date of shipment.

11. Taxes Payable and Installments

	03/31/2024	03/31/2023
IRRF	**59**	61
CSRF	**6**	10
ICMS	**1,329**	1,651
IRPJ/CSLL	**1,898**	2,292
Other	**25**	21
RFB simplified installments	**–**	47
(-) Interest to be incurred	**–**	(9)
(-) Tax reversal - billed and not shipped	**–**	(378)
Total current	**3,317**	3,695

12. Right-of-use asset/ Lease Liability

Recognized	**03/31/2024**	03/31/2023
Right-of-use asset - current	**659**	–
Right-of-use asset - noncurrent	**814**	–
Total current	**1,473**	–

Recognized	**03/31/2024**	03/31/2023
Lease Liability - current	**659**	–
Lease Liability - noncurrent	**814**	–
	1,473	–

The Lease Liability and right-of-use asset of Company are made up of vehicle rent agreement to administrative and commercial Department. On March 31, 2024 the management, according to the IFRS 16 Leases, recognized the assets and liabilities arising from its vehicle lease contracts renewed during the financial year 2023.

13. Contingencies

The Company is a party to labor and civil proceedings. For those lawsuits whose loss was considered probable, if applicable, the respective provision for losses was fully recorded. For the possible loss, 50% of the estimated amount was provisioned.

Civil provisions refer mainly to claims before representatives while labor provisions refer substantially to various labor claims involving former employees of the Company.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

As of March 31, 2024, the Company has the amount of BRL 3,419 (BRL 180 in 2023) in labor and civil lawsuits, involving risk of possible loss as classified by Management and its legal advisors.

14. Tax Losses and Negative Basis

The company has a balance of BRL 1,003 of tax loss and negative basis of social contribution (BRL 22,794 in 2023), these credits represent a right to set up deferred tax credits in the amount of BRL 341 (BRL 7,750 in 2023), which are not activated, based on the expectation of generating future taxable income. These credits are realized by offsetting their base, limited to 30% of taxable income in subsequent fiscal years. No tax credits were recorded on temporary tax differences, which are provision for inventory losses, provision for expected losses, provision for guarantees, miscellaneous provision, and long-term provisions.

Annually, management assesses this expectation of future taxable income and, when it identifies its recoverability, it will proceed with the necessary adjustments to bring the amount of said credits recorded to their probable realizable value. Deductible temporary differences do not expire in accordance with current tax legislation.

15. Members' Equity

a) Capital

On March 31, 2024, the paid-in capital, arising from foreign participation, was represented by 60,975,100 membership interests, with a par value of one real (BRL 1.00) each, distributed among the members as follows:

	03/31/2024	03/31/2023
Mahindra & Mahindra Ltd.	**60,911**	60,911
Mahindra Overseas Investment Company (Mauritius)	**64**	64
	60,975	60,975

b) Equity Valuation Adjustment

The reserve for equity valuation adjustments includes adjustments for adopting the deemed cost of the asset on the transition date.

c) Income Allocation

The Company's Articles of Organization determines the distribution of income in the proportion that the shareholders who hold the majority of the capital approve.

d) Legal Reserve

By legal determination, the Company recognized that 5% of current net profit to Legal Reserve. In the last exercises, this destination was not recognized, because the Company aimed to absorb the tax losses and negative base related previous exercises, firstly.

16. Revenue

	03/31/2024	03/31/2023
Sale of products	**349,218**	331,864
(-) Tax on sales	**(38,000)**	(35,283)
(-) Returns and rebates	**(2,940)**	(2,806)
Net Revenue	**308,278**	293,775

17. Sales Costs

	03/31/2024	03/31/2023
Cost of goods sold	**214,205**	188,417
Cost of goods sold	**3,726**	3,001
Inventory turnover/adjustment provision	**525**	1,139
	218,459	192,557

18. Sales and Marketing Expenses

	03/31/2024	03/31/2023
Salaries, benefits, and social charges	**4,218**	3,287
Services provided by third parties	**299**	371
Advertising	**252**	473
Travel and accommodation	**967**	597
Fairs, congresses, and symposiums	**1,718**	1,118
Extended warranties	**7,109**	7,118
Other selling expenses	**525**	582
	15,088	13,546

19. Administrative and Tax Expenses

	03/31/2024	03/31/2023
Salaries, benefits, and social charges	**3,497**	3,179
Services provided by third parties	**636**	681
Communications and electric power	**395**	138
Travel and accommodation	**426**	232
Depreciation and amortization	**1,459**	1,176
Fairs, congresses, and symposiums	**14**	18
Expenses with vehicles	**29**	–
Insurances	**11**	8
Office supplies	**40**	32
Tax expenses	**353**	172
Project expenses	**1**	24
Other	**121**	258
	6,981	5,918

20. Financial Income

	03/31/2024	03/31/2023
Financial expenses		
Exchange rate variations on liabilities	**203**	336
Interest expense (a)	**18,985**	9,070
IOF	**51**	101
Others	**86**	153
	19,325	9,660
Financial income		
Income from financial investments	**2,342**	2,429
Active exchange rate variations	**192**	117
Other	**248**	142
	2,782	2,688
Financial income	**16,543**	6,972

(a) The value mainly corresponding to financial intermediation expenses by sales agreements to client dealers and final users together the DDL Bank on modalities Stock Finance and Retail Finance.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

21. Income tax and social contribution

a) Deferred taxes

Tax credits arising from temporary additions related to the included provisions, based on the expectation of generating taxable results in the future.

Basis	**03/31/2024**	03/31/2023
Provision for compensation	**670**	671
Provision for expected losses	**1,346**	1,346
Accumulated tax loss	**1,004**	22,794
Provision for slow turnover	**1,455**	1,502
Provision for warranty	**14,200**	10,296
Provision for bonuses	**685**	527
Other provisions	**1,790**	1,945
Calculation basis	**21,150**	**39,081**
Income tax 25%	**5,288**	–
Social Contribution 9%	**1,904**	–
Total deferred taxes recognized	**7,191**	–

Annually, management assesses this expectation of future taxable income and, consequently, makes the necessary adjustments to bring the amount of said credits recorded to their probable accomplishment value within a period of 3 years.

The projections of generating taxable income in the future are developed and based on internal proposals and economic scenarios that may change. The deductibles temporary differences do not prescribe in accordance with current tax legislation.

In exercise 2023, the deferred tax asset didn't recognize due to tax losses accumulated from previous years (Note 14).

22. Insurances

The Management of the Companies adopts the policy of taking out insurance for the headquarters of the Companies, whose coverage is considered sufficient by the Management and insurance agents to cover the occurrence of claims, and the management is responsible for defining the risk assumptions adopted.

23. Financial Risk Management

(a) Overview

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risks
- Liquidity risks
- Market risks
- Currency risks
- Operational risks

We present information on the Company's exposure to each of the aforementioned risks, the Company's objectives, policies, and processes for risk measurement and management, and the Company's capital management. Additional quantitative disclosures are included throughout these financial statements.

(b) Risk Management Structure

Management has overall responsibility for establishing and overseeing the Company's risk management framework. Risk management policies are established to identify and analyze the risks faced by the Company, to define appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are frequently revised to reflect changes in market conditions and the Company's activities. Through its training and management policies and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit Risks

Credit risk is the Company's risk of financial loss if a customer or the other party in a financial instrument fails to meet its contractual obligations, arising mainly from trade receivables and investment securities.

Trade Receivables and Other Credits

The Company's exposure to credit risk is influenced primarily by the individual characteristics of each customer. However, management also considers the demographics of the customer base, including the credit risk of the region where customers operate, as these factors can influence credit risk.

Management has established a credit policy in which all new customers have their creditworthiness analyzed individually before the Company's payment and delivery terms and conditions are offered. The analysis includes external assessments, when available, including a prior analysis of the bank records carried out by the financial institutions themselves. Purchase limits are established for each customer, guaranteed by financial institutions, which represent the maximum amount outstanding without requiring prior approval. Such limits are periodically revised. Customers who fail to meet the established credit limit may only operate with the Company on an advance payment basis. Once the transaction is approved by the financial institution, the sale is carried out and the risk becomes entirely with the financial institution.

In monitoring customers' credit risk, they are grouped according to their credit characteristics, including geographic location, maturity, and existence of previous financial difficulties.

(d) Liquidity Risks

Liquidity risk is the risk in which the Company will find it difficult to meet the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach in liquidity management is to ensure, as much as possible, that it always has sufficient liquidity to meet its obligations as they fall due, under normal and stress conditions, without causing unacceptable losses or risking damage to the Company's reputation.

Based on the calculation of the Liquidity ratios, the current liquidity ratio corresponds to 3.59 on March 31, 2024 (1.71 on March 31, 2023), a result that demonstrates balance in a possible settlement of short-term obligations.

(e) Market Risks

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, and share prices, may have on the Company's earnings or the value of its holdings in financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters while optimizing the return.

The Company complies with financial obligations to manage market risks. All these operations are conducted within the guidelines established by Management.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED AS OF MARCH 31, 2024 AND 2023

IN THOUSANDS OF REAIS

(f) Currency Risks

The Company is subject to currency risk in purchases, loans, and financing denominated in a currency other than its functional currency, the real (BRL). The currency in which these transactions are primarily denominated is the US dollar.

With respect to other monetary assets and liabilities denominated in foreign currency, the Company ensures that its net exposure is maintained at an acceptable level to address short-term instabilities.

(g) Operational Risks

Operating risks are the risks of direct or indirect losses arising from a variety of causes associated with the Company's processes, personnel, technology, and infrastructure and from external factors, except credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of business behavior. Operating risks arise from all of the Company's operations.

The Company's objective is to manage operational risks to avoid the occurrence of financial losses and damage to its reputation, as well as to seek cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management. Accountability is supported by the development of the Company's general standards for the management of operational risks in the following areas:

- Requirements for proper segregation of duties, including independent authorization of operations;
- Requirements for reconciliation and monitoring of operations;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the identified risks;
- Requirements to report operating losses and proposed corrective actions;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where effective.

(h) Capital Management

The Executive Board has been monitoring the loss generated by the operation, in order to mitigate its causes and generate returns on capital, which the Company defines as income of operating activities divided by total members' equity.

Shareholders provide advances for future capital increases when necessary and/or contributions to maintain cash flow and support investments, whichever is more profitable for the Company.

Jak Torretta	**Martin Fallgatter**
CEO	Accountant – CRCRS No 079394/O-9

INDEPENDENT AUDITOR'S REPORT

TO THE GENERAL ASSEMBLY OF ERKUNT TRAKTÖR SANAYI ANONIM ŞIRKETI,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Erkunt Traktör Anonim Şirketi (the "Company" or "Erkunt Traktör"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TASs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in our audit
Application of TAS 29 – "Financial Reporting in Hyperinflationary Economies"	
As disclosed in Note 2.02, the Company applied TAS 29 "Financial reporting in hyperinflationary economies ("TAS 29") in its financial statements as of and for the year ended 31 December 2023. TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non- monetary balances at the end of the period with prior year statements with comparative information were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The implementation of TAS 29 leads to a change in several of the Company's control activities pervasively related to financial reporting. Applying TAS 29 results in significant changes to financial statement items included in the Company's financial statements as of and for the year ending 31 December 2023, which have been restated for comparative purposes as of and for the year ending 31 December 2022, including statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.	We performed the following audit procedures in relation to the application of TAS 29: - Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management, - Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis, - Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29, - Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute, - Testing the mathematical accuracy of non-monetary items, statement of profit or loss, and cash flow statement adjusted for inflation effects, - Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the financial statements in accordance with TFRS.

OTHER MATTER

The financial statements of the Company as of 31 December 2022 and for the year ended were audited by another audit firm whose audit report dated 7 March 2023 expressed an unqualified opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on Other Responsibilities Arising from Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner who supervised and concluded this independent auditor's report is Ö. Soydan KESKİNER.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL

Istanbul, April 1, 2024

Ö. Soydan KESKİNER Responsible Auditor

AS OF THE DATE OF DECEMBER 31, 2023
STATEMENT OF FINANCIAL POSITION (ASSETS)

(All amounts are expressed in Turkish Lira ("TL")

	Notes	Audited Current Period December 31, 2023	Reclassified Audited Previous Period December 31, 2022
ASSETS			
Current assets		**2.699.427.544**	2.170.147.305
Cash and cash equivalents	6	**144.969.201**	209.328.730
Financial Investments	7	**–**	–
Trade Receivables	10	**1.031.935.105**	632.756.769
Trade receivables due from unrelated parties	10	**1.015.361.373**	586.238.403
Trade receivables due from related parties	10,37	**16.573.732**	46.518.366
Other receivables	11	**28.912.618**	71.715.999
Other receivables due from unrelated parties	11	**28.912.618**	71.715.999
Other receivables due from related parties	11,37	**–**	–
Inventories	13	**1.132.008.566**	943.759.803
Prepayments	15	**62.929.686**	89.703.632
Prepaid expenses to unrelated parties	15	**62.929.686**	89.703.632
Prepaid expenses to related parties	15,37	**–**	–
Current tax assets	25	**19.525.112**	63.642
Other current assets	26	**279.147.256**	222.818.730
Total		**2.699.427.544**	2.170.147.305
Non-current assets or disposal groups classified as held for sale	34	**–**	–
Non-current Assets		**1.408.553.071**	1.205.418.569
Financial investments	7	**1.366.793**	–
Trade Receivables	10	**–**	–
Trade receivables due from unrelated parties	10	**–**	–
Trade receivables due from related parties	10,37	**–**	–
Other receivables	11	**–**	–
Other receivables due from unrelated parties	11	**–**	–
Other receivables due from related parties	11,37	**–**	–
Investments accounted for using equity method	16	**723.131.275**	660.936.854
Investment property	17	**–**	–
Investments accounted for using equity method	14	**79.362.162**	3.056.924
Property, plant and equipment	18	**376.315.920**	369.090.059
Investment property	19	**228.376.921**	172.334.732
Prepayments	15	**–**	–
Prepaid expenses to unrelated parties	15	**–**	–
Prepaid expenses to related parties	15,37	**–**	–
Other non-current assets	26	**–**	–
Deferred tax asset	35	**–**	–
TOTAL ASSETS		**4.107.980.615**	3.375.565.874

The accompanying notes form an integral part of the financial statements

AS OF THE DATE OF DECEMBER 31, 2023
STATEMENT OF FINANCIAL POSITION (LIABILITIES)

(All amounts are expressed in Turkish Lira ("TL")

	Notes	Audited Current Period December 31, 2023	Reclassified Audited Previous Period December 31, 2022
LIABILITIES			
Current Liabilities		**1.760.420.688**	1.665.852.890
Current borrowings	8	**321.137.620**	110.880.835
Current portion of non-current borrowings	8	**21.598.886**	–
Other financial liabilities	9	**–**	–
Trade payables	10	**1.060.819.208**	1.135.596.496
Trade payables to unrelated parties	10	**745.894.500**	815.423.502
Trade payables to related parties	10,37	**314.924.708**	320.172.994
Employee benefit obligations	20	**16.973.211**	11.785.928
Other payables	11	**69.131.609**	77.663.697
Other payables to unrelated parties	11	**69.131.609**	77.663.697
Other payables to related parties	11,37	**–**	–
Government incentives and aid	21	**–**	–
Deferred income	15	**146.032.485**	175.533.268
Current tax liabilities	35	**–**	–
Current provisions	22	**114.240.003**	144.111.849
Other current provisions	22	**96.569.952**	133.171.771
Current provisions for employee benefits	22	**17.670.051**	10.940.078
Other current liabilities	26	**10.487.666**	10.280.817
Total		**1.760.420.688**	1.665.852.890
Liabilities included in disposal groups classified as held for sale	34	**–**	–
Non-current Liabilities		**108.330.306**	81.074.695
Non-current borrowings	8	**38.413.084**	3.850.086
Other financial liabilities	9	**–**	–
Trade payables	10	**–**	–
Trade payables to unrelated parties	10	**–**	–
Trade payables to related parties	10,37	**–**	–
Other payables	11	**–**	–
Other payables to unrelated parties	11	**–**	–
Other payables to related parties	11,37	**–**	–
Deferred income	15	**37.012.437**	42.299.927
Non-current provisions	24	**20.175.354**	18.211.710
Other non-current provisions	24	**–**	–
Non-current provisions for employee benefits	24	**20.175.354**	18.211.710
Other non-current liabilities	26	**–**	–
Deferred tax liabilities	35	**12.729.431**	16.712.972
Equity		**2.239.229.621**	1.628.638.289
Equity Attributable to Owners of Parent	27	**2.239.229.621**	1.628.638.289
Issued capital		**440.000.000**	440.000.000
Inflation adjustments on capital		**1.443.725.007**	1.443.725.007
Other comprehensive income/(expense) that will not be reclassified to profit or l		**(47.902.284)**	(35.320.288)
Restricted reserves appropriated from profits		**31.682.917**	31.682.917
Prior periods profit or (losses)		**(251.449.347)**	(392.054.806)
Current period net profit or (loss)		**623.173.328**	140.605.459
Non-controlling Interests	27	**–**	–
TOTAL LIABILITIES		**4.107.980.615**	3.375.565.874

The accompanying notes form an integral part of the financial statements.

FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023
PROFIT OR LOSS STATEMENT

(All amounts are expressed in Turkish Lira ("TL"))

	Notes	Audited Current Period January 1 - Dec 31, 2023	Audited Previous Period January 1 - Dec 31, 2022
Revenue	28	5.506.263.845	4.128.847.103
Cost of sale (-)	28	(3.983.602.419)	(3.345.588.980)
Gross profit (loss) from commercial operations		1.522.661.426	783.258.123
Marketing expenses (-)	29,30	(304.757.694)	(277.783.475)
Administrative expenses (-)	29,30	(128.243.059)	(96.555.602)
Research and development expense (-)	29,30	(35.744.261)	(30.254.160)
Other income from operating activities	31	142.068.337	191.307.120
Other expenses from operating activities (-)	31	(356.245.721)	(200.430.500)
Profit (loss) from operatıng activities		839.739.028	369.541.506
Share of profit (loss) from investments			
- accounted using equity method	16	70.935.574	103.306.355
Investment activity income	32	11.503.990	3.027.833
Investment activity expenses (-)	32	–	–
Profit (loss) before financing income (expense)		922.178.592	475.875.694
Finance income	33	9.539.985	1.955.538
Finance costs (-)	33	(65.950.951)	(58.860.731)
Net monetary gain / (loss)		(140.149.061)	(234.013.139)
Profit (loss) from continuing operations, before tax		725.618.565	184.957.362
Continuing activities tax income / (expense)	35	(102.445.237)	(44.351.903)
- Current period tax (expense)		(104.504.159)	–
- Deferred tax income (expense)		2.058.922	(44.351.903)
Profit (Loss) From Contınuıng Operatıons		623.173.328	140.605.459
Dıscontınued Operatıons			
Profit (loss) from discontinued operations		–	–
Net profit (loss)		623.173.328	140.605.459
Profit (loss), attributable to		623.173.328	140.605.459
Non-controlling interests		–	–
Equity holders of the parent		623.173.328	140.605.459
Basic earnings (loss) per share			
Basic earnings (loss) per share from continuing operations	36	51.931.11	11.717.12

The accompanying notes are an integral part of these consolidated financial statements.

FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023
STATEMENT OF OTHER COMPREHENSIVE INCOME

(All amounts are expressed in Turkish Lira ("TL")

	Notes	**Audited Current Period** **Jan 1- Dec 31, 2023**	Audited Previous Period Jan 1- Dec 31, 2022
Profıt (Loss)	**36**	**623.173.328**	140.605.459
Other Comprehensive Income			
Other comprehensive income that will not be reclassified to profit or l		**(12.581.996)**	(35.320.288)
Shares not to be classified in profit or loss - from investments accounted for using the equity method	**16**	**(8.741.153)**	(27.588.233)
Gains (losses) on remeasurements - of defined benefit plans	**24**	**(5.765.462)**	(9.665.069)
Income tax of other comprehensive income - that will not be reclassified to profit or loss		**1.924.619**	1.933.014
- *Current period tax (expense) income*		**–**	–
- *Deferred tax (expense) income*	**35**	**1.924.619**	1.933.014
They will be reclassified to profit or loss		**–**	–
Other Comprehensive Income (Loss)		**(12.581.996)**	(35.320.288)
Total Comprehensive Income (Loss)		**610.591.332**	105.285.171
Total comprehensive income (loss), attributable to			
Non-controlling interests		**–**	–
Equity holders of the parent		**610.591.332**	105.285.171

The accompanying notes are an integral part of these consolidated financial statements.

FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023 STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in Turkish Lira ("TL")

				Other accumulated comprehensive income that will not be reclassified in profit or (loss)			profit or (loss) Accumulated profit (losses)		
Audited Current Period	Notes	Issued capital	Inflation adjustments on capital	Gains (losses) on remeasurements of defined benefit plans	comprehensive income/ (expenses) from investments accounted for using the equity method	Restricted reserves appropriated from profits	Prior periods profit or (losses)	Current period net profit or (loss)	Equity
January 1, 2023	**27**	**440.000.000**	**1.443.725.007**	**(7.732.055)**	**(27.588.233)**	**31.682.917**	**(392.054.806)**	**140.605.459**	**1.628.638.289**
Transfers		–	–	–	–	–	140.605.459	(140.605.459)	**–**
Total comprehensive income		–	–	(3.840.843)	(8.741.153)	–	–	623.173.328	**610.591.332**
- *Profit (loss)*		–	–	–	–	–	–	623.173.328	**623.173.328**
- *Other comprehensive income (loss)*		–	–	(3.840.843)	(8.741.153)	–	–	–	**(12.581.996)**
December 31, 2023	**27**	**440.000.000**	**1.443.725.007**	**(11.572.898)**	**(36.329.386)**	**31.682.917**	**(251.449.347)**	**623.173.328**	**2.239.229.621**
Audited Previous Period									
January 1, 2022	**27**	**365.000.000**	**1.336.010.098**	**–**	**–**	**31.682.917**	**(392.054.806)**	**–**	**1.340.638.209**
Transfers		–	–	–	–	–	–	–	**–**
Capital increase		75.000.000	107.714.909	–	–	–	–	–	**182.714.909**
Total comprehensive income		–	–	(7.732.055)	(27.588.233)	–	–	140.605.459	**105.285.171**
- *Profit (loss)*		–	–	–	–	–	–	140.605.459	**140.605.459**
- *Other comprehensive income (loss)*		–	–	(7.732.055)	(27.588.233)	–	–	–	**(35.320.288)**
December 31, 2022	**27**	**440.000.000**	**1.443.725.007**	**(7.732.055)**	**(27.588.233)**	**31.682.917**	**(392.054.806)**	**140.605.459**	**1.628.638.289**

The accompanying notes are an integral part of these consolidated financial statements.

FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023
STATEMENT OF CASH FLOWS

(All amounts are expressed in Turkish Lira ("TL")

	Notes	**Audited Current Period January 1- December 31, 2023**	Audited Previous Period January 1 – December 31, 2022
A) Cash Flows From (Used In) Operating Activities		**(205.000.583)**	288.701.757
Profit (Loss)		**623.173.328**	140.605.459
Profit (loss) from continuing operations		**623.173.328**	140.605.459
Adjustments to reconcile profit (loss)		**285.210.098**	25.534.310
Adjustments for depreciation and amortisation expense	**14,18,19**	**73.389.685**	61.150.037
Adjustments for impairment loss (reversal of impairment loss)	**10**	**1.001.332**	(11.252.249)
Adjustments for impairment loss (reversal of impairment loss) of inventor	**10**	**1.001.332**	(11.252.249)
Adjustments for provisions		**34.754.577**	52.168.674
Adjustments for (reversal of) provisions related with employee benefits	**22–24**	**22.285.442**	9.194.719
Adjustments related to provisions for litigation and/or penalties (reversals)	**22**	**308.620**	404.719
Adjustments related to other provisions (reversals)	**22**	**12.160.515**	42.569.236
Adjustments for interest (income) expenses	**31,32,33**	**220.869.889**	6.654.702
Adjustments related to gains arising from bargain purchase	**16**	**(70.935.574)**	(103.306.353)
Adjustments related to unrealized foreign exchange gains/losses	**8**	**15.420.200**	–
Adjustments related to tax income/expenses	**35**	**102.445.237**	44.351.903
Adjustment related to monetary (gain) / loss		**(91.735.248)**	(24.232.404)
Changes in working capital		**(981.520.782)**	123.741.191
Adjustments related to decrase (increase) in financial investmentsd	**7**	**(1.366.793)**	–
Adjustments for decrease (increase) in trade accounts receivable	**10**	**(501.802.260)**	383.671.408
Adjustments for decrease (increase) in other receivables related with operat	**11**	**42.803.381**	(14.469.612)
Adjustments for decrease (increase) in inventories	**13**	**(188.248.763)**	(349.450.818)
Adjustments for decrease (increase) in prepaid expenses	**15**	**26.773.946**	(4.072.147)
Adjustments for increase (decrease) in trade accounts payable	**10**	**(167.341.327)**	382.556.581
Adjustments for increase (decrease) in other operating payables	**11**	**(8.532.088)**	33.653.654
Adjustments for increase (decrease) in payables due to employee benefits	**12**	**5.187.283**	8.682.232
Increase (decrease) in deferred income	**26**	**(34.788.273)**	(271.981.448)
Other adjustments for other increase (decrease) in working capital	**26**	**(154.205.888)**	(44.848.659)
Cash flows from (used in) operations		**(73.137.356)**	289.880.960
Income taxes refund (paid)	**35**	**(123.965.629)**	(54.916)
Employee termination benefit paid	**24**	**(7.897.598)**	(1.124.287)
B) Cash Flows From (Used In) Investing Activities		**(114.878.762)**	(173.989.773)
Cashout from purchase of property, plant, equipment and intangible assets	**18,19**	**(114.878.762)**	(173.989.773)
C) Cash Flows From (Used In) Financing Activities		**255.519.816**	44.340.497
Proceeds from borrowings	**8**	**402.617.987**	637.015
Cash outflows for debt repayments	**8**	**(115.615.675)**	(7.519.717)
Repayments of borrowings	**27**	**–**	75.000.000
Paid interest		**(32.150.666)**	(25.177.423)
Received interest		**668.170**	1.400.622
Net increase (decrease) in cash and cash equivalents - before effect of fx rate changes		**(64.359.529)**	159.052.481
D) Effect of Exchance Rate Changes On Cash And Cash Equivalents		**–**	–
Net increase (decrease) in cash and cash equivalents		**(64.359.529)**	159.052.481
E) Cash And Cash Equivalents at Beginning of the Period		**209.328.730**	50.276.249
Cash And Cash Equivalents at the end of Period		**144.969.201**	209.328.730

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Currency – TL unless otherwise indicated)

1. COMPANY'S ORGANISATION AND NATURE OF OPERATIONS

Erkunt Traktör Sanayi Anonim Şirketi (the "Company" or "Erkunt Traktör") was established on 12 September 2003. The registered address of Erkunt Traktör is as follows:

Organize Sanayi Bölgesi Batıhun Caddesi No: 2-4 Sincan/Ankara

Erkunt Traktör's business activities include ensuring manufacturing, sales, maintenance and repair of agricultural machinery, engine and transmission units, machinery and equipment.

As of 31 December 2023 and 2022, the current issued share capital of Erkunt Traktör is amounting to TL 440.000.000 each with a nominal amount of TL 1.000,00 each representing 440.000 number of outstanding shares.

As of 31 December 2023 and 2022, the principal shareholders and their respective shareholding rates in Erkunt Traktör are as follows:

	Dec 31, 2023		Dec 31, 2022	
Shareholders	**Amount**	**Ratio (%)**	Amount	Ratio (%)
Mahindra Overseas Investment Company	**440.000.000**	**100**	440.000.000	100
Total	**440.000.000**	**100**	440.000.000	100

Total end of period and average number of personnel employed by Erkunt Traktör is 474 (31 December 2022: 450). These financial statements as of and for the year ended 31 December 2023 have been approved for issue by the Board of Directors ("BOD") on 2 April 2024. These financial statements will be finalised following their approval in the General Assembly.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.01 Basis of presentation

Erkunt Traktör Sanayi Anonim Şirketi maintains their books of account and prepares their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Statement of compliance with Turkish Accounting Standards ("TAS")

The financial statements of the Company have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") including additions and interpretations issued by POA.

In addition, the accompanying financial statements as of 31 December 2023 have been prepared in accordance with the "TFRS Taxonomy - 2022" published by POA on 4 October 2022.

Items included in the financial statements of Erkunt Traktör are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in TL, which is Erkunt Traktör's functional and presentation currency.

2.02 Adjusments of financial statements in hyper inflationary periods

Financial Reporting in Hyperinflationary Economies

In accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" which requires entities whose functional currency is that of a hyperinflationary economy to prepare their consolidated financial statements in terms of the measuring unit current at the end of the reporting period. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment. Money loses its purchasing power in such a proportion that comparing the amounts of transactions or other events that occurred at different times is misleading, even in the same accounting period. Hyperinflation is determined by a country's economic characteristics, including, but not limited to:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power.
- The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency.
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short.
- Interest rates, wages, and prices are linked to a "Price index"; and
- The cumulative inflation rate over three years approaches, or exceeds, 100%.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 December 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	**Index**	**Adjustment coefficient**	**Three-year cumulative inflation rates**
31.12.2023	1.859,38	1.00000	268%
31.12.2022	1.128,45	1.64773	156%
31.12.2021	686,95	2.70672	74%

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

In accordance with the CMB's resolution numbered 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority ("POA") on 23 November 2023, entities applying Turkish Financial Reporting Standards ("TFRSs") are required to present their financial statements by adjusting for the material influence of inflation for the comparative annual reporting period ending on or after 31 December 2022 and opening balances starting from 1 January 2022, in accordance with the accounting principles specified in TAS 29.

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

The main components of the Company's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and in the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.

- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index. Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 December 2023. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.03 Consolidation Principles

Subsidiaries are companies over which Erkunt Traktör has the power to control the financial and operating policies for the benefit of Erkunt Traktör, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, or companies owned by them whereby Erkunt Traktör exercises control over the ownership interest of the shares held by them and shares to be used according to Erkunt Traktör preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Erkunt Traktör has power to control the investee due to the dispersed capital structure of the investee and/or Erkunt Traktör has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.The As of 31 December 2023 and 2022, Erkunt Traktör has no subsidiaries.

Associates are accounted for using the equity method. Associates are companies in which the Company has voting power between 20% and 50% or the Company has power to participate in the financial and operating policy decisions but not control them. Unrealised gains or losses arising from transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Financial assets in which the Company has ownership interests below 20%, or over 20% but which the Company or which are not exposed to significant influence of variable returns or which are immaterial are classified as financial assets measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income in the financial statements, otherwise they are carried at cost in the accompanying financial statements.

Under the equity method, the investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of the acquisition.

Affiliates	Capital	Participation Rate	Participation Amount	Accounting Method
Erkunt Sanayii A.Ş.	15.120.000	%35	32.002.099	Shares Received from Equity Method

Non-current assets are the assets that the total direct and indirect ownership of the Company are below 20% or are above 20% but the Company does not have a significant influence or do not constitute materiality in terms of financial statement and these financial assets that are not traded in organized markets and whose fair values cannot be measured reliably and that the Company does not intend to sell are recognised in the financial statements at cost, less provision for impairment. Available-for-sale financial assets that are traded in organized markets and whose fair value can be measured reliably are recognized at their fair value. The detailed information regarding financial assets is disclosed in **Note 7.**

2.04 Changes in Accounting Policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the prior periods Company's financial statements are restated. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the financial statements as it had been used in.

2.05 Comparatives and adjustment of prior periods' financial statements

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the financial statements,

The current period financial statements of the Company include comparative financial information to enable the determination of the trends in financial position and performance.

Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

2.06 Changes in the Accounting Estimates

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates and errors expected to have an impact on the results of operations in the current period.

2.07 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in accordance with TFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the statement of profit or loss and in the carrying value of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are as follows:

a) Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates). These estimates are reviewed at each balance sheet date and revised if deemed necessary (Note 24).

b) The Company depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. (Note 2.09.04).

c) The impairment on trade receivables has been determined considering the creditworthiness of the borrowers, past payment performances and restructuring conditions in case of restructuring. Provision for doubtful receivables reflects the amounts that the Company management believes will meet future losses as of the balance sheet date. Provision for doubtful receivables represents the amounts that the Company believes will compensate future losses of receivables which are present as of the balance sheet date but which are not subject to collection in current economic conditions. The past performance of borrowers assessed for impairment of receivables impairment, credits on the market and their performance from the balance sheet date to the date of approval of the financial statements are also taken into consideration. The necessary disclosures regarding provisions are presented in Note 10.

d) The physical properties of the inventories and the past are examined in relation to the inventory impairment, the availability of the personnel is determined according to the opinions of the technical personnel and provision is made for the items that are estimated to be unavailable. Average sales prices are used to determine the net realizable value of inventories (Note 13).

e) The Company has calculated the deferred tax in accordance with TAS and TFRS and reflected to the financial statements.

f) On the provision for lawsuits, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Company's legal counsel as of 31 December 2023 and 2022.

2.08 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.09 Summary of Important Accounting Policies

Accounting policies used in the preparation of the financial statements are summarised below:

2.09.01 Cash and Cash Equivalents

In accordance with TAS/TFRS, cash and cash equivalents of Erkunt Traktör represent cash on hand and demand deposits, deposits held in banks with maturities of 3 months or less, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value (Note 6). If there are cash and equivalents classified to be used to pay a debt or for another reason within more than 12 months from the balance sheet date, they are included in non-current assets.

2.09.02 Trade Receivables

Trade receivables and notes and post-dated checks classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

Notes and post-dated checks classified within trade receivables are carried at their discounted cost by discounting with the effective interest method on the balance sheet date.

Provision for doubtful receivables is recognised as an expense in the period which they incurred. Provision is the amount estimated by the Company management and to cover the possible losses that may arise from economic benefit or the risk in the account and the losses estimated to realise in the subsequent periods.

2.09.03 Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.09.04 Tangible Fixed Assets

Property, plant and equipment are carried at cost less accumulated depreciation as of 31 December 2004 for the items purchased before 1 January 2005 and for the items purchased as of 1 January 2005, less the accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives.

The depreciation rates for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Assets Held for Depreciation	Useful Life
Underground and surface layouts	5 - 25
Buildings	10 - 50
Machinery and facilities	3 - 25
Vehicles	4 - 14
Furnitures and fixtures	2 - 50
Other intangible assets	3 - 10
Special costs	5

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and accounted prospectively.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/(losses) from investing activities" in the current period under statement of other comprehensive income.

2.09.05 Intangible Fixed Assets

Intangible assets acquired before 1 January 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in and purchased after 1 January 2005 are carried forward at their acquisition cost less accumulated amortization.

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis.

The depreciation rates for intangible assets, which approximate the economic useful lives of such assets, are as follows:

Assets Held for Depreciation	Useful Life
Liberties	2 - 15
Other intangible assets	2 - 10
Research and Development Expenses	2 - 7

2.09.06 *Borrowing Costs*

Borrowing costs capitalised in the period which they incurred and recognised as an expense in the statement of profit or loss. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. The financing costs of borrowings attributable to ongoing investments are capitalised until the completion of the investments. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred. The Company has no capitalised financing cost during the period.

2.09.07 *Impairment of Assets*

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non- financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.09.08 *Foreign currency translation*

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Company have been accounted for under "other operating income/ expenses".

The financial statements are presented in TL, which is Erkunt Traktör's functional and presentation currency. Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Currency translation differences recognized as profit or loss in the period which they incurred.

2.09.09 *Taxes Calculated on the Corporate Profit*

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

Current tax

Current income tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Company's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Company is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Company intends to pay off the current tax assets and liabilities.

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value. The taxes included in the financial statements include current period tax and the change in deferred taxes. The Company calculates current and deferred tax on the results for the period.

Offsetting in tax assets and liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

2.09.10 *Trade Payables*

The financial income included in the borrowings is calculated by considering the effective interest method with relevant maturities, and the amounts are presented in the financial income in the accompanying financial statements.

2.09.11 *Leasing Transactions*

The Company - as a lessee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset)

- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset,
- The Company has the right to direct the use of an identified asset. The Company has the right to direct the use of the asset throughout the period of use only if either:
    a) The Company has the right to direct how and for what purpose the asset is used throughout the period of use or
    b) Relevant decisions about how and for what purpose the asset is used are predetermined
        i. The Company has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
        ii. The Company designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right-of-use asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) The amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Company, and
d) An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, Company measures the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) Adjusted for any remeasurement of the lease liability.

The Company applies the depreciation requirements in TAS 16 “Property, Plant and Equipment” in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Company at the end of the lease term or if the cost of use rights indicates that the Company will use a purchase option, the Company depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Company depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Company applies TAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Company’s incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability,
b) Reducing the carrying amount to reflect the lease payments made, and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Company uses the Company’s incremental borrowing interest rate.

After the effective date of the lease, the Company remeasures the lease liabilities to reflect changes in lease payments. The Company reflects the remeasurement amount of the lease liabilities to the financial statements as an adjustment to the right of use assets.

The Company remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

(a) A change in the lease term. The Company determines adjusted lease payments based on the adjusted lease term.
(b) Changes in the assessment of the option to purchase the underlying asset. The Company determines adjusted lease payments to reflect the change in the amounts payable under the purchase option.

The Company calculates the adjusted discount rate for the remainder of the lease term if the implicit interest rate in the lease can be easily determined; if it cannot be easily determined, the Company determines the alternative borrowing interest rate at the date of the revaluation.

The Company remeasures its lease liabilities by reducing the adjusted lease payments if either of the following conditions incurred:

(a) Changes in the amounts expected to be paid under a residual value commitment. The Company determines the adjusted lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.
(b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Company remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Company determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Company uses an unchanged discount rate.

The Company recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

(a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and
(b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

2.09.12 *Provision for employment termination benefits*

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Company arising from the retirement of its employees based on the actuarial projections. TAS 19 “Employee Benefits” requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity’s obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses and recognised in statement of other comprehensive income.

2.09.13 *Research and Development Expenses*

Expenditures for research and development are charged against income in the period incurred except for project development costs which comply with the following criteria:

- The product or process is clearly defined, and costs are separately identified and measured reliably,

- The technical feasibility of the product is demonstrated,
- The product or process will be sold or used in-house,
- A potential market exists for the product or its usefulness in case of internal use is demonstrated, and
- Adequate technical, financial and other resources required for completion of the project are available.

The costs related to the development projects are capitalized when the criteria above are met and amortized by straight-line basis over the useful lives of related projects.

2.09.14 *Financial Instruments*

TFRS 9 regulates the provisions regarding the recognition and measurement of financial assets and financial liabilities. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.

2.09.14.1 *Financial Assets*

Under TFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Trade receivables

Trade receivables and notes and post-dated checks classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The provision is an estimated amount which is difference between existing receivable and collectible amount. Collectible amount is the discounted value of trade receivables, all cash flows including collections from guarantees by using original effective interest rate.

Post dated cheques received with maturity dates exceeding the balance sheet date are classified in trade receivables and are rediscounted using the interest rates determined for government debt securities by considering the interest levels arising in the stock exchanges or other organized markets.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all such receivables. The provision for doubtful receivables is established through a provision charged to expenses. Provision is made when there is objective evidence that the Company will not be able to collect the debts. The provision is an estimated amount that management believes to be adequate to absorb possible future losses on existing receivables that may become uncollectible due to current economic conditions and inherent risks in the receivables. Bad debts are written off when identified. Provision for doubtful receivables is recognized as an expense when identified.

If a portion or the entire amount of a receivable is collected after provided for a provision, the collected amount is deducted from total provision and is recognized as an income in the comprehensive income statement.

The Company has preferred to apply "simplified approach" for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Company measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

Derivative instruments

Derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently are re-measured at their fair value. The derivative instruments of the Company mainly consist of foreign exchange forward contracts and related transactions. These derivative transactions, even though providing effective economic hedges under the Company risk management position, do not generally qualify for hedge accounting, therefore treated as 'derivative financial instruments held for trading. Any gains or losses arising from changes in the fair value of such kind of financial instruments are recognized understatement of profit and loss.

Impairment of financial assets

Financial assets are assessed at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that had occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. For loans and receivables impairment loss has been incurred the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Except for trade receivables, which is reduced through the use of an provision account, impairment on all other financial assets are directly written-off in the related account. In case trade receivables cannot be collected, the related amount is written-off from provision account. The change in provision is accounted in the other comprehensive income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short-term highly liquid and the risk of value change is not material investments including time deposits generally having original maturities of three months or less.

Bank accounts consist of time and demand deposit accounts and the related interest accrued. The Turkish Lira balances are stated at face values and the foreign currency balances are translated into Turkish Lira at the foreign currency rate issued by the. Central Bank of Turkey as at the report date. Time deposit accounts are stated as calculated by adding accrued interest as of balance sheet date on the principal amount.

2.09.14.2 *Financial Liabilities*

TFRS 9 preserves the existing provisions in TAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories for held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets have been removed.

The adoption of TFRS 9 did not have a material influence on the Company's accounting policies regarding its financial liabilities and derivative instruments.

The Company's financial liabilities and equity instruments are classified according to contractual arrangements and the basis of definition of a financial liability and an equity instrument. The contract that represents the right to the remaining assets of the Company less borrowings is an equity-based financial instrument. The accounting policies applied for financial liabilities and equity-based financial instruments are as follows.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recognized at fair value and revalued at their fair value at the reporting date in each reporting period. The change in their fair value is recognized in the income statement. The net gain or loss recognized in the profit or loss statement also includes the interest paid on the financial liability.

b) Other financial liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value net of transaction costs. They are subsequently accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate.

The effective interest method is the method of calculating the amortized costs of the financial liability and allocating the related interest expense to the related period. Effective interest rate is the rate that exactly discounts estimated future cash payments over the expected value of the financial instrument or a shorter period of time, to the net present value of the financial liability.

2.09.15 *Provisions, Contingent Liabilities and Assets*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in the financial statements and treated as contingent assets or liabilities.

2.09.16 *Related Parties*

For the purpose of these financial statements, shareholders, parents of Erkunt Traktör Sanayi Anonim Şirketi key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties". The detailed explanation regarding related parties is disclosed in **Note 37.**

2.09.17 *Revenue recognition*

The Company adopted TFRS 15, "Revenue from Contracts with Customers" which proposes a five-step model framework mentioned below for recognizing the revenue.

- Identify the contact with customers
- Identify separate performance obligations in the contract
- Determine the transaction price in contract
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue

A contract with a customer recognized as a revenue will be within the scope of TFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

The Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. For each performance obligation identified, the entity determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time. The Company recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

2.09.18 *Statement of cash flow*

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Company's activities.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Company (property, plant and equipment, intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and demand deposits, deposits held in banks with maturities of 3 months or less, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

2.09.19 *Earnings per share*

Earnings per share disclosed in the statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

2.09.20 *Events after the reporting period*

Event after the reporting period is an event that which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorised for issue. The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. If non- adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the financial statements **(Note 40).**

2.09.21 *Investment Property*

Properties held for rental yields or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as "investment property". Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Daily repair and maintenance is not included in the aforementioned costs.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

2.10 Going Concern

As of 31 December 2023, the Company has prepared its financial statements with the assumption on the Company's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

2.11 New and Revised International Financial Reporting Standards

i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 31 December 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the commencement of the effective date. Earlier application is permitted. The amendments did not have a significant material influence on the financial position or performance of the Company.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. "Material" is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The amendments did not have a significant material influence on the financial position or performance of the Company.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant material influence on the financial position or performance of the Company.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments did not have a significant material influence on the financial position or performance of the Company.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the material influence of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA.

The standard is not applicable for the Company and will not have a material influence on the financial position or performance of the Company.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2021 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The amendments are not applicable for the Company and will not have a material influence on the financial position or performance of the Company.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognized any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller- lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments are not applicable for the Company and will not have a material influence on the financial position or performance of the Company.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Company expects no significant material influence on its financial statements.

3. BUSINESS COMBINATIONS

As of 31 December 2023 and 2022, the Company has no business combinations subject to common control and relevant transactions.

4. DISCLOSURE OF INTERESTS IN OTHER ENTITIES

Erkunt Traktör has no interests in subsidiaries, joint arrangements, associates and unconsolidated “structured entities”.

5. OPERATING SEGMENTS

As of 31 December 2023 and 2022, the Company has no reportable segments considered under operating segments.

6. CASH AND CASH EQUIVALENTS

As of 31 December 2023 and 2022, the functional breakdown of cash and cash equivalents is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Till	**27.182**	56.904
Banks	**99.239.107**	98.411.944
– Demand deposit	**99.239.107**	93.934.569
– Term deposit	**–**	4.477.375
Other liguid assets	**45.702.912**	110.859.882
Total	**144.969.201**	209.328.730

As of 31 December 2023 and 2022, the Company has blocked deposits amounting to TL 69.051.807 (31 December 2022: TL 77.583.306).

As of 31 December 2023, the Company has no time deposits (31 December 2022: TL 4.477.375).

7. FINANCIAL INVESTMENTS

As of 31 December 2023 and 2022, the Company has no short-term financial investments.

As of 31 December 2023 and 2022, the details of long-term financial investments are as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
IET-İş Portföy Renewable Energy Technologies Investment Fund	**1.366.793**	–
Total	**1.366.793**	–

8. FINANCIAL LIABILITIES

As of 31 December 2023 and 2022, the details of short-term borrowings are as follows:

Short-Term Borrowings

Acoount Name	**Dec 31, 2023**	Dec 31, 2022
Bank loans	**320.279.752**	104.707.126
Rental debts	**–**	3.894.095
Credit card debts	**857.868**	2.279.614
Total	**321.137.620**	110.880.835

As of 31 December 2023 and 2022, the details of short-term portion of long-term borrowings are as follows:

Current Portion of Non-current Borrowings and Non-current Borrowings

Acoount Name	**Dec 31, 2023**	Dec 31, 2022
Rental debts	**21.598.886**	–
Total	**21.598.886**	–

As of 31 December 2023 and 2022, the details of long-term borrowings are as follows:

Large-Term Borrowings

Acoount Name	**Dec 31, 2023**	Dec 31, 2022
Rental loans	**38.413.084**	3.850.086
Total	**38.413.084**	3.850.086

a) The repayment schedule of borrowings is as follows:

Loans	**Dec 31, 2023**	Dec 31, 2022
0-3 month	**49.698.622**	96.474.735
4-12 month	**270.581.130**	8.232.391
Total	**320.279.752**	104.707.126

Rental debts	**Dec 31, 2023**	Dec 31, 2022
0-3 month	**5.939.831**	973.523
4-12 month	**15.659.055**	2.920.572
1-5 years	**31.505.666**	3.850.086
More than 5 years	**6.907.418**	–
Total	**60.011.970**	7.744.181

Credit Card Debts	**Dec 31,2023**	Dec 31,2022
0-3 month	**857.868**	2.279.614
Total	**857.868**	2.279.614

b) Annual effective interest rates of borrowings in terms of currencies are as follows:

Dec 31,2023

Loans	**Foreign Exchange Amount**	**TL Amount**	**Weighted Interest rate**
Turkish lira loans	–	187.009.093	42.0%
Euro loans	4.083.973	133.270.659	7.5%
Total		**320.279.752**	

Lease Debts	**Foreign Exchange Amount**	**TL Amount**	**Weighted Interest rate**
Turkish Lira rental debts	–	60.011.970	–
Total		**60.011.970**	

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Loans	**Foreign Exchange Amount**	**TL Amount**	**Weighted Interest rate**
Turkish lira loans	–	104.707.126	25,3%
Total		**104.707.126**	

Lease Debts	**Foreign Exchange Amount**	**TL Amount**	**Weighted Interest rate**
Turkish Lira rental debts	–	7.744.181	19,1%
Total		**7.744.181**	

As of 31 December 2023 and 2022, the movement of financial liabilities is as follows:

Financial Liabilities Movement Table	**Jan 1- Dec 31, 2023**	Jan 1- Dec 31, 2022
January 1, beginning of term	**114.730.921**	199.774.207
Use	**402.617.987**	637.015
Interest accruals	**9.097.359**	–
Payment	**(115.615.675)**	(7.519.717)
Exchange difference	**15.420.200**	–
Monetary gain / (loss), net	**(45.101.202)**	(78.160.584)
Dec, 31 end of period	**381.149.590**	114.730.921

9. OTHER FINANCIAL LIABILITIES

None. (December 31, 2018: None)

10. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the functional breakdown of short-term trade receivables is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Trade receivables from non-related parties	**1.015.361.373**	586.238.403
Buyers	**907.371.723**	464.362.682
Notes receivables	**107.989.650**	121.875.721
Dobtful debts	**30.770.672**	43.665.937
Provision for doubtful debts (-)	**(30.770.672)**	(43.665.937)
Trade receivables from related parties (note:37)	**16.573.732**	46.518.366
Total	**1.031.935.105**	632.756.769

As of 31 December 2023, the average turnover period for trade receivables is 89 days (31 December 2022: 72 days).

Movements of provision for doubtful trade receivables are as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
January 1, beginning of period	**43.665.937**	53.248.072
Period expense **(note.31)**	**1.001.332**	11.252.249
Monatery gain / (loss)	**(13.896.597)**	(20.834.384)
December 31, end of period	**30.770.672**	43.665.937

As of 31 December 2023 and 2022, the Company has no long-term trade receivables.

Erkunt Traktör has no past due but impaired trade receivables.

As of 31 December 2023 and 2022, the functional breakdown of short-term trade payables is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Trade payables to non-related parties	**745.894.500**	815.423.502
Sellers	**741.427.140**	809.133.553
Notes payable	**4.467.360**	6.289.949
Trade payables to related parties (note:37)	**314.924.708**	320.172.994
Total	**1.060.819.208**	1.135.596.496

As of 31 December 2023 and 2022, trade payables include payables arising from purchases of raw materials for operating activities. As of 31 December 2023, the average turnover period for trade payables is 123 days (31 December 2022: 138 days).

As of 31 December 2023 and 2022, the Company has no long-term trade payables.

11. OTHER RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the detailed analysis of short-term other receivables is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Other receivables from unrelated parties	**28.912.618**	71.715.999
Receivables from the tax office (*)	**26.550.190**	71.114.886
Deposits and guarantees given	**992.822**	601.113
Other receivables	**1.369.606**	–
Other receivables from related parties (note:37)	**–**	–
Total	**28.912.618**	71.715.999

As of 31 December 2023 and 2022, the Company has no long-term other receivables.

As of 31 December 2023 and 2022, the detailed analysis of short-term other payables is as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Trade payables to non-related parties	**69.131.609**	77.663.697
Other miscellaneous liabilities	**69.131.609**	77.663.697
Other payables to related parties (note:37)	**–**	–
Total	**69.131.609**	77.663.697

As of 31 December 2023 and 2022, the Company has no long-term other payables.

12. DERIVATIVE INSTRUMENTS

None. (December 31,2022: None

13. INVENTORIES

As of 31 December 2023 and 2022, the breakdown of inventories is as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Raw materials and Supplies	337.851.348	302.377.398
Semi-finished goods in production	36.452.069	15.465.355
Finished Goods	305.457.127	161.869.237
Trade goods	98.545.798	69.524.005
Other inventories	353.702.224	394.523.808
Total	**1.132.008.566**	943.759.803

The Company has no pledged inventory for its liabilities. The details of the total insurance coverage on assets are disclosed in **Note 22**.

The Company has no collaterals and mortgages on inventories.

14. RIGHT OF USE ASSETS

As of 31 December 2023 and 2022, the movements for right of use assets, and related depreciation are as follows:

Dec 31,2023

Cost Price	**1 Jan 2023**	**Addition**	**Disposal**	**Dec 31,2023**
Buildings	25.101.511	42.364.039	(25.101.510)	42.364.040
Vehicles	–	55.720.172	–	55.720.172
Total	**25.101.511**	**98.084.211**	**(25.101.510)**	**98.084.212**

Accumulated Depreciation (-)	**1 Jan 2023**	**Period Depreciation**	**Disposal**	**Dec 31,2023**
Buildings	(22.044.587)	(7.308.610)	25.101.511	(4.251.686)
Vehicles	–	(14.470.364)	–	(14.470.364)
Total	**(22.044.587)**	**(21.778.974)**	**25.101.511**	**(18.722.050)**
Net book value	**3.056.924**			**79.362.162**

Dec 31,2022

Cost Price	**1 Jan 2022**	**Addition**	**Disposal**	**Dec 31,2022**
Buildings	22.063.030	3.038.481	–	25.101.511
Total	**22.063.030**	**3.038.481**	**–**	**25.101.511**

Accumulated Depreciation (-)	**1 Jan 2022**	**Period Depreciation**	**Disposal**	**Dec 31,2022**
Binalar	(21.551.509)	(493.078)	–	(22.044.587)
Total	**(21.551.509)**	**(493.078)**	**–**	**(22.044.587)**
Net Book Value	**511.521**			**3.056.924**

15. PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2023 and 2022, the breakdown of short-term prepaid expenses is as follows:

Account Name	Dec 31,2023	Dec 31,2022
Prepaid expenses to unrelated parties	**62.929.686**	89.703.632
Expenses for the coming months	**16.908.092**	7.154.643
Order advances given	**46.021.594**	82.548.989
Total	**62.929.686**	89.703.632

As of 31 December 2023 and 2022, the Company has no long-term prepaid expenses.

As of 31 December 2023 and 2022, the breakdown of short-term deferred income is as follows:

Account Name	Dec 31,2023	Dec 31,2022
Received advances	**121.930.926**	161.249.836
Income for next months	**24.101.559**	14.283.432
Total	**146.032.485**	175.533.268

(*) Short-term deferred income comprises of unfinished products for exports.

As of 31 December 2023 and 2022, the breakdown of long-term deferred income is as follows:

Account Name	Dec 31,2023	Dec 31,2022
Income for future years	**37.012.437**	42.299.927
Total	**37.012.437**	42.299.927

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 31 December 2023 and 2022, the details and summary financial information of associate accounted for using the equity method are as follows:

Account Name	Dec 31,2023	Dec 31,2022
Erkunt Sanayi Anonim Şirketi	**723.131.275**	660.936.854
Total	**723.131.275**	660.936.854

As of 31 December 2023, the current issued share capital of Erkunt Sanayi Anonim Şirketi is amounting to TL 15.120.000 (31 December 2022: TL 15.120.000).

The share of profit/(loss) of associate accounted for using the equity method is as follows:

	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
1 Jan, beginning of period	**660.936.854**	585.218.734
Other comprehensive income/ (expense)	**(8.741.153)**	(27.588.235)
Devidend from period profit	**70.935.574**	103.306.355

17. INVESTMENT PROPERTIES

None. (December 31,2022: None.)

18. Property, Plant and Equipment

As of 31 December 2023 and 2022, the movements for property, plant and equipment, and related depreciation are as follows:

Dec 31,2023

Asset value	1 Jan 2023	Buying	Transfer	Sales	Dec 31,2023
Land and plots	91.631.582	–	–	–	91.631.582
Underground and surface layouts	5.934.787	–	17.112.432	–	23.047.219
Buildings	205.740.922	7.675.460	–	–	213.416.382
Machinery, Equipment and installation	56.166.755	3.986.309	44.731.908	–	104.884.972
Vehicles	1.369.475	1.000.870	–	–	2.370.345
fixtures	43.718.806	11.255.299	–	–	54.974.105
Other tangible fix assets	148.518.464	2601623	53.095.153	–	204.215.240
Special cost	6.694.607	4.495.409	–	–	11.190.016
Ongoing investments	105.171.363	9.858.455	(114.939.493)	–	90.325
Total	**664.946.761**	**40.873.425**	**–**	**–**	**705.820.186**

Accumulated Depreciation (-)	1 Jan 2023	Period Depreciation	Transfer	Sales	Dec 31,2023
Underground and surface layouts	(4.704.921)	(1.519.271)	–	–	(6.224.192)
Buildings	(115.757.245)	(2.881.221)	–	–	(118.638.466)
Machinery,Equipment and installation	(39.222.717)	(9.278.753)	–	–	(48.501.470)
Vehicles	(1.050.678)	(263.713)	–	–	(1.314.391)
fixtures	(32.389.198)	(3.899.320)	–	–	(36.288.518)
Other tangible fix assets	(99.377.557)	(14.572.794)	–	–	(113.950.351)
Special cost	(3.354.386)	(1.232.492)	–	–	(4.586.878)
Total	**(295.856.702)**	**(33.647.564)**	**–**	**–**	**(329.504.266)**
Net Book Value	**369.090.059**				**376.315.920**

Dec 31,2022

Asset value	**1 Jan 2022**	**Buying**	**Transfer**	**Sales**	**Dec 31,2022**
Land and plots	91.631.582	–	–	–	91.631.582
Underground and surface layouts	5.934.787	–	–	–	5.934.787
Buildings	205.740.922	–	–	–	205.740.922
Machinery,Equipment and installation	53.350.105	2.816.650	–	–	56.166.755
Vehicles	1.369.475	–	–	–	1.369.475
fixtures	36.887.604	6.831.202	–	–	43.718.806
Other tangible fix assets	137.982.412	10.536.052	–	–	148.518.464
Special cost	3.975.254	2.719.353	–	–	6.694.607
Ongoing investments	5.658.527	99.512.836	–	–	105.171.363
Toplam	**542.530.668**	**122.416.093**	**–**	**–**	**664.946.761**

Accumulated Depreciation (-)	**1 Jan 2022**	**Period Depreciation**	**Transfer**	**Sales**	**Dec 31,2022**
Underground and surface layouts	(4.461.101)	(243.820)	–	–	(4.704.921)
Buildings	(112.991.682)	(2.765.563)	–	–	(115.757.245)
Machinery, Equipment and installation	(34.603.164)	(4.619.553)	–	–	(39.222.717)
Vehicles	(913.102)	(137.576)	–	–	(1.050.678)
fixtures	(29.801.960)	(2.587.238)	–	–	(32.389.198)
Other tangible fix assets	(86.552.165)	(12.825.392)	–	–	(99.377.557)
Special cost	(2.882.981)	(471.405)	–	–	(3.354.386)
Total	**(272.206.155)**	**(23.650.547)**	**–**	**–**	**(295.856.702)**
Net Book Value	**270.324.513**				**369.090.059**

The functional breakdown of depreciation and amortisation charges on property, plant and equipment is disclosed under **Note 30**.

19. INTANGIBLE ASSETS

As of 31 December 2023 and 2022, the movements for intangible assets, and related depreciation are as follows:

Dec 31,2023

Asset Value	**1 Jan 2023**	**Buying**	**Sales**	**Dec 31,2023**
Rights	81.862.927	31.891	–	81.894.818
Araştırma ve geliştirme giderleri	294.408.062	69.742.740	–	364.150.802
Other intangible assets	15.258.747	4.230.706	–	19.489.453
Total	**391.529.736**	**74.005.337**	**–**	**465.535.073**

Accumulated Depreciation (-)	**01 Jan 2023**	**Period Depreciation**	**Sales**	**Dec 31,2023**
Rights	(26.238.150)	(6.273.275)	–	(32.511.425)
Research and development expenses	(180.320.541)	(9.828.344)		(190.148.885)
Other intangible assets	(12.636.313)	(1.861.529)	–	(14.497.842)
Total	**(219.195.004)**	**(17.963.148)**	**–**	**(237.158.152)**
Net Book Value	**172.334.732**			**228.376.921**

Dec 31,2022

Asset Value	**1 Jan 2022**	**Buying**	**Sales**	**Dec 31,2022**
Rights	81.862.927	–	–	81.862.927
Research and development expenses	245.110.597	49.297.465	–	294.408.062
Other intangible assets	12.982.532	2.276.215	–	15.258.747
Total	**339.956.056**	**51.573.680**	**–**	**391.529.736**

Accumulated Depreciation (-)	**01 Jan 2022**	**Period Depreciation**	**Sales**	**Dec 31,2022**
Rights	(19.521.460)	(6.716.690)	–	(26.238.150)
Research and development expenses	(151.101.423)	(29.219.118)	–	(180.320.541)
Other intangible assets	(11.565.710)	(1.070.603)	–	(12.636.313)
Total	**(182.188.593)**	**(37.006.411)**	**–**	**(219.195.004)**
Net Book Value	**157.767.463**			**172.334.732**

The functional breakdown of depreciation and amortisation charges on intangible assets is disclosed under **Note 30**.

20. EMPLOYEE BENEFITS

As of 31 December 2023 and 2022, the breakdown of short-term employee benefits is as follows:

Account Name	Dec 31,2023	Dec 31,2022
Debts to personnel	**11.572.764**	7.936.250
Social security deductions payable	**5.400.447**	3.849.678
Total	**16.973.211**	11.785.928

21. GOVERNMENT GRANTS

None. (December 31,2022: None.)

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) *Provisions*

As of 31 December 2023 and 2022, the functional breakdown and detailed analysis of short-term provisions are as follows:

Account Name	Dec 31,2023	Dec 31,2022
Provisions for employee benefits	**17.670.051**	10.940.078
In return for leave	**17.670.051**	10.940.078
Other short term provisions	**96.569.952**	133.171.771
In return for litigation	**4.754.332**	8.342.374
Warranty expense provision	**91.815.620**	116.487.023
Total	**114.240.003**	144.111.849

The movement of Provisions are as follows:

Dec 31,2023	In returnfor litigation	Warranty provision	In return for leave	Total
1 January start of term	8.342.374	124.829.397	10.940.078	144.111.849
Period expense	–	91.647.022	17.670.051	109.317.073
Payment / cancellation (-)	(308.620)	(75.589.845)	(6.639.488)	(82.537.953)
Monetary gain / (loss), net	(3.279.422)	(49.070.954)	(4.300.590)	(56.650.966)
December 31, end of period	**4.754.332**	**91.815.620**	**17.670.051**	**114.240.003**

31 Aralık 2022	In return for litigation	Warranty provision	In return for leave	Total
1 January start of term	6.543.031	56.409.118	5.175.903	68.128.052
Period expense	404.719	154.391.449	10.940.078	165.736.246
Payment / cancellation (-)	–	(63.901.405)	(3.150.859)	(67.052.264)
Monetary gain / (loss), net	1.394.624	(22.069.765)	(2.025.044)	(22.700.185)
December 31, end of period	**8.342.374**	**124.829.397**	**10.940.078**	**144.111.849**

ii) *Commitments, mortgage and guarantees not included in the liability*

The details of mortgages and guarantees not included in the liability are as follows:

	Dec 31,2023			Dec 31,2022	
Letters of guarantee	Foreign Currency Type	Foreign Currency Amount	Tl Case	Foreign Currency Case	Tl Case
Guarantee letters given	TL	**–**	**55.928.833**	–	11.737.956
Guarantee letters given	TL	**–**	**538.487.000**	–	261.966.000

The Company's guarantees, pledges and mortgages ("GPM") position as of December 31, 2023 and 2022 are as follows:

Issued by the Company

Collateral Pledge Mortgages (CPM)	**Dec 31,2023** Foreign Currency Case	**Dec 31,2023** Tl Case n	Dec 31,2022 Currency Case	Dec 31,2022 Tl Case
A, Total amount of tris given on behalf of its own legal entity		**538.487.000**		261.966.000
Letter of guarantee (TL)	–	**538.487.000**	–	261.966.000
Letter of guarantee (USD)	–	–	–	–
Mortgage (USD)	–	–	–	–
Mortgage (TL)	–	–	–	–
B, Included in the scope of full consolidation				
- Total amount of GPMs given in favor of partnerships	–	–	–	–
C, Carrying out ordinary business activities				
- for the purpose of securing the debts of other third parties	–	–	–	–
- total amount of tris given	–	–	–	–
D, Total amount of other tri's given	–	**15.000.000**	–	–
I, Total amount of tris given in favor of the main partner	–	–	–	–
ii, Other group companies not included in the scope of articles B and C	–	–	–	–
- Total amount of TRs given as collateral in your favor	–	**15.000.000**	–	–
- *sureties (TL)*	–	**15.000.000**	–	–
- *sureties (USD)*	–	–	–	–
iii, In favor of third parties not included in Article C	–	–	–	–
- sum of given tris	–	–	–	–
Total		**553.487.000**		261.966.000

The ratio of the other guarentees, pledges and mortgages to Equity is 8% (December 31,2022:% 19).

iv) *Total insurance amount of assets;*

Dec 31,2023

Type of insured asset	**Insurance Compa**	**Insurance amount**	**Insurance start date**	**Insurance end date**
Buildings	Türkiye Sigorta	78.880.000	31.12.2023	31.12.2024
Machinery and equipment	Türkiye Sigorta	272.250.000	31.12.2024	31.12.2024
Commodity	Türkiye Sigorta	1.000.000.000	31.12.2023	31.12.2024
Furnitures and fixtures	Türkiye Sigorta	136.477.500	31.12.2023	31.12.2024
Total		**1.487.607.500**		

Dec 31,2022

Type of insured asset	**Insurance Compa**	**Insurance amount**	**Insurance start date**	**Insurance end date**
Buildings	Türkiye Sigorta	81.233.049	31.12.2022	31.12.2023
Machinery and equipment	Türkiye Sigorta	149.531.424	31.12.2022	31.12.2023
Commodity	Türkiye Sigorta	899.660.136	31.12.2022	31.12.2023
Furnitures and fixtures	Türkiye Sigorta	149.918.640	31.12.2022	31.12.2023
Total		**1.280.343.249**		

As of 31 December 2023 and 2022, the Company has no mortgages and restrictions on its assets.

23. COMMITMENTS

None. (December 31, 2022: None).

24. PROVISIONS FOR EMPLOYEE BENEFITS

The long-term provisions provided to employees as of December 31, 2023 and 2022 are as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Provision for employee termination benefits	**20.175.354**	18.211.710
Total	**20.175.354**	18.211.710

Under Turkish Labour Law, Erkunt Traktör and its associate incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2023, the amount payable consists of one month's salary limited to a maximum of TL 35.058,58 (31 December 2022: TL 19.982,83) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service increases in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. As of 31 December 2023, the provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of 31 December 2023, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 21% and an interest rate of 23%, resulting in a discount rate of 1.65%.

The movements of provision for employment termination benefits are as follows:

	1 Jan- Dec 31,2023	1 Jan- Dec 31,2022
1 January start of term	**18.211.710**	11.416.288
Payment (-)	**(7.897.598)**	(1.124.287)
Interest cost	**1.269.852**	1.459.443
Current service cost	**9.985.027**	1.261.759
Actuarial loss / (gain)	**5.765.462**	9.665.068
Monetary gain / (loss), net	**(7.159.099)**	(4.466.561)
December 31, end of period	**20.175.354**	18.211.710

25. TAX ASSETS AND LIABILITIES

As of 31 December 2023 and 2022, the breakdown of current income tax assets is as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Prepaid taxes and funds	**19.525.112**	63.642
Total	**19.525.112**	63.642

As of 31 December 2023 and 2022, the Company has no current income tax liabilities.

26. OTHER ASSETS AND LIABILITIES

As of 31 December 2023 and 2022, the breakdown of other current assets is as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Deactivated vat	**277.711.440**	221.039.560
Business advances	**1.134.298**	1.590.710
Personnel advances	**301.518**	188.459
Total	**279.147.256**	222.818.729

As of 31 December 2023 and 2022, the Company has no other non-current assets.

As of 31 December 2023 and 2022, the breakdown of other current liabilities is as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Taxes, duties and other deductions payable	**10.487.666**	7.194.421
Accrued expenses	**–**	3.086.396
Total	**10.487.666**	10.280.817

As of 31 December 2023 and 2022, the Company has no other non-current liabilities.

27. EQUITY

As of 31 December 2023 and 2022, the breakdown of equity items is as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Capital receipts	**440.000.000**	440.000.000
Total	**440.000.000**	440.000.000

i) Non-Controlling Shares

None.

ii) Capital Reserves

None.

iii) Restricted reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. The details of the restricted reserves are as follows:

Account Name	**Dec 31,2023**	Dec 31,2022
Restricted reserves allocated from profit	**31.682.917**	31.682.917
Total	**31.682.917**	31.682.917

iv) Profits / Losses for the Previous Year

Account Name	**Dec 31,2023**	Dec 31,2022
Retained years' profits or (losses)	**(251.449.347)**	(392.054.806)
Total	**(251.449.347)**	(392.054.806)

v) Accumulated Other Comprehensive Income or Expense that will not be reclassified to Profit or Loss

Account Name	**Dec 31,2023**	Dec 31,2022
Actuarial gains and losses (note:24)	**(15.430.531)**	(9.665.069)
Deferred taxeffect (note:35)	**3.857.633**	1.933.014
Profit (loss) from investments		
- shares in other comprehensive income	**(36.329.386)**	(27.588.233)
Will not be reclassified to profit or loss - accumulated other comprehensive income/(expense)	**(47.902.284)**	(35.320.288)

vi) Other

"Paid-in share capital", "Restricted reserves" and "Share premium" should be recognised at their amounts presented in the statutory records. In accordance with the implementation of the relevant communique, the differences are associated with in the accompanying financial statements (such as inflation adjustments) are as follows:

- If it arises from "Paid-in share capital" and has not been included to the share capital yet, it should be reclassified to the "Adjustment to share capital" to be recognised after "Paid-in share capital".
- If it arises from "Restricted reserves" and "Share Premium" and has not yet been subject to profit distribution or capital increase, it must be reclassified to "Retained earnings".

  Other equity items are carried with their amounts in accordance with Turkish Financial Reporting Standards ("TFRS") issued by POA.

28. REVENUE AND COST OF SALES

As of 31 December 2023 and 2022, the functional breakdown of revenue and cost of sales is as follows:

Account Name	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Revenues	**5.506.263.845**	4.128.847.103
Domestic sales	**5.475.627.030**	3.643.146.346
Export sales	**556.372.610**	850.898.932
Other sales income	**17.317.379**	12.812.709
Sales returns (-)	**(31.434.537)**	(12.014.385)
Sales deductions (-)	**(511.618.637)**	(365.996.499)
Cost of sales (-)	**(3.983.602.419)**	(3.345.588.980)
Cost of goods sold	**(3.212.337.629)**	(2.879.956.535)
Cost of goods (-)	**(531.050.463)**	(311.781.782)
Depreciation expense	**(26.706.657)**	(22.252.624)
Personal expenses	**(191.222.228)**	(118.408.869)
Severance and leave provision expenses	**(22.285.442)**	(13.189.170)
Gross profit / (loss)	**1.522.661.426**	783.258.123

29. MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

As of 31 December 2023 and 2022, the breakdown of operating expenses is as follows:

Account Name	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Marketing, sales and revenue expenses (-)	**(304.757.694)**	(277.783.475)
General and administrative expenses (-)	**(128.243.059)**	(96.555.602)
Research and development expenses (-)	**(35.744.261)**	(30.254.160)
Total	**(468.745.014)**	(404.593.237)

30. EXPENSES BY NATURE

As of 31 December 2023 and 2022, the functional breakdown of marketing, sales and distribution expenses, research and development expenses and general administrative expenses recognized in expenses by nature is as follows:

Marketing, sales and revenue expenses (-)	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Warranty expenses	**(91.998.717)**	(102.857.053)
Personnel expenses	**(67.938.281)**	(43.957.872)
Freight expenses	**(46.692.535)**	(36.611.232)
Dealer meeting expenses	**(18.091.014)**	(9.774.063)
Fair, advertising and promotion expenses	**(8.205.684)**	(9.577.686)
Sales promotion primer	**(17.940.850)**	(5.584.924)
Travel and accommodation expenses	**(5.179.439)**	(3.894.358)
Depreciation expenses	**(10.464.388)**	(8.719.178)
Outsourced benefits and services	**(29.712.627)**	(21.782.271)
Severance and leave provision expense	**(4.443.398)**	(2.629.732)
Other expenses	**(4.090.761)**	(32.395.106)
Total	**(304.757.694)**	(277.783.475)

General and administrative expenses (-)	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Personnel expenses	**(76.026.861)**	(54.571.151)
Externally provided benefits and services	**(23.855.644)**	(21.529.310)
Depreciation expenses	**(13.436.935)**	(11.195.975)
Donations and aid	**(1.685.918)**	(2.056.340)
Private security service expenses	**(2.578.330)**	(1.861.212)
Severance and leave provision expense	**(4.923.520)**	(2.913.882)
Other expenses	**(5.735.851)**	(2.427.732)
Total	**(128.243.059)**	(96.555.602)

Research and development expenses (-)	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Personnel expenses	**(8.797.034)**	(7.152.844)
Depreciation expenses	**(22.781.705)**	(18.982.260)
Externally provided benefits and services	**(2.774.998)**	(3.793.477)
Severance and leave provision expense	**(526.022)**	(311.315)
Other expenses	**(864.502)**	(14.264)
Total	**(35.744.261)**	(30.254.160)

The functional breakdown of depreciation and amortisation charges recognized in statement of profit or loss is as follows:

Depreciation expenses	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Satışların maliyeti (-)	**(26.706.657)**	(22.252.624)
Pazarlama, satış ve dağıtım giderleri (-)	**(10.464.388)**	(8.719.178)
Genel yönetim giderleri (-)	**(13.436.935)**	(11.195.975)
Araştırma ve geliştirme giderleri (-)	**(22.781.705)**	(18.982.260)
Total	**(50.607.980)**	(42.167.777)

The functional breakdown of personnel expenses recognized in statement of profit or loss is as follows:

Personnel expenses	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Cost of sales (-)	**(191.222.228)**	(118.408.869)
Marketing, sales and revenue expenses (-)	**(67.938.281)**	(43.957.872)
General and administrative expenses (-)	**(76.026.861)**	(54.571.151)
Research and development expenses (-)	**(8.797.034)**	(7.152.844)
Total	**(335.187.370)**	(216.937.892)

31. OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2023 and 2022, the functional breakdown of other operating income/(expenses) is as follows:

Other operating expenses (-)	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Provision for discontinued litigation	**308.620**	–
Foreign exchange gain	**116.408.566**	157.806.986
Discount income	**4.838.044**	17.122.099
Other income	**20.513.107**	16.378.035
Total	**142.068.337**	191.307.120

Other operating expenses (-)	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Foreign exchange losses	**(312.602.685)**	(187.296.684)
Litigation expense	**–**	(404.719)
Provision for doubtful debts expense	**(1.001.332)**	(11.252.249)
Other expenses	**(42.641.704)**	(1.476.848)
Total	**(356.245.721)**	(200.430.500)

32. GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 31 December 2023 and 2022, the functional breakdown of gains from investment activities is as follows:

Income from investment activities	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Profit from securities sales	**11.503.990**	3.027.833
Total	**11.503.990**	3.027.833

As of 31 December 2023 and 2022, the Company has no losses from investment activities.

33. FINANCIAL INCOME/(EXPENSES)

As of 31 December 2023 and 2022, the functional breakdown of financial income is as follows:

Finance income	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Interest income	**668.170**	1.400.622
Derivative opening profit	**8.871.815**	554.916
Total	**9.539.985**	1.955.538

As of 31 December 2023 and 2022, the functional breakdown of financial expenses is as follows:

Finance expenses	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Derivative instrument loss	**(3.188.103)**	(2.810.870)
Interest expenses	**(32.150.666)**	(25.177.423)
Commission expenses	**(8.115.266)**	(1.051.185)
Foreign exchange losses	**(15.420.200)**	(28.904.593)
Other expenses	**(7.076.716)**	(916.660)
Total	**(65.950.951)**	(58.860.731)

The Company has no capitalised financing cost during the period.

34. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31,2022: None).

35. INCOME TAXES

The Company's tax expense (or income) consists of current period corporate income tax expense and deferred tax expense or income and the breakdown and details of income taxes are as follows:

Account Name	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Current period legal tax provision (-)	**(104.504.159)**	–
Deferred tax income / (expense)	**2.058.922**	(44.351.903)
Total tax income / (expense)	**(102.445.237)**	(44.351.903)

i) Current Period Legal Provision for Tax

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, the Company has been calculated tax in accordance with the 2023 earnings in the first advance tax period, an advance tax rate of 25% was calculated on corporate earnings.

Account Name	Jan 1- Dec 31,2023	Jan 1- Dec 31,2022
Current period provision for income taxes	104.504.159	–
Prepaid taxes and funds	(104.504.159)	–
Current period legal tax liability	**–**	**–**

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

According to corporate tax law article numbered 20, the corporate tax is imposed by the taxpayer's tax returns. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income tax withholding. In accordance with the decision of Cabinet numbered 2009-14592 dated 12 January 2009, the rate has been applied as 15%.

ii) Deferred Tax:

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts recognized in the financial statements of assets and liabilities and the amounts recognized in the calculation of taxable income, considering the legal tax rates according to the balance sheet method.

Deferred tax liabilities are calculated for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are calculated with the condition that it is highly probable that the benefit from these differences will be realized by generating taxable profits in the future. Deferred tax liability or asset related to temporary timing differences arising from the initial recognition of assets or liabilities in the financial statements, which do not affect both commercial and tax profit or loss, are not calculated.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Company intends to pay off the current tax assets and liabilities.

As of 31 December 2023 and 2022, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Accumulated temporary		**Deffered tax**	
	Dec 31,2023	Dec 31,2022	**Dec 31,2023**	Dec 31,2022
Tangible and intangible assets	**99.143.065**	136.732.715	**(19.828.613)**	(27.346.543)
Tangible and intangible assets	**1.608.640**	87.248.875	**(321.728)**	(17.449.775)
Loan effective interest provision	**141.510**	–	**(28.302)**	–
Provision for doubtful debts	**8.826.775**	43.558.135	**1.765.355**	8.711.627
Warranty provision	**46.670.180**	124.829.400	**9.334.036**	24.965.880
Litigation provision	**5.942.915**	8.342.370	**1.188.583**	1.668.474
Leave provision	**22.087.565**	10.940.080	**4.417.513**	2.188.016
Provision for severance pay	**25.219.190**	18.211.710	**5.043.838**	3.642.342
Tfrs 16-right of use assets	**99.202.702**	3.821.155	**(19.840.540)**	(764.231)
Tfrs 16-lease debts	**75.014.965**	9.964.035	**15.002.993**	1.992.807
Receivables and payable rediscount	**44.644.740**	17.041.525	**(8.928.948)**	(3.408.305)
Exchange difference	**797.740**	21.758.550	**159.548**	(4.351.710)
Other	**3.465.830**	32.807.770	**(693.166)**	(6.561.554)
Total deferred tax asset/ (liability)			**(12.729.431)**	(16.712.972)

Movements in deferred tax assets/(liabilities) are as follows:

Account Name	**Jan 1- Dec 31,2023**	Jan 1- Dec 31,2022
Early start of term, tax asset/(liability)	**(16.712.972)**	25.705.917
Deferred tax income/(expense)	**2.058.922**	(44.351.903)
Accounting income in other comprehensive income (note: 18-24)	**1.924.619**	1.933.014
End-of-period deferred tax asset/(liability)	**(12.729.431)**	(16.712.972)

Reconciling the effective current period tax expense and profit for the period is as follows:

Tax provision reconciliation	**Jan 1- Dec 31,2023**	Jan 1- Dec 31,2022
Profit/(loss) before tax	**725.618.565**	184.957.362
Corporate tax rate 25%	**(181.404.641)**	(46.239.341)
Tax impact;	**78.959.404**	1.887.438
None deductible expense	**(34.384.420)**	(26.051.373)
Exemptions and derogations	**79.154.752**	63.987.414
Other differences	**34.189.072**	(36.048.603)
Tax provision expense in the income statement	**(102.445.237)**	(44.351.903)

36. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 December 2023 and 2022, which is as follows:

Account Name	**Jan 1- Dec 31,2023**	Jan 1- Dec 31,2022
Net income / (loss)	**623.173.328**	140.605.459
Weighted average number of shares	**12.000**	12.000
Earnings per share / (loss)	**51.931.11**	11.717.12

37. RELATED PARTY DISCLOSURES

The related party transactions and balances are performed without obtaining guarantees and collaterals.

a) *Related party balances are as follows:*

Dec 31,2023	**Trade Receivables**	**Other Receivables**	**Trade Payables**	**Other Payables**
Mahindra do Brasil Industrial Ltda,	15.515.177	–	–	–
Mahindra South Africa (PYT) Ltd,	20.624	–	–	–
Mitsubishi Mahindra Agricultural Machinery	623.169	–	–	–
Mahindra&Mahindra Limited	414.762	–	172.032.300	–
Mahindra&Mahindra Automotive		–	500.781	–
Erkunt Sanayi A.Ş.		–	142.391.627	–
Total	**16.573.732**	–	**314.924.708**	–

Dec 31,2023	Trade Receivables	Other Receivables	Trade Payables	Other Payables
Mahindra do Brasil Industrial Ltda,	22.969.617	–	–	–
Mahindra South Africa (PTY) Ltd,	4.082.762	–	–	–
Mitsubishi Mahindra Agricultural Machinery	1.178.741	–	–	–
Mahindra&Mahindra Limited	683	–	110.409.891	–
Erkunt Sanayi A.Ş.		–	83.901.769	–
Total	**28.231.803**	–	**194.311.660**	–

b) *Related party transactions are as follows:*

Purchases

Dec 31,2023	Interest	Rent	Mechandise and Service	Other	Total
Mitsubishi Mahindra Agricultural Machinery	–	–	399.099	–	399.099
Mahindra&Mahindra Limited	–	–	215.223.098	–	215.223.098
Erkunt Sanayi A.Ş.	–	–	307.743.616	–	307.743.616
Total	**–**	–	**523.365.813**	–	**523.365.813**

Dec 31,2022	Interest	Rent	Mechandise and Service	Other	Total
Mitsubishi Mahindra Agricultural Machinery	–	–	26.188	–	26.188
Mahindra&Mahindra Limited	–	–	116.897.946	–	116.897.946
Erkunt Sanayi A.Ş.	–	–	157.121.165	–	157.121.165
Total	**–**	–	**274.045.299**	–	**274.045.299**

Sales

Dec 31,2023	Interest	Rent	Mechandise and Service	Other	Total
Mahindra do Brasil Industrial Ltda	–	–	80.716.195	–	80.716.195
Mahindra South Africa (PTY) Ltd,	–	–	725.701	–	725.701
Mitsubishi Mahindra Agricultural Machinery	–	–	35.939.563	–	35.939.563
Mahindra&Mahindra Limited	–	–	3.836.270	–	3.836.270
Erkunt Sanayi A.Ş.	–	–	6.897.606	–	6.897.606
Total	**–**	–	**128.115.335**	–	**128.115.335**

Dec 31,2022	Interest	Rent	Mechandise and Service	Other	Total
Mahindra do Brasil Industrial Ltda	–	–	40.133.516	–	40.133.516
Mahindra South Africa (PTY) Ltd,	–	–	11.934.900	–	11.934.900
Mitsubishi Mahindra Agricultural Machinery	–	–	7.891.023	–	7.891.023
Mahindra&Mahindra Limited	–	–	3.802.140	–	3.802.140
Erkunt Sanayi A.Ş.	–	–	3.318.474	–	3.318.474
Total	**–**	–	**67.080.053**	–	**67.080.053**

C) *Benefits and Salaries provided to senior management*

Account Name	Dec 31,2023	Dec 31,2022
Benefits provided to senior executives	**16.728.887**	15.422.871
Total	**16.728.887**	15.422.871

38. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Company is exposed to variety of financial risks due to its operations. These risks include credit risk, price risk, foreign exchange risk, interest rate risk and liquidity risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Company's financial performance. The Company also has financial instruments such as trade receivables and trade payables that arise directly from its operations.

The Company has financial instruments such as bank borrowings, finance leases, cash on hand and short-term bank deposits which are applied on foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company management manages these risks as follows. The Company also monitors the market risk that may arise from the use of financial instruments.

Foreign Currency Risk

The Company, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand. The capital structure of the Company consists of cash and cash equivalents disclosed in note 6, borrowings explained in note 8 and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years disclosed in note 27. Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Company monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings, finance leases and trade payables as disclosed in the statement of financial position). Total capital is calculated as equity, as presented in the statement of financial position, plus net debt. General strategy based on the Company's equity does not differ from the prior period. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Company's financial performance.

Net financial debt/invested capital ratio as of 31 December 2023 and 2022 are as follows:

	Dec 31,2023	Dec 31,2022
Total debts	**1.868.750.994**	1.746.927.585
Liguid assets (-)	**144.969.201**	209.328.730
Net debt	**1.723.781.793**	1.537.598.855
Total equity	**2.239.229.621**	1.628.638.289
Total capital	**3.963.011.414**	3.166.237.144
Net debt/Total capital rate	**0.43**	0.49

The Company has no speculative financial instruments (including derivative instruments) and has no any operations related to the trading of such instruments.

Foreign Currency Risk

Foreign exchange risk arises from the fact that the Company has liabilities denominated in USD, EURO and GBP.

Foreign exchange transactions result in foreign exchange risk arising from foreign exchange denominated assets and liabilities into Turkish Lira. The Company's exposure to foreign exchange risk arises from its borrowings, finance lease liabilities, receivables and payables denominated in foreign currencies. In order to minimize this risk, the Company monitors its financial position and cash inflows/outflows with detailed cash flow statements as of 31 December 2023 and 2022.

The following table details the Company's foreign currency sensitivity as at 31 December 2023 and 2022 for the changes at the rate of 10%:

Exchange Rate Sensitivity Analysis Table (Current Period) Dec 31,2023

		Profit / (Loss)
	Appreciation of Foreign currency	**Depreciation of Foreign Currency**
In case of a % 10 change in the value of US Dollar against TL;		
1 - US Dollar net asset / (liability)	(15.297.372)	15.297.372
2 - The portion hedged against US Dollars (-)	–	–
3 - US Dollars net effect (1+2)	**(15.297.372)**	**15.297.372**
In case of a % 10 change in the value of Avro against TL;		
4 - Avro net assets / (liabilities)	(22.348.822)	22.348.822
5 - The portion hedged against Avro risk (-)	–	–
6 - Avro net effect (4+5)	**(22.348.822)**	**22.348.822**
In case of a % 10 change in the value of Pound against TL;		
7 - Pound net assets / (liabilities)	(92.330)	92.330
8 - The portion hedged against Pound risk (-)	–	–
9 - Pound net effect (7+8)	**(92.330)**	**92.330**
Total	**(37.738.524)**	**37.738.524**

Exchange Rate Sensitivity Analysis Table (Prior Period) Dec 31,2022

		Profit / (Loss)
	Appreciation of Foreign currency	**Depreciation of Foreign Currency**
In case of a % 10 change in the value of US Dollar against TL;		
1 - US Dollar net asset / (liability)	(17.759.221)	17.759.221
2 - The portion hedged against US Dollars (-)	–	–
3 - US Dollars net effect (1+2)	**(17.759.221)**	**17.759.221**
In case of a % 10 change in the value of Avro against TL;		
4 - Avro net assets / (liabilities)	(11.704.234)	11.704.234
5 - The portion hedged against Avro risk (-)	–	–
6 - Avro net effect (4+5)	**(11.704.234)**	**11.704.234**
In case of a % 10 change in the value of Pound against TL;		
7 - Pound net assets / (liabilities)	(17.128)	17.128
8 - The portion hedged against Pound risk (-)	–	–
9 - Pound net effect (7+8)	**(17.128)**	**17.128**
Total	**(29.480.583)**	**29.480.583**

The Company's foreign currency position as of December 31,2023 and 2022 are as follows:

Foreign Exchange Statement

	Dec 31,2023				Dec 31,2022			
	TL Equivalent	**US Dollar**	**Avro**	**Pound**	TL Equivalent	US Dollar	Avro	Pound
1. Trade receivables	**81.670.944**	**1.049.153**	**1.559.094**	**–**	134.411.376	2.214.602	4.663.161	1.887
2a. Monetary financial assets	**27.998.712**	**137.797**	**734.679**	**290**	9.350.801	26.624	443.557	476
2b. Non-monetary financial assets	**–**	**–**	**–**	**–**	–	–	–	–
3. Other	**–**	**–**	**–**	**–**	–	–	–	–
4. Current Assets Total (1+2+3)	**109.669.656**	**1.186.949**	**2.293.774**	**290**	143.762.177	2.241.226	5.106.718	2.363
5. Trade receivables	**–**	**–**	**–**	**–**	–	–	–	–
6a. Monetary financial assets	**–**	**–**	**–**	**–**	–	–	–	–
6b. Non-monetary financial assets	**–**	**–**	**–**	**–**	–	–	–	–
7. Other	**–**	**–**	**–**	**–**	10.423.476	176.373	357.444	–
8. Fixed Assets Total (5+6+7)	**–**	**–**	**–**	**–**	10.423.476	176.373	357.444	–
9. Total Assets (4+8)	**109.669.656**	**1.186.949**	**2.293.774**	**290**	154.185.653	2.417.599	5.464.162	2.363
10. Trade payables	**353.850.814**	**6.374.029**	**5.070.761**	**10.636**	449.481.067	11.898.285	11.335.390	9.979
11. Financial liabilities	**133.270.659**	**–**	**4.083.973**	**–**	–	–	–	–
12a. Other monetary liabilities	**538.715**	**–**	**–**	**14.313**	–	–	–	–
12b. Other non-monetary liabilities	**–**	**–**	**–**	**–**	–	–	–	–
13. Total Short Term Liabilities (10+11+12)	**487.660.188**	**6.374.029**	**9.154.734**	**24.949**	449.481.067	11.898.285	11.335.390	9.979
14. Trade payables	**–**	**–**	**–**	**–**	–	–	–	–
15. Financial liabilities	**–**	**–**	**–**	**–**	–	–	–	–
16a. Other monetary liabilities	**–**	**–**	**–**	**–**	–	–	–	–
16b. Other non-monetary liabilities	**–**	**–**	**–**	**–**	–	–	–	–
17. Total Long Term Liabilities (14+15+16)	**–**	**–**	**–**	**–**	–	–	–	–
18. Total Liabilities (13+17)	**487.660.188**	**6.374.029**	**9.154.734**	**24.949**	449.481.067	11.898.285	11.335.390	9.979
19. Net Asset/ (Liability) Position of Derivative - Instruments off the Balance Sheet (19a-19b)	**–**	**–**	**–**	**–**	–	–	–	–
19a. Hedge edilen toplam varlık tutarı	**–**	**–**	**–**	**–**	–	–	–	–
19b. Hedge edilen toplam yükümlülük tutarı	**–**	**–**	**–**	**–**	–	–	–	–
20. Net yabancı para varlık / (yük.) pozisyonu (9-18+19)	**(377.990.532)**	**(5.187.080)**	**(6.860.960)**	**(24.660)**	(295.295.414)	(9.480.686)	(5.871.228)	(7.616)
21. Monetary ıtems net foreign exch. asset/(liab.) - position (1+2a+5+6a-10+11+12a+14+15+16a)	**(377.990.532)**	**(5.187.080)**	**(6.860.960)**	**(24.660)**	(305.718.890)	(9.657.059)	(6.228.672)	(7.616)
22. Total fair value of financial ınstruments	**–**	**–**	**–**	**–**	–	–	–	–
- used for the foreign exchange hedge	**–**	**–**	**–**	**–**	–	–	–	–
23. The amount of hedged part of foreign exchange assets	**–**	**–**	**–**	**–**	–	–	–	–
24. The amount of hedged part of foreign exchange liabilities	**–**	**–**	**–**	**–**	–	–	–	–
25. Export	**556.372.610**	**6.641.360**	**9.962.527**	**9.349**	736.649.308	7.562.530	31.626.015	332.446
26. Import	**677.987.930**	**8.985.369**	**30.451.658**	**32.976**	1.049.509.515	13.594.570	47.444.742	45.509

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Total credit risk is presented in the statement of financial position.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Company also obtains security when appropriate. It is the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties.

<u>**Dec 31,2023**</u>

	Trade Receivables		Other Receivables		Given Advances				Bank
	Related	**Unrelated**	**related**	**Other**	**related**	**Other**	**Notes**	**Deposits**	**Note**
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	**16.573.732**	**1.015.361.373**	–	**28.912.618**	–	**46.021.594**	**10 –11– 15**	**99.239.107**	**6**
- *The part of maximum risk secured by guarantee etc.*	–	538.487.000	–	–	–	–		–	–
A. Net book value of financial assets	–	–	–	–	–				
which are undue or which did not decline in value (2)	**16.573.732**	**1.015.361.373**	–	**28.912.618**	–	**46.021.594**	**10 –11– 15**	**99.239.107**	**6**
B. Book value of financial assets renegotiated in terms of conditions and which otherwise would be counted as overdue or declined in value (3)	–	–	–	–	–	–		–	–
C. Net book values of assets overdue but not declined in value (4)	_	–	–	–	–	–		–	–
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	–
D. Net book values of assets declined in value	–	–	–	–	–	–		–	–
- Overdue (gross book value)	–	–	–	–	–	–		–	–
- Decline in value (-)	–	–	–	–	–	–		–	–
- The part of net value secured by guarantee etc.	_	–	–	–	–	–		–	–
- Undue (gross book value)		–	–	–	–	–		–	–
- Decline in value (-)	–	–	–	–	–	–		–	–
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	–
E. Elements containing credit risk off the balance sheet	–	–	–	–	–	–		–	–

<u>**Dec 31,2022**</u>

	Trade Receivables		Other Receivables		Given Advances				Bank
	Related	**Other**	**related**	**Other**	**related**	**Other**	**Notes**	**Deposits**	**Note**
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	**46.518.366**	**586.238.403**	–	**71.715.999**	–	**82.548.989**	**10 –11– 15**	**98.411.944**	**6**
- *The part of maximum risk secured by guarantee etc.*	–	431.649.024	–	–	–	–		–	–
A. Net book value of financial assets	–	–	–	–	–				
which are undue or which did not decline in value (2)	**46.518.366**	**586.238.403**	–	**71.715.999**	–	**82.548.989**	**10 –11– 15**	**98.411.944**	**6**
B. Book value of financial assets renegotiated in terms of conditions and which otherwise would be counted as overdue or declined in value (3)	–	–	–	–	–	–		–	–
C. Net book values of assets overdue but not declined in value (4)	_	–	–	–	–	–		–	–
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	–
D. Net book values of assets declined in value	–	–	–	–	–	–		–	–
- Overdue (gross book value)	–	–	–	–	–	–		–	–
- Decline in value (-)	–	–	–	–	–	–		–	–
- The part of net value secured by guarantee etc.	_	–	–	–	–	–		–	–
- Undue (gross book value)		–	–	–	–	–		–	–
- Decline in value (-)	–	–	–	–	–	–		–	–
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	–
E. Elements containing credit risk off the balance sheet	–	–	–	–	–	–		–	–

Liquidity Risk

Liquidity risk is the risk that a Company will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Company provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Undiscounted contractual cash flows of the non-derivative financial liabilities in TL as of 31 December 2023 and 2022 are as follows:

<u>**Dec 31,2023**</u> **Contract Term /Expected Term**	**Book Value**	**Total Cashout In Accordance With the Contract**	**0-3 month**	**4-12 month**	**1-5 year**	**More than 5 years**
Non-derivative						
financial liabilities	**1.527.215.750**	**1.633.014.029**	**1.203.075.028**	**343.765.801**	**53.091.600**	**33.081.600**
Bank loans	320.279.752	376.140.401	50.034.600	326.105.801	–	–
Leasing payables	60.011.970	109.949.600	6.116.400	17.660.000	53.091.600	33.081.600
Trade payables	1.060.819.208	1.060.819.208	1.060.819.208	–	–	–
Other payables	86.104.820	86.104.820	86.104.820	–	–	–

<u>Dec 31,2022</u> Contract Term / Expected Term	Book Value	Total Cashout In Accordance With the Contract	0-3 month	4-12 month	1-5 year	More than 5 years
Non-derivative financial liabilities	**1.337.497.428**	**1.350.959.608**	**1.256.446.580**	**90.662.942**	**3.850.086**	**–**
Bank loans	104.707.126	121.123.751	30.203.026	87.070.639	3.850.086	–
Leasing payables	7.744.181	4.789.736	1.197.433	3.592.303	–	–
Trade payables	1.135.596.496	1.135.596.496	1.135.596.496	–	–	–
Other payables	89.449.625	89.449.625	89.449.625	–	–	–

Interest Risk

The Company is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest rate financial instruments and short-long term nature of borrowings.

As of 31 December 2023 and 2022, interest position of Erkunt Traktör is as follows:

Interest Position **Fixed interest financial instruments**	**Dec 31,2023**	Dec 31,2022
Financial assets	**–**	4.477.375
Financial Obligations	**381.149.590**	114.730.921

Variable interest financial instruments	**Dec 31,2023**	Dec 31,2022
Financial assets	**–**	–
Financial Obligations	**–**	–

Price Risk

Price risk include foreign exchange risk, interest rate and market risk. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest. Market risk have been determined by the Company by using available market information and appropriate valuation methodologies.

Capital Management

The Company's main objectives for capital management are to keep the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of cash and cash equivalents and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

General strategy based on the Company's equity does not differ from the prior period.

Fair value of financial assets and liabilities

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

Foreign currency denominated receivables and payables are translated with the exchange rates prevailing as of the date of the financial statements.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial Assets

Carrying values of cash and cash equivalents, accrued interests and other financial assets are approximate to their fair values due to their short-term nature and insignificant credit risk. The carrying values of receivables estimated that reflecting the fair value with the less provision for doubtful receivables.

Financial Liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are carried at their discounted cost and transaction costs are added to the initial cost of the borrowing. The fair values of the borrowings after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

39. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

<u>**Fair value of financial instruments**</u>

The fair value of the financial assets and liabilities is determined as follows:

- Level 1: Financial assets and liabilities are valued at quoted prices traded on the active market for the same assets and liabilities.
- Level 2: Financial assets and liabilities are valued at inputs that are used to determine the price of the asset or liability that is observable directly or indirectly in the market, other than the quoted price at the first level.
- Level 3: Financial assets and liabilities are valued at inputs that are not based on observable inputs in the market for the fair value of an asset or liability.

There are no level classifications of assets and liabilities that are designated with their fair values (December 31,2018: None).

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than a compulsory sale or liquidation, and is best determined by a market price, if any.

The estimated fair values of financial instruments are determined using available market information and appropriate valuation methodologies. However, in the interpretation of market data in the fair value estimation, discretion is used. Consequently, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

40. EVENTS AFTER THE REPORTING PERIOD

None.

41. THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

INDEPENDENT AUDITORS' REPORT

TO THE GENERAL ASSEMBLY OF
ERKUNT SANAYI ANONIM ŞIRKETI,

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Erkunt Sanayi Anonim Şirketi** (the "Company" or "Erkunt Sanayi"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TASs").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How the matter was addressed in our audit**
<u>Application of TAS 29 – "Financial Reporting in Hyperinflationary Economies"</u>	
As disclosed in Note 2.02, the Company applied TAS 29 "Financial reporting in hyperinflationary economies ("TAS 29") in its financial statements as of and for the year ended 31 December 2023. TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non- monetary balances at the end of the period with prior year statements with comparative information were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The implementation of TAS 29 leads to a change in several of the Company's control activities pervasively related to financial reporting. Applying TAS 29 results in significant changes to financial statement items included in the Company's financial statements as of and for the year ending 31 December 2023, which have been restated for comparative purposes as of and for the year ending 31 December 2022, including statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.	We performed the following audit procedures in relation to the application of TAS 29: – Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management, – Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis, – Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29, – Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute, – Testing the mathematical accuracy of non-monetary items, statement of profit or loss, and cash flow statement adjusted for inflation effects, – Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the financial statements in accordance with TFRS.

Other matter

The financial statements of the Company as of 31 December 2022 and for the year ended were audited by another audit firm whose audit report dated 6 March 2023 expressed an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on Other Responsibilities Arising from Regulatory Requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors of the Company submitted tous the necessary explanations and provided required documents within the context of audit.

The responsible auditor who conducting and finalizing of this independent audit is Ö. Soydan KESKİNER

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL

Istanbul, April 2,2024

Ö. Soydan KESKİNER
Responsible Auditor

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION (ASSETS) AS OF THE DATE OF DECEMBER 31,2023
(All amounts are expressed in Turkish Lira ("TL"))

	Notes	Audited Current Period December 31, 2023	Audited Previous Period December 31, 2022
ASSETS			
Current Assets		**1.244.951.985**	1.377.909.057
Cash and cash equivalents	6	**44.542.603**	56.132.945
Financial Investments	7	**–**	–
Trade Receivables	10	**636.149.898**	727.531.391
- Trade receivables due from unrelated parties	*10*	**490.180.761**	558.582.463
- Trade receivables due from related parties	*10,37*	**145.969.137**	168.948.928
Other receivables	11	**36.985.091**	263.528
- Other receivables due from unrelated parties	*11*	**36.985.091**	208.499
- Other receivables due from related parties	*11,37*	**–**	55.029
Inventories	13	**449.754.349**	461.171.442
Prepayments	15	**32.069.347**	17.075.577
- Prepaid expenses to unrelated parties	*15*	**32.069.347**	17.075.577
- Prepaid expenses to related parties	*15,37*	**–**	–
Current tax assets	25	**–**	–
Other current assets	26	**45.450.697**	115.734.174
Total		**1.244.951.985**	1.377.909.057
Non-current assets or disposal groups classified as held for sale	34	**–**	–
Non-current Assets		**1.063.076.855**	887.947.445
Financial investments	7	**–**	–
Trade Receivables	10	**–**	–
- Trade receivables due from unrelated parties	*10*	**–**	–
- Trade receivables due from related parties	*10,37*	**–**	–
Other receivables	11	**3.000.452**	2.140.446
- Other receivables due from unrelated parties	*11*	**3.000.452**	2.140.446
- Other receivables due from related parties	*11,37*	**–**	–
Investments accounted for using equity method	16	**125.198.430**	74.128.463
Investment property	17	**3.345.678**	3.664.789
Investments accounted for using equity method	*14*	**174.840.126**	56.561.253
Property, plant and equipment	18	**691.324.320**	645.586.793
Investment property	19	**1.042.390**	1.363.310
Prepayments	15	**6.738.030**	7.474.388
Prepaid expenses to unrelated parties	15	**6.738.030**	7.474.388
Prepaid expenses to related parties	15,37	**–**	–
Other non-current assets	26	**–**	–
Deferred tax asset	35	**57.587.429**	97.028.003
TOTAL ASSETS		**2.308.028.840**	2.265.856.502

The accompanying notes form an integral part of the financial statements

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION (LIABILITIES) AS OF THE DATE OF DECEMBER 31,2023
(All amounts are expressed in Turkish Lira (“TL”))

	Notes	**Audited Current Period December 31, 2023**	Audited Previous Period December 31, 2022
LIABILITIES			
Current Liabilities		**899.987.053**	865.075.104
Current borrowings	8	**52.180.535**	28.891.610
Current portion of non-current borrowings	8	**39.184.239**	–
Other financial liabilities	9	**–**	–
Trade payables	10	**645.375.020**	743.936.259
- Trade payables to unrelated parties	*10*	**631.696.098**	734.912.406
- Trade payables to related parties	*10,37*	**13.678.922**	9.023.853
Employee benefit obligations	20	**62.636.328**	33.538.577
Other payables	11	**2.269.956**	8.118.611
- Other payables to unrelated parties	*11*	**2.269.956**	8.118.611
- Other payables to related parties	*11,37*	**–**	–
Government incentives and aid	*21*	**–**	–
Deferred income	*15*	**52.154.684**	9.095.876
Current tax liabilities	35	**3.570.122**	11.227.628
Current provisions	22	**42.616.169**	30.266.543
- Other current provisions	*22*	**4.705.435**	936.767
- Current provisions for employee benefits	*22*	**37.910.734**	29.329.776
Other current liabilities	26	**–**	–
Total		**899.987.053**	865.075.104
Liabilities included in disposal groups classified as held for sale	34	**–**	–
Non-current Liabilities		**254.497.077**	209.977.731
Non-current borrowings	8	**91.479.542**	36.944.039
Other financial liabilities	9	**–**	–
Trade payables	10	**–**	–
- Trade payables to unrelated parties	*10*	**–**	–
- Trade payables to related parties	*10,37*	**–**	–
Other payables	11	**8.525**	14.047
- Other payables to unrelated parties	*11*	**–**	–
- Other payables to related parties	*11,37*	**8.525**	14.047
Deferred income	15	**–**	–
Non-current provisions	24	**163.009.010**	173.019.645
- Other non-current provisions	*24*	**–**	–
- Non-current provisions for employee benefits	*24*	**163.009.010**	173.019.645
Other non-current liabilities	26	**–**	–
Deferred tax liabilities	35	**–**	–

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION (LIABILITIES) AS OF THE DATE OF DECEMBER 31,2023
(All amounts are expressed in Turkish Lira ("TL"))

	Notes	Audited Current Period December 31, 2023	Audited Previous Period December 31, 2022
EQUITY		**1.153.544.710**	1.190.803.667
Equity Attributable to Owners of Parent	27	**1.153.544.710**	1.190.803.667
Issued capital		**15.120.000**	15.120.000
Inflation adjustments on capital		**224.731.536**	224.731.536
Other comprehensive income/(expense) that will not be reclassified to profit or loss		**(103.086.956)**	(78.823.524)
Restricted reserves appropriated from profits		**168.356.538**	168.356.538
Prior periods profit or (losses)		**861.419.117**	838.103.622
Current period net profit or (loss)		**(12.995.525)**	23.315.495
Non-controlling Interests	27	**–**	–
TOTAL LIABILITIES		**2.308.028.840**	2.265.856.502

The accompanying notes form an integral part of the financial statements.

ERKUNT SANAYİ ANONİM ŞİRKETİ
PROFIT OR LOSS STATEMENT FOR THE PERIOD JANUARY 1 - DECEMBER 31,2023
(All amounts are expressed in Turkish Lira ("TL")

	Notes	Audited Current Period January 1- December 31, 2023	Audited Previous Period January 1- December 31, 2022
Revenue	28	**4.016.749.520**	4.295.582.655
Cost of sale (-)	28	**(3.511.587.699)**	(3.621.983.104)
Gross profit (loss) from commercial operations		**505.161.821**	673.599.551
Marketing expenses (-)	29,30	**(106.437.414)**	(133.690.384)
Administrative expenses (-)	29,30	**(107.445.992)**	(104.407.570)
Research and development expense (-)	29,30	**(32.179.395)**	(25.141.274)
Other income from operating activities	31	**352.472.692**	642.146.004
Other expenses from operating activities (-)	31	**(406.354.778)**	(675.290.589)
Profit (loss) from operatıng activities		**205.216.934**	377.215.738
Share of profit (loss) from investments accounted using equity method	16	**54.834.967**	14.937.326
Investment activity income	32	**807.672**	3.456.085
Investment activity expenses (-)	32	**–**	(802.283)
Profit (loss) before financing income (expense)		**260.859.573**	394.806.866
Finance income	33	**1.010.647**	403.105
Finance costs (-)	33	**(46.837.866)**	(26.865.147)
Net monetary gain / (loss)		**(125.253.908)**	(276.643.677)
Profit (loss) from continuing operations, before tax		**89.778.446**	91.701.147
Continuing activities tax income / (expense)	35	**(102.773.971)**	(68.385.652)
- Current period tax (expense)		**(48.676.958)**	(58.997.576)
- Deferred tax income (expense)		**(54.097.013)**	(9.388.076)
Profit (Loss) From Contınuıng Operatıons		**(12.995.525)**	23.315.495
DISCONTINUED OPERATIONS			
Profit (loss) from discontinued operations		**–**	–
Net profit (loss)		**(12.995.525)**	23.315.495
Profit (loss), attributable to		**(12.995.525)**	23.315.495
Non-controlling interests		**–**	–
Equity holders of the parent		**(12.995.525)**	23.315.495
Basic earnings (loss) per share			
Basic earnings (loss) per share from continuing operations	**36**	**(0,01)**	0,02

The accompanying notes are an integral part of these consolidated financial statements.

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023

(All amounts are expressed in Turkish Lira ("TL"))

	Note	**Audited Current Period January 1- December 31, 2023**	Audited Previous Period January 1- December 31, 2022
Profıt (Loss)	36	**(12.995.525)**	23.315.495
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit or loss		**(24.263.432)**	(78.823.524)
Gains (losses) on remeasurements of defined benefit plans	24	**(38.919.871)**	(98.529.404)
Income tax of other comprehensive income			
- that will not be reclassified to profit or loss		**14.656.439**	19.705.880
- Current period tax (expense) income		**–**	–
- Deferred tax (expense) income	35	**14.656.439**	19.705.880
They will be reclassified to profit or loss		**–**	–
Other Comprehensive Income (Loss)		**(24.263.432)**	(78.823.524)
Total Comprehensive Income (Loss)		**(37.258.957)**	(55.508.029)
Total comprehensive income (loss), attributable to			
Non-controlling interests		**–**	–
Equity holders of the parent		**(37.258.957)**	(55.508.029)

The accompanying notes are an integral part of these consolidated financial statements.

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JANUARY 1 - DECEMBER 31,2023
(All amounts are expressed in Turkish Lira ("TL"))

				Other accumulated comprehensive income that will not be reclassified in		Accumulated profit (losses)		
Audited Current Period	**Notes**	**Issued capital**	**Inflation adjustments on capital**	**Gains (losses) on remeasurements of defined benefit plans**	**Restricted reserves appropriated from profits**	**Prior periods profit or (losses)**	**Current period net profit or (loss)**	**Equity**
January 1, 2023	**27**	**15.120.000**	**224.731.536**	**(78.823.524)**	**168.356.538**	**838.103.622**	**23.315.495**	**1.190.803.667**
Transfers		–	–	–	–	23.315.495	(23.315.495)	–
Capital increase		–	–	–	–	–	–	–
Total comprehensive income		–	–	(24.263.432)	–	–	(12.995.525)	(37.258.957)
- Profit (loss)		–	–	–	–	–	(12.995.525)	(12.995.525)
- Other comprehensive income (loss)		–	–	(24.263.432)	–	–	–	(24.263.432)
December 31, 2023	**27**	**15.120.000**	**224.731.536**	**(103.086.956)**	**168.356.538**	**861.419.117**	**(12.995.525)**	**1.153.544.710**
Audited Previous Period								
January 1, 2022	**27**	**15.120.000**	**224.731.536**	**–**	**168.356.538**	**838.103.622**	**–**	**1.246.311.696**
Transfers		–	–	–	–	–	–	–
Capital increase		–	–	–	–	–	–	–
Total comprehensive income		–	–	(78.823.524)	–	–	23.315.495	(55.508.029)
- Profit (loss)		–	–	–	–	–	23.315.495	23.315.495
- Other comprehensive income (loss)		–	–	(78.823.524)	–	–	–	(78.823.524)
December 31, 2022	**27**	**15.120.000**	**224.731.536**	**(78.823.524)**	**168.356.538**	**838.103.622**	**23.315.495**	**1.190.803.667**

The accompanying notes are an integral part of these consolidated financial statements.

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023
(All amounts are expressed in Turkish Lira ("TL"))

	Note	Audited Current Period January 1- December 31, 2023	Audited Previous Period January 1- December 31, 2022
A. CASH FLOWS FROM (USED IN) O PERATING ACTIVITIES		**71.184.264**	162.750.645
Profit (Loss)		**(12.995.525)**	23.315.495
Profit (loss) from continuing operations		**(12.995.525)**	23.315.495
Adjustments to reconcile profit (loss)		**265.042.377**	265.686.517
Adjustments for depreciation and amortisation expense	14,18,19	**194.442.249**	162.844.124
Adjustments for impairment loss (reversal of impairment loss)	10	**(1.433.810)**	960.930
Adjustments for impairment loss (reversal of impairment loss) of inventor	10	**(1.433.810)**	960.930
Adjustments for provisions		**66.159.677**	19.205.690
Adjustments for (reversal of) provisions related with employee benefits	*22-24*	**62.022.762**	19.422.058
Adjustments related to provisions for litigation and/or penalties (reversals)	22	**4.136.915**	(216.368)
Adjustments for interest (income) expenses	31,32,33	**45.845.185**	26.473.386
Adjustments related to gains arising from bargain purchase	*16*	**(54.834.968)**	(14.937.326)
Adjustments related to unrealized foreign exchange gains/losses		**8.453.714**	48.771.956
Adjustments related to tax income/expenses	35	**102.773.971**	68.385.652
Adjustments related to gains from disposal of non-current assets	32	**(14.979)**	(2.113.889)
Monetary gain / (loss) adjustments		**(96.348.662)**	(43.904.006)
Changes in working capital		**(93.740.301)**	(39.416.750)
Adjustments for decrease (increase) in trade accounts receivable	10	**94.900.710**	41.475.307
Adjustments for decrease (increase) in other receivables related with operati	11	**(37.581.569)**	(35.157)
Adjustments for decrease (increase) in inventories	13	**11.417.093**	(29.752.850)
Adjustments for decrease (increase) in prepaid expenses	15	**(14.257.412)**	(7.231.764)
Adjustments for increase (decrease) in trade accounts payable	10	**(98.561.239)**	73.941.158
Adjustments for increase (decrease) in other operating payables	11	**(5.854.177)**	(4.897.056)
Adjustments for increase (decrease) in payables due to employee benefits	12	**29.097.751**	6.040.806
Increase (decrease) in deferred income	26	**43.058.808**	555.586
Other adjustments for other increase (decrease) in working capital	26	**(115.960.266)**	(119.512.780)
Cash flows from (used in) operations		**158.306.551**	249.585.262
Income taxes refund (paid)	35	**(56.334.464)**	(79.151.735)
Employee termination benefit paid	24	**(30.787.823)**	(7.682.882)
B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**(171.364.641)**	(143.736.149)
Proceeds from sales of property, plant, equipment and intangible assets	18,19	**14.979**	2.325.449
Cashout from purchase of property, plant, equipment and intangible assets	18,19	**(175.144.620)**	(146.806.042)
Dividend collected	3-34	**3.765.000**	744.444
C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**88.590.035**	(19.212.033)
Proceeds from borrowings	8	**164.007.506**	78.258.898
Cash outflows for debt repayments	8	**(29.590.252)**	(71.008.889)
Paid interest		**(46.837.866)**	(26.865.147)
Received interest		**1.010.647**	403.105
Net increase (decrease) in cash and cash equivalents - before effect of fx rate changes		**(11.590.342)**	(197.537)
D. EFFE CT OF EXCHANGE RATE CHANGES O N CASH AND CASH EQUIVALE NT		**–**	–
Net increase (decrease) in cash and cash equivalents		**(11.590.342)**	(197.537)
E. CASH AND CASH EQUIVALE NTS AT BEGINNING OF THE PERIOD	6	**56.132.945**	56.330.482
Cash And Cash Equivale nts at the end of Period	6	**44.542.603**	56.132.945

The accompanying notes are an integral part of these consolidated financial statements.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD OF JANUARY 1 - DECEMBER 31, 2023

(The currency is expressed in Turkish Lira unless otherwise stated.)

1. COMPANY'S ORGANISATION AND NATURE OF OPERATIONS

Erkunt Sanayi Anonim Şirketi (the "Company" or "Erkunt Sanayi") was established in 1961. Erkunt Sanayi's business activities include ensuring the production and trading of wide variety of parts, machined parts and main products based on casting technology for tractors and construction equipment.

In addition to the Casting-1 and Processing-1 facilities in its head office, Etimesgut Ankara, Erkunt Sanayi has Casting-2 facility, which it established in Sincan Ankara ASO Industrial Zone in 1996, and Processing-2 facility, which it started to establish in the same region in 2008.

As of 31 December 2023 and 2022, the current issued share capital of Erkunt Sanayi is amounting to TL 15.120.000 each with a nominal amount of TL 0.01 bearer shares each representing 1.512.000.000 number of outstanding shares.

	December 31, 2023		December 31, 2022	
Shareholders	Amount in TL	Share (%)	Amount in TL	Share (%)
Mahindra Overseas Investment Company	**9.633.788**	**64**	9.633.788	64
Erkunt Traktör Sanayi Anonim Şirketi	**5.288.795**	**35**	5.288.795	35
Other	**197.417**	**1**	197.417	1
Total	**15.120.000**	**100**	15.120.000	100

Total end of period and average number of personnel employed by Erkunt Sanayi is 1.512 (31 December 2022: 1.521 TL).

These financial statements as of and for the year ended 31 December 2023 have been approved for issue by the Board of Directors ("BOD") on 2 April 2024. These financial statements will be finalised following their approval in the General Assembly.

2. Basis of presentation of financial statements and summary of accounting policies

2.01 Basic of Presentation

Erkunt Sanayi Anonim Şirketi maintains their books of account and prepares their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Statement of compliance with Turkish Accounting Standards ("TAS")

The financial statements of the Company have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") including additions and interpretations issued by POA.

In addition, the accompanying financial statements as of 31 December 2023 have been prepared in accordance with the "TFRS Taxonomy - 2022" published by POA on 4 October 2022.

Items included in the financial statements of Erkunt Sanayi are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in TL, which is Erkunt Sanayi's functional and presentation currency.

2.02 Adjustments of financial statements in hyperinflationary periods

Financial Reporting in Hyperinflationary Economies

In accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" which requires entities whose functional currency is that of a hyperinflationary economy to prepare their consolidated financial statements in terms of the measuring unit current at the end of the reporting period. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment. Money loses its purchasing power in such a proportion that comparing the amounts of transactions or other events that occurred at different times is misleading, even in the same accounting period. Hyperinflation is determined by a country's economic characteristics, including, but not limited to:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power.
- The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency.
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short.
- Interest rates, wages, and prices are linked to a "Price index"; and
- The cumulative inflation rate over three years approaches, or exceeds, 100%.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 December 2023, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2023	**1.859,38**	**1.00000**	268%
31.12.2022	**1.128,45**	**1.64773**	156%
31.12.2021	**686,95**	**2.70672**	74%

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

In accordance with the CMB's resolution numbered 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority "(POA") on 23 November 2023, entities applying Turkish Financial Reporting Standards ("TFRSs") are required to present their financial statements by adjusting for the material influence of inflation for the comparative annual reporting period ending on or after 31 December 2022 and opening balances starting from 1 January 2022, in accordance with the accounting principles specified in TAS 29.

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

The main components of the Company's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and in the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index. Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 December 2023. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.03 Group accounting

Subsidiaries are companies over which Erkunt Sanayi has the power to control the financial and operating policies for the benefit of Erkunt Sanayi, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, or companies owned by them whereby Erkunt Sanayi exercises control over the ownership interest of the shares held by them and shares to be used according to Erkunt Sanayi preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Erkunt Sanayi has power to control the investee due to the dispersed capital structure of the investee and/or Erkunt Sanayi has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

As of 31 December 2023 and 2022, Erkunt Sanayi has no subsidiaries.

Associates are accounted for using the equity method. Associates are companies in which the Company has voting power between 20% and 50% or the Company has power to participate in the financial and operating policy decisions but not control them. Unrealised gains or losses arising from transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Financial assets in which the Company has ownership interests below 20%, or over 20% but which the Company or which are not exposed to significant influence of variable returns or which are immaterial are classified as financial assets measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income in the financial statements, otherwise they are carried at cost in the accompanying financial statements.

Under the equity method, the investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of the acquisition.

Affiliates	Capital	Participation Rate	Participation Amount	Accounting Method
Kumsan Döküm Malzemeleri San. ve Tic. A.Ş.	1.200.000	%25,1	1.213.453	Shares Received from Equity Method

Non-current assets are the assets that the total direct and indirect ownership of the Company are below 20% or are above 20% but the Company does not have a significant influence or do not constitute materiality in terms of financial statement and these financial assets that are not traded in organized markets and whose fair values cannot be measured reliably and that the Company does not intend to sell are recognised in the financial statements at cost, less provision for impairment. Available-for-sale financial assets that are traded in organized markets and whose fair value can be measured reliably are recognized at their fair value. The detailed information regarding financial assets is disclosed in Note 7.

2.04 Changes in Accounting Policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the prior periods Company's financial statements are restated. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the financial statements as it had been used in.

2.05 Comparatives And Adjustment of Prior Periods' Financial Statements

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the financial statements,

The current period financial statements of the Company include comparative financial information to enable the determination of the trends in financial position and performance.

Where necessary, changes in the reclassification of the current period are applied to the prior financial statements in order to be consistent.

Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

2.06 Changes in accounting policies

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates and errors expected to have an impact on the results of operations in the current period.

2.07 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in accordance with TFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the statement of profit or loss and in the carrying value of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are as follows:

a) The retirement pay liability is determined using actuarial assumptions (discount rates, future salary increases and employee turnover rates). These assumptions are reviewed at each balance sheet date and revised if necessary. **(Note: 24)**

b) The Company depreciated its tangible assets by using the straight-line depreciation method in accordance with the useful life. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for on a prospective basis if there is a change in estimates. **(Note: 2.09.04)**

c) Provisions for bad debt reflect the amounts which the Company's management believes to recover future losses for any receivables which are outstanding as of the date of balance sheet with a risk of non-collection in the framework of the current economic conditions. When impairment of receivables is evaluated, past performances of debtors, their credibility on the market and performances between the date of balance sheet and date of approval of the financial statements and renegotiated conditions are also considered. The information regarding the relevant provisions as of the date of balance sheet is given in **Note: 10**.

d) In the case of impairment of inventories, the physical characteristics of the inventories and how much they have come from the past are assessed, the utility of the inventories is determined based on the opinion of the technical staff and provisions are made for the items that are estimated to be unavailable. For calculating the net realizable value of inventories, average selling prices are used. (Note: 13)

e) The Company has made deferred tax calculation in accordance with TAS and TFRS and reflected to the financial statements.

f) Company management, In accordance with the best estimates in the light of legal advisors and expert opinion regarding cases described in detail at Note: 22, has made provision in the financial statements.

2.08 Netting / Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.09 Summary of Important Accounting Policies

Accounting policies used in the preparation of the financial statements are summarised below:

2.09.01 Cash and Cash Equivalents

In accordance with TAS/TFRS, cash and cash equivalents of Erkunt Sanayi represent cash on hand and demand deposits, deposits held in banks with maturities of 3 months or less, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value (Note 6). If there are cash and equivalents classified to be used to pay a debt or for another reason within more than 12 months from the balance sheet date, they are included in non-current assets.

2.09.02 Trade Receivables

Trade receivables and notes and post-dated checks classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

Notes and post-dated checks classified within trade receivables are carried at their discounted cost by discounting with the effective interest method on the balance sheet date.

Provision for doubtful receivables is recognised as an expense in the period which they incurred. Provision is the amount estimated by the Company management and to cover the possible losses that may arise from economic benefit or the risk in the account and the losses estimated to realise in the subsequent periods.

2.09.03 Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.09.04 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation as of 31 December 2004 for the items purchased before 1 January 2005 and for the items purchased as of 1 January 2005, less the accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives.

The depreciation rates determined by considering the useful lives of the tangible assets are as follows:

Assets Held for Depreciation	**Useful Life (Year)**
Underground and surface layouts	17 - 50
Building	10 - 50
Machinery and equipment	4 - 20
Vehicles	4 - 5
fixed assets	4 - 50
special costs	4 - 10

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and accounted prospectively.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under “gains/(losses) from investing activities” in the current period under statement of other comprehensive income.

2.09.05 Intangible Assets

Intangible assets acquired before 1 January 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in and purchased after 1 January 2005 are carried forward at their acquisition cost less accumulated amortization.

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis.

The depreciation rates for intangible assets, which approximate the economic useful lives of such assets, are as follows:

Assets Held for Depreciation	**Useful Life (Year)**
liberties	3 - 15

2.09.06 Borrowing Costs

Borrowing costs capitalised in the period which they incurred and recognised as an expense in the statement of profit or loss. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. The financing costs of borrowings attributable to ongoing investments are capitalised until the completion of the investments. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred. The Company has no capitalised financing cost during the period.

2.09.07 Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non- financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.09.08 Foreign currency translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Company have been accounted for under “other operating income/expenses”.

The financial statements are presented in TL, which is Erkunt Sanayi’s functional and presentation currency. Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Currency translation differences recognized as profit or loss in the period which they incurred.

2.09.09 Taxes on income

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

<u>Current tax</u>

Current income tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Company’s liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

<u>Deferred tax</u>

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Company is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Company intends to pay off the current tax assets and liabilities.

<u>Current and deferred tax for the period</u>

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree’s identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the financial statements include current period tax and the change in deferred taxes. The Company calculates current and deferred tax on the results for the period.

<u>Offsetting in tax assets and liabilities</u>

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

2.09.10 Trade Payables

The financial income included in the borrowings is calculated by considering the effective interest method with relevant maturities, and the amounts are presented in the financial income in the accompanying financial statements.

2.09.11 Leases

The Company - as a lessee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

(a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.

(b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.

(c) the Company has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and

(d) the Company has the right to direct use of the asset. The Company concludes to have the right of use, when it is predetermined how and for what purpose the Company will use the asset. The Company has the right to direct use of asset if either:

The Company has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;

The Company designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right of use asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) The amount of the initial measurement of the lease liability,

b) Any lease payments made at or before the commencement date, less any lease incentives received,

c) Any initial direct costs incurred by the Company, and

d) An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, Company measures the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and

b) Adjusted for any remeasurement of the lease liability.

The Company applies the depreciation requirements in TAS 16 “Property, Plant and Equipment” in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Company at the end of the lease term or if the cost of use rights indicates that the Company will use a purchase option, the Company depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Company depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Company applies TAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Company’s incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable,

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability,

b) Reducing the carrying amount to reflect the lease payments made, and

c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Company uses the Company’s incremental borrowing interest rate.

After the effective date of the lease, the Company remeasures the lease liabilities to reflect changes in lease payments. The Company reflects the remeasurement amount of the lease liabilities to the financial statements as an adjustment to the right of use assets.

The Company remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

(a) A change in the lease term. The Company determines adjusted lease payments based on the adjusted lease term.

(b) Changes in the assessment of the option to purchase the underlying asset. The Company determines adjusted lease payments to reflect the change in the amounts payable under the purchase option.

The Company calculates the adjusted discount rate for the remainder of the lease term if the implicit interest rate in the lease can be easily determined; if it cannot be easily determined, the Company determines the alternative borrowing interest rate at the date of the revaluation.

The Company remeasures its lease liabilities by reducing the adjusted lease payments if either of the following conditions incurred:

(a) Changes in the amounts expected to be paid under a residual value commitment. The Company determines the adjusted lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.

(b) A change in these payments as a result of an index or rate change used to determine future lease payments. The

Company remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Company determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Company uses an unchanged discount rate.

The Company recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

(a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and

(b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

2.09.12 Retirement and Provision for Severance Pay

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Company arising from the retirement of its employees based on the actuarial projections. TAS 19 “Employee Benefits” requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity’s obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses and recognised in statement of other comprehensive income.

2.09.13 Research and Development Expenses

Expenditures for research and development are charged against income in the period incurred except for project development costs which comply with the following criteria:

– The product or process is clearly defined, and costs are separately identified and measured reliably,

– The technical feasibility of the product is demonstrated,

– The product or process will be sold or used in-house,

– A potential market exists for the product or its usefulness in case of internal use is demonstrated, and

– Adequate technical, financial and other resources required for completion of the project are available.

The costs related to the development projects are capitalized when the criteria above are met and amortized by straight-line basis over the useful lives of related projects.

2.09.14 Financial Instruments

TFRS 9 regulates the provisions regarding the recognition and measurement of financial assets and financial liabilities. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.

2.09.14.01 Financial Assets

Under TFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Trade Receivables

Trade receivables and notes and post-dated checks classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The provision is an estimated amount which is difference between existing receivable and collectible amount. Collectible amount is the discounted value of trade receivables, all cash flows including collections from guarantees by using original effective interest rate.

Post dated cheques received with maturity dates exceeding the balance sheet date are classified in trade receivables and are rediscounted using the interest rates determined for government debt securities by considering the interest levels arising in the stock exchanges or other organized markets.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all such receivables. The provision for doubtful receivables is established through a provision charged to expenses. Provision is made when there is objective evidence that the Company will not be able to collect the debts. The provision is an estimated amount that management believes to be adequate to absorb possible future losses on existing receivables that may become uncollectible due to current economic conditions and inherent risks in the receivables. Bad debts are written off when identified. Provision for doubtful receivables is recognized as an expense when identified.

If a portion or the entire amount of a receivable is collected after provided for a provision, the collected amount is deducted from total provision and is recognized as an income in the comprehensive income statement.

The Company has preferred to apply "simplified approach" for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Company measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

Derivative financial instruments

Derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently are re-measured at their fair value. The derivative instruments of the Company mainly consist of foreign exchange forward contracts and related transactions. These derivative transactions, even though providing effective economic hedges under the Company risk management position, do not generally qualify for hedge accounting, therefore treated as 'derivative financial instruments held for trading. Any gains or losses arising from changes in the fair value of such kind of financial instruments are recognized understatement of profit and loss.

Impairments on financial assets

Financial assets are assessed at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that had occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. For loans and receivables impairment loss has been incurred the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Except for trade receivables, which is reduced through the use of an provision account, impairment on all other financial assets are directly written-off in the related account. In case trade receivables cannot be collected, the related amount is written-off from provision account. The change in provision is accounted in the other comprehensive income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short-term highly liquid and the risk of value change is not material investments including time deposits generally having original maturities of three months or less.

Bank accounts consist of time and demand deposit accounts and the related interest accrued. The Turkish Lira balances are stated at face values and the foreign currency balances are translated into Turkish Lira at the foreign currency rate issued by the. Central Bank of Turkey as at the report date. Time deposit accounts are stated as calculated by adding accrued interest as of balance sheet date on the principal amount.

2.09.14.02 Financial Liabilities

TFRS 9 preserves the existing provisions in TAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories for held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets have been removed.

The adoption of TFRS 9 did not have a material influence on the Company's accounting policies regarding its financial liabilities and derivative instruments.

The Company's financial liabilities and equity instruments are classified according to contractual arrangements and the basis of definition of a financial liability and an equity instrument. The contract that represents the right to the remaining assets of the Company less borrowings is an equity-based financial instrument.

The accounting policies applied for financial liabilities and equity-based financial instruments are as follows.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities whose fair value difference is recognized in the profit/loss accounts

Financial liabilities at fair value through profit or loss are recognized at fair value and revalued at their fair value at the reporting date in each reporting period. The change in their fair value is recognized in the income statement. The net gain or loss recognized in the profit or loss statement also includes the interest paid on the financial liability.

b) Other Financial Liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value net of transaction costs. They are subsequently accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate.

The effective interest method is the method of calculating the amortized costs of the financial liability and allocating the related interest expense to the related period. Effective interest rate is the rate that exactly discounts estimated future cash payments over the expected value of the financial instrument or a shorter period of time, to the net present value of the financial liability.

2.09.15 Provisions, Contingent Liabilities and Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in the financial statements and treated as contingent assets or liabilities.

2.09.16 Related Parties

For the purpose of these financial statements, shareholders, parents of Erkunt Sanayi Anonim Şirketi key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as “related parties”. The detailed explanation regarding related parties is disclosed in Note 37.

2.09.17 Revenue recognition

The Company adopted TFRS 15, “Revenue from Contracts with Customers” which proposes a five-step model framework mentioned below for recognizing the revenue.

– Identify the contact with customers
– Identify separate performance obligations in the contract
– Determine the transaction price in contract
– Allocate the transaction price to the performance obligations in the contract
– Recognise revenue

A contract with a customer recognized as a revenue will be within the scope of TFRS 15 if all the following conditions are met:

– the contract has been approved by the parties to the contract;
– each party’s rights in relation to the goods or services to be transferred can be identified;
– the payment terms for the goods or services to be transferred can be identified;
– the contract has commercial substance; and
– it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

The Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. For each performance obligation identified, the entity determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time. The Company recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

The Company does not adjust the promised amount of consideration for the effects of a significant financing component since the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

2.09.18 Statement of cash flow

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Company’s activities.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Company (property, plant and equipment, intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and demand deposits, deposits held in banks with maturities of 3 months or less, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

2.09.19 Earning / Loss per Share

Earnings per share disclosed in the statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

2.09.20 Events After Balance Sheet Date

Event after the reporting period is an event that which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorised for issue. The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. If non- adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the financial statements **(Note 40)**.

2.09.21 Investment Property

Properties held for rental yields or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as “investment property”.

Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Daily repair and maintenance is not included in the aforementioned costs. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise. Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal. The detailed information regarding investment properties is disclosed in **Note 17**.

Depreciation rates determined by considering useful lifes of Investment Property is follows

	Use Ful Life (Year)
Buildings	39-50

2.10 Going Concern

As of 31 December 2023, the Company has prepared its financial statements with the assumption on the Company's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

2.11 New and Revised International Financial Reporting Standards

i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 31 December 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the commencement of the effective date. Earlier application is permitted. The amendments did not have a significant material influence on the financial position or performance of the Company.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. "Material" is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The amendments did not have a significant material influence on the financial position or performance of the Company.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant material influence on the financial position or performance of the Company.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments did not have a significant material influence on the financial position or performance of the Company.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the material influence of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA.

The standard is not applicable for the Company and will not have a material influence on the financial position or performance of the Company.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2021 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The amendments are not applicable for the Company and will not have a material influence on the financial position or performance of the Company.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognized any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments are not applicable for the Company and will not have a material influence on the financial position or performance of the Company.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Company expects no significant material influence on its financial statements.

3. BUSINESS COMBINATIONS

As of 31 December 2023 and 2022, the Company has no business combinations subject to common control and relevant transactions.

4. DISCLOSURE OF INTERESTS IN OTHER ENTITIES

Erkunt Traktör has no interests in subsidiaries, joint arrangements, associates and unconsolidated "structured entities".

5. OPERATING SEGMENTS

As of 31 December 2023 and 2022, the Company has no reportable segments considered under operating segments.

6. CASH AND CASH EQUIVALENTS

As of 31 December 2023 and 2022, the functional breakdown of cash and cash equivalents is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Cash on hand	**25.860**	2.711
Banks	**44.516.743**	45.648.776
– Demand deposit	**44.516.743**	42.353.318
– Term deposit	**–**	3.295.458
Other cash and cash equivalents	**–**	10.481.458
Cash and cash equivalents, net	**44.542.603**	56.132.945

As of 31 December 2023 and 2022, the Company has no blocked deposits.

As of 31 December 2023, the Company has no time deposits (31 December 2022: TL 2.000.000).

7. FINANCIAL INVESTMENTS

As of 31 December 2023 and 2022, the Company has no short and long-term financial investments.

8. FINANCIAL LIABILITIES

As of 31 December 2023 and 2022, the details of short-term borrowings are as follows:

Short-Term Borrowings

Acoount Name	**Dec 31, 2023**	Dec 31, 2022
Bank borrowings	**47.937.216**	17.052.349
Lease liabilities	**1.550.639**	11.267.467
Credit card payables	**2.692.680**	571.794
Short-term borrowings, net	**52.180.535**	28.891.610

Current Portion of Non-current Borrowings and Non-current Borrowings

Acoount Name	**Dec 31, 2023**	Dec 31, 2022
Lease liabilities	**39.184.239**	–
Total	**39.184.239**	–

Large-Term Borrowings

Acoount Name	**Dec 31, 2023**	Dec 31, 2022
Lease liabilities	**91.479.542**	36.944.039
Total	**91.479.542**	36.944.039

a) All the short term loans types are revolving loan and their maturity's are as follows:

Loans	**Dec 31, 2023**	Dec 31, 2022
0-3 month	**47.937.216**	17.052.349
Total	**47.937.216**	17.052.349

Lease liabilities	**Dec 31, 2023**	Dec 31, 2022
0-3 month	**11.373.655**	2.431.567
4-12 month	**29.361.223**	8.835.900
1-5 year	**78.391.764**	36.944.039
More than 5 years	**13.087.778**	–
Total	**132.214.420**	48.211.506

Credit Card	**Dec 31, 2023**	Dec 31, 2022
0-3 month	**2.692.680**	571.794
Total	**2.692.680**	571.794

b) The effective interest rates of loans on the basis of currency unit are as follows:

Dec 31, 2023

Loans	Original Currency Amount	TL Equivalent	Annual effective Interest Rate
Turkish lira credits	**–**	**47.937.216**	**48,9%**
Total		**47.937.216**	

Lease Debts	Original Currency Amount	TL Equivalent	Annual effective Interest Rate
Turkish Lira rental debts	**–**	**82.268.032**	**27,7%**
Euro rental debts	**1.530.567**	**49.946.388**	**3,8%**
Total		**132.214.420**	

31 December 2022

Credits	Original Currency Amount	TL Equivalent	Annual effective Interest Rate
Turkish lira credits	–	17.052.349	17,3%
Total		17.052.349	

Lease Debts	Original Currency Amount	TL Equivalent	Annual effective Interest Rate
Euro rental debts	2.414.100	48.211.506	3,8%
Total		48.211.506	

As of 31 December 2023 and 2022, the movement of financial liabilities is as follows:

Financial Liabilities Movement Table	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Beginning of the period – 1 January	**65.835.649**	16.102.266
Additions	**164.007.506**	78.258.898
Interest accruals	**17.966**	11.344
Payments during the period	**(29.590.252)**	(71.008.889)
Currency translation differences	**8.453.714**	48.771.956
Monetary gains/(losses), net	**(25.880.267)**	(6.299.926)
End of the period – 31 December	**182.844.316**	65.835.649

9. OTHER FINANCIAL LIABILITIES

None. (December 31, 2018: None)

10. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the functional breakdown of short-term trade receivables is as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Due from third parties	**490.180.761**	558.582.463
Customers	**490.180.761**	558.582.463
Doubtful trade receivables	**1.785.757**	5.304.974
Provision for doubtful trade receivables (-)	**(1.785.757)**	(5.304.974)
Due from related parties (Note 37)	**145.969.137**	168.948.928
Short-term trade receivables, net	**636.149.898**	727.531.391

As of 31 December 2023, the average turnover period for trade receivables is 83 days (31 December 2022: 89 days).

Movements of provision for doubtful trade receivables are as follows:

	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Beginning of the period – 1 January	**5.304.974**	7.135.945
Collections/Reversals (-) (Note 31)	**(2.889.761)**	(3.800.614)
Additions (Note 31)	**1.455.951**	4.761.544
Monetary gains/(losses), net	**(2.085.407)**	(2.791.901)
End of the period – 31 December	**1.785.757**	5.304.974

As of 31 December 2023 and 2022, the Company has no long-term trade receivables.

Erkunt Sanayi has no past due but impaired trade receivables.

As of 31 December 2023 and 2022, the functional breakdown of short-term trade payables is as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Due to third parties	**631.696.098**	734.912.406
Suppliers	**631.696.098**	734.912.406
Due to related parties (Note 37)	**13.678.922**	9.023.853
Short-term trade payables, net	**645.375.020**	743.936.259

As of 31 December 2023 and 2022, trade payables include payables arising from purchases of raw materials and operating activities. As of 31 December 2023, the average turnover period for trade payables is 75 days (31 December 2022: 68 days).

As of 31 December 2023 and 2022, the Company has no long-term trade payables.

11. OTHER RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the detailed analysis of short-term other receivables is as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Due from third parties	**36.985.091**	208.499
Other	**3.796**	208.499
Receivables from tax office	**36.981.295**	–
Due from related parties (Note 37)	**–**	55.029
Short-term other receivables, net	**36.985.091**	263.528

As of 31 December 2023 and 2022, the detailed analysis of long-term other receivables is as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Deposits and guarantees given	**3.000.452**	2.140.446
Long-term other receivables, net	**3.000.452**	2.140.446

Other Current Payables of the Company as of December 31, 2023 and 2022 are as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Due to third parties	**2.269.956**	8.118.611
Taxes payable	**980.140**	7.036.776
Other	**1.289.816**	1.081.835
Due to related parties (Note 37)	**–**	–
Short-term other receivables, net	**2.269.956**	8.118.611

Other Non-current Liabilities of the Company as of December 31, 2023 and 2022.

Account Name	Dec 31, 2023	Dec 31, 2022
Due to related parties	**8.525**	14.047
Due to shareholders	**8.525**	14.047
Long-term other receivables, net	**8.525**	14.047

12. DERIVATIVE INSTRUMENTS

None. (December 31, 2022: None

13. INVENTORIES

As of 31 December 2023 and 2022, the breakdown of inventories is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Raw materials and supplies	**259.849.966**	272.625.295
Merchandise	**70.114.464**	20.330.864
Semi-finished goods	**119.789.919**	168.215.283
Total	**449.754.349**	461.171.442

The Company has no pledged inventory for its liabilities. The details of the total insurance coverage on assets is disclosed in **Note 22**.

The Company has no collaterals and mortgages on inventories.

14. RIGHT OF USE ASSETS

As of 31 December 2023 and 2022, the movements for right of use assets, and related depreciation are as follows:

Dec 31, 2023

Cost Price	**1 Jan 2023**	**Addition**	**Disposal**	**Dec 31, 2023**
Buildings	**37.931.504**	**108.491.742**	**(37.931.504)**	**108.491.742**
Vehicles	**34.028.933**	**38.857.167**	**–**	**72.886.100**
Machines	**12.690.890**	**35.325.089**	**–**	**48.015.979**
Total	**84.651.327**	**182.673.998**	**(37.931.504)**	**229.393.821**

Accumulated Depreciation (-)	**1 Jan 2023**	**Period Depreciation**	**Disposal**	**Dec 31, 2023**
Buildings	**(20.927.727)**	**(28.806.225)**	**37.931.504**	**(11.802.448)**
Vehicles	**(2.616.812)**	**(14.723.600)**	**–**	**(17.340.412)**
Machines	**(4.545.535)**	**(20.865.300)**	**–**	**(25.410.835)**
Total	**(28.090.074)**	**(64.395.125)**	**37.931.504**	**(54.553.695)**
Net book value	**56.561.253**	**–**	**–**	**174.840.126**

Dec 31, 2022

Cost Price	**1 Jan 2022**	**Addition**	**Disposal**	**Dec 31, 2022**
Buildings	37.931.504	–	–	37.931.504
Vehicles	–	34.028.933	–	34.028.933
Machines	9.102.179	12.690.890	(9.102.179)	12.690.890
Total	47.033.683	46.719.823	(9.102.179)	84.651.327

Accumulated Depreciation (-)	1 Jan 2022	Period Depreciation	Disposal	Dec 31, 2022
Buildings	(15.695.795)	(5.231.932)	–	(20.927.727)
Vehicles	–	(2.616.812)	–	(2.616.812)
Machines	(6.826.635)	(6.821.079)	9.102.179	(4.545.535)
Total	(22.522.430)	(14.669.823)	9.102.179	(28.090.074)
Net Book Value	24.511.253	–	–	56.561.253

15. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

As of 31 December 2023 and 2022, the breakdown of short-term prepaid expenses is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Due to third parties	**32.069.347**	17.075.577
Short-term prepaid expenses	**11.836.288**	3.986.034
Advances given	**20.233.059**	13.089.543
Short-term prepaid expenses, net	**32.069.347**	17.075.577

Long Term Prepaid Expenses

As of 31 December 2023 and 2022, the breakdown of long-term prepaid expenses is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Due to third parties	**6.738.030**	7.474.388
Long-term prepaid expenses	**–**	67.873
Advances given	**6.738.030**	7.406.515
Long-term prepaid expenses, net	**6.738.030**	7.474.388

Short Term Deferred Income

As of 31 December 2023 and 2022, the breakdown of short-term deferred income is as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Advances received	**43.852.618**	297.530
Short-term deferred income	**8.302.066**	8.798.346
Short-term deferred income, net	**52.154.684**	9.095.876

Short-term deferred income comprises of unfinished products for exports.

As of 31 December 2023 and 2022, the Company has no long-term deferred income.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 31 December 2023 and 2022, the details and summary financial information of associate accounted for using the equity method are as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Kumsan Döküm ve Malzemeleri Sanayi ve Ticaret A.Ş.	**125.198.430**	74.128.463
Total	**125.198.430**	74.128.463

As of 31 December 2023, the current issued share capital of Kumsan Döküm Malzemeleri Anonim Şirketi is amounting to TL 1.200.000 (31 December 2022: TL 1.200.000).

The share of profit/(loss) of associate accounted for using the equity method is as follows:

Account Name	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
January 1, beginning of term	**74.128.463**	59.935.581
Earning from profit	**54.834.967**	14.937.326
Dividend payment	**(3.765.000)**	(744.444)
December 31, ending of term	**125.198.430**	74.128.463

17. INVESTMENT PROPERTIES

As of 31 December 2023 and 2022, the financial information regarding investment properties is as follows:

Dec 31, 2023

Cost Price	1 Jan 2023	Addition	Disposal	Dec 31, 2023
Building	**11.716.885**	**–**	**–**	**11.716.885**
Total	**11.716.885**	**–**	**–**	**11.716.885**

Accumulated Depreciation (-)	01 Jan 2023	Period Depreciation	Disposal	Dec 31, 2023
Buildings	**(8.052.096)**	**(319.111)**	**–**	**(8.371.207)**
Total	**(8.052.096)**	**(319.111)**	**–**	**(8.371.207)**
Net book value	**3.664.789**			**3.345.678**

Dec 31, 2022

Cost Price	1 Jan 2022	Addition	Disposal	Dec 31, 2022
Buildings	11.716.885	–	–	11.716.885
Total	11.716.885	–	–	11.716.885

Accumulated Depreciation (-)	01 Jan 2022	Period Depreciation	Disposal	Dec 31, 2022
Buildings	(7.732.984)	(319.112)	–	(8.052.096)
Total	(7.732.984)	(319.112)	–	(8.052.096)
Net Book Value	3.983.901			3.664.789

18. Property, Plant and Equipment

As of 31 December 2023 and 2022, the movements for property, plant and equipment, and related depreciation are as follows:

Dec 31, 2023

Cost	1 Jan 2023	Additions	Transfer	Disposals	Dec 31, 2023
Land	**16.872.654**	**–**	**–**	**–**	**16.872.654**
Land improvements	**79.477.105**	**4.785.866**	**–**	**–**	**84.262.971**
Buildings	**142.884.024**	**–**	**–**	**–**	**142.884.024**
Plant, machinery and equipment	**3.287.469.945**	**53.448.336**	**–**	**–**	**3.340.918.281**
Motor vehicles	**2.002.001**	**–**	**–**	**–**	**2.002.001**
Furniture and fixtures	**65.425.116**	**4.025.117**	**–**	**–**	**69.450.233**
Other property, plant and equipment	**62.876.660**	**–**	**–**	**–**	**62.876.660**
Leasehold improvements	**5.012.696**	**–**	**–**	**–**	**5.012.696**
Constructions in progress	**131.683.585**	**112.885.301**	**–**	**–**	**244.568.886**
Total	**3.793.703.786**	**175.144.620**	**–**	**–**	**3.968.848.406**

Accumulated Depreciation (-)	1 Jan 2023	Current period Depreciation (-)	Transfer	Disposals	Dec 31, 2023
Land improvements	**(67.258.398)**	**(2.762.027)**	**–**	**–**	**(70.020.425)**
Buildings	**(44.691.024)**	**(3.515.740)**	**–**	**–**	**(48.206.764)**
Plant, machinery and equipment	**(2.926.831.449)**	**(116.530.574)**	**–**	**–**	**(3.043.362.023)**
Motor vehicles	**(1.949.445)**	**(52.556)**	**–**	**–**	**(2.002.001)**
Furniture and fixtures	**(44.763.200)**	**(5.219.728)**	**–**	**–**	**(49.982.928)**
Other property, plant and equipment	**(61.391.653)**	**(450.815)**	**–**	**–**	**(61.842.468)**
Leasehold improvements	**(1.231.824)**	**(875.653)**	**–**	**–**	**(2.107.477)**
Total	**(3.148.116.993)**	**(129.407.093)**	**–**	**–**	**(3.277.524.086)**
Net book value	**645.586.793**	**–**	**–**	**–**	**691.324.320**

Dec 31, 2022

Asset value	1 Jan 2022	Additions	Transfer	Disposals	Dec 31, 2022
Land	16.872.654	–	–	–	16.872.654
Land improvements	77.956.001	1.521.104	–	–	79.477.105
Buildings	142.884.024	–	–	–	142.884.024
Plant, machinery and equipment	3.178.530.914	108.939.031	–	–	3.287.469.945
Motor vehicles	3.849.317	–	–	(1.847.316)	2.002.001
Furniture and fixtures	58.802.234	6.622.882	–	–	65.425.116
Other property, plant and equipment	62.401.510	475.150	–	–	62.876.660
Leasehold improvements	2.241.669	2.771.027	–	–	5.012.696
Constructions in progress	105.490.910	26.192.675	–	–	131.683.585
Total	3.649.029.233	146.521.869	–	(1.847.316)	3.793.703.786

Accumulated Depreciation (-)	1 Jan 2022	Accumulated Depreciation (-)	Transfer	Disposals	Dec 31, 2022
Land improvements	(64.656.661)	(2.601.737)	–	–	(67.258.398)
Buildings	(41.175.284)	(3.515.740)	–	–	(44.691.024)
Plant, machinery and equipment	(2.792.850.747)	(133.980.702)	–	–	(2.926.831.449)
Motor vehicles	(3.527.422)	(57.779)	–	1.635.756	(1.949.445)
Furniture and fixtures	(39.203.529)	(5.559.671)	–	–	(44.763.200)
Other property, plant and equipment	(60.402.113)	(989.540)	–	–	(61.391.653)
Leasehold improvements	(542.311)	(689.513)	–	–	(1.231.824)
Total	(3.002.358.067)	(147.394.682)	–	1.635.756	(3.148.116.993)
Net book value	646.671.166	–	–	–	645.586.793

The functional breakdown of depreciation and amortisation charges on property, plant and equipment is disclosed under **Note 30**.

There are no restrictions on the tangible assets of the Company. The insurance information on assets is included in **Note 22**.

19. INTANGIBLE ASSETS

As of 31 December 2023 and 2022, the movements for intangible assets, and related depreciation are as follows:

Dec 31, 2023

Asset Value	1 Jan 2023	Additions	Disposals	Dec 31, 2023
Rights	**24.189.757**	**–**	**–**	**24.189.757**
Total	**24.189.757**	**–**	**–**	**24.189.757**

Accumulated Depreciation (-)	01 Jan 2023	Depreciation	Disposals	Dec 31, 2023
Rights	**(22.826.447)**	**(320.920)**	**–**	**(23.147.367)**
Total	**(22.826.447)**	**(320.920)**	**–**	**(23.147.367)**
Net book value	**1.363.310**	**–**	**–**	**1.042.390**

Dec 31, 2022

Asset Value	1 Jan 2022	Additions	Disposals	Dec 31, 2022
Rights	23.905.584	284.173	–	24.189.757
Total	23.905.584	284.173	–	24.189.757

Accumulated Depreciation (-)	01 Jan 2022	Depreciation	Disposals	Dec 31, 2022
Rights	(22.365.939)	(460.508)	–	(22.826.447)
Total	(22.365.939)	(460.508)	–	(22.826.447)
Net book value	1.539.645	–	–	1.363.310

The functional breakdown of depreciation and amortisation charges on intangible assets is disclosed under **Note 30**.

20. EMPLOYEE BENEFITS

As of 31 December 2023 and 2022, the breakdown of short-term employee benefits is as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Social security premiums payable	**26.432.439**	14.153.230
Taxes payable	**8.278.554**	4.432.746
Due to employees	**27.925.335**	14.952.601
Total	**62.636.328**	33.538.577

21. GOVERNMENT GRANTS

None. (December 31, 2022: None.)

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) *Provisions*

As of 31 December 2023 and 2022, the functional breakdown and detailed analysis of short-term provisions are as follows:

Account Name	Dec 31, 2023	Dec 31, 2022
Provisions for employee benefits	**37.910.734**	29.329.776
Provision for unused vacation	**21.671.738**	16.079.995
Provision for personnel premium	**16.238.996**	13.249.781
Other short-term provisions	**4.705.435**	936.767
Provision for lawsuits	**4.705.435**	936.767
Total	**42.616.169**	30.266.543

The movement of Provisions are as follows:

Dec 31, 2023	Provision for lawsuits	Provision for unused vacation	Personnel premium	Total
Beginning of the period - 1 January	**936.767**	**16.079.995**	**13.249.781**	**30.266.543**
Additions	**4.273.216**	**21.671.738**	**16.238.996**	**42.183.950**
Payments/reversals (-)	**(136.301)**	**(9.758.882)**	**(8.041.237)**	**(17.936.420)**
Monetary gains/(losses), net	**(368.247)**	**(6.321.113)**	**(5.208.544)**	**(11.897.904)**
End of the period - 31 December	**4.705.435**	**21.671.738**	**16.238.996**	**42.616.169**

Dec 31, 2022	Provision for lawsuits	Provision for unused vacation	Personnel premium	Total
Beginning of the period - 1 January	1.121.098	14.044.854	12.487.252	27.653.204
Additions	383.146	7.530.114	5.648.099	13.561.359
Payments/reversals (-)	(128.854)	–	–	(128.854)
Monetary gains/(losses), net	(438.623)	(5.494.973)	(4.885.570)	(10.819.166)
End of the period - 31 December	936.767	16.079.995	13.249.781	30.266.543

ii) *Commitments, mortgage and guarantees not included in the liability*

The details of mortgages and guarantees not included in the liability are as follows:

		Dec 31, 2023		Dec 31, 2022	
Letters of guarantee	**Currency Type**	**Original Currency Amount**	**Tl equivalent**	Original Currency Amount	Tl equivalent
Letters of guarantee given	TL	**–**	**8.025.328**	–	5.915.152

As of 31 December 2023 and 2022, the breakdown of collateral/pledge/mortgage (“CPM”) position of the Company is as follows:

Collateral, Pledge, Mortgages Given by the Company	**Dec 31, 2023 Foreign Currency Case**	**Dec 31, 2023 Tl Case**	Dec 31, 2022 Foreign Currency Case	Dec 31, 2022 Tl Case
A. Total amount of CPM's given in the name of its own legal personality		**8.025.328**		5.915.152
Letter of guarantee (TL)	**–**	**8.025.328**	–	5.915.152
Letter of guarantee (USD)	**–**	**–**	–	–
Mortgage (USD)	**–**	**–**	–	–
Mortgage (TL)	**–**	**–**	–	–
B. *Total amount of CPM's given on behalf of the fully consolidated subsidiaries*	**–**	**–**	–	–
C. *Total amount of CPM's given on behalf of third - parties for ordinary course of business*	**–**	**–**	–	–
D. *Total amount of other CPM's given*	**–**	**94.375.000**	–	381.408.113
I. Total amount of tris given in favor of the main partner	**–**	**–**	–	–
ii. Other group companies not included in the scope of articles B and C	**–**	**–**	–	–
- Total amount of TRs given as collateral in your favor	**–**	**94.375.000**	–	381.408.113
- *sureties (TL)*	**–**	**94.375.000**	–	373.169.467
- *sureties (USD)*	**–**	**–**	250.366	8.238.646
iii. In favor of third parties not included in Article C	**–**	**–**	–	–
- sum of given tris	**–**	**–**	–	–
Total		**2.011.508.328**		93.589.879

The ratio of the other guarentees, pledges and mortgages to Equity is 8% (December 31, 2022:% 19).

iv) *Total insurance amount of assets:*

Dec 31, 2023

Type of insured asset	**Insurance Company**	**Insurance the amount of**	**Insurance starting date**	**Insurance end date**
Buildings	**Türkiye Sigorta**	**346.808.000**	**31.12.2023**	**31.12.2024**
Machinery and installations	**Türkiye Sigorta**	**263.022.474**	**31.12.2023**	**31.12.2024**
Commodity	**Türkiye Sigorta**	**2.626.095.450**	**31.12.2023**	**31.12.2024**
Fixtures	**Türkiye Sigorta**	**264.088.000**	**31.12.2023**	**31.12.2024**
Total		**3.500.013.924**		

Dec 31, 2022

Type of insured asset	**Insurance Company**	**Insurance the amount of**	**Insurance starting date**	**Insurance end date**
Buildings	Türkiye Sigorta	357.153.540	31.12.2022	31.12.2023
Machinery and installations	Türkiye Sigorta	2.657.441.978	31.12.2022	31.12.2023
Commodity	Türkiye Sigorta	396.514.436	31.12.2022	31.12.2023
Fixtures	Türkiye Sigorta	217.233.156	31.12.2022	31.12.2023
Total		**3.628.343.110**		

As of 31 December 2023 and 2022, the Company has no mortgages and restrictions on its assets.

23. COMMITMENTS

None. (December 31, 2022: None).

24. PROVISIONS FOR EMPLOYEE BENEFITS

As of 31 December 2023 and 2022, long-term provisions for employee benefits of Erkunt Sanayi is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Provision for employee termination benefits	**163.009.010**	173.019.645
Total	**163.009.010**	173.019.645

Under Turkish Labour Law, Erkunt Sanayi and its associate incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2023, the amount payable consists of one month's salary limited to a maximum of TL 35.058,58 (31 December 2022: TL 19.982,83) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service increases in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. As of 31 December 2023, the provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of 31 December 2023, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 21% and an interest rate of 23%, resulting in a discount rate of 1.65% (31 December 2022: 18% and 23%, respectively).

The movements of provision for employment termination benefits are as follows:

	1 Jan- Dec 31, 2023	1 Jan- Dec 31, 2022
1 January start of term	**173.019.645**	107.676.643
Payment (-)	**(30.787.823)**	(7.682.882)
Interest cost	**10.602.473**	14.420.722
Current service cost	**39.269.585**	2.203.666
Actuarial loss / (gain)	**38.919.871**	98.529.404
Monetary gain / (loss), net	**(68.014.741)**	(42.127.908)
December 31, end of period	**163.009.010**	173.019.645

25. TAX ASSETS AND LIABILITIES

None.(December 31,20122: None)

26. OTHER ASSETS AND LIABILITIES

As of 31 December 2023 and 2022, the breakdown of other current assets is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Deactivated vat	**45.450.697**	115.411.179
Personnel advances	**–**	322.995
Total	**45.450.697**	115.734.174

As of 31 December 2023 and 2022, the Company has no other non-current assets.

As of 31 December 2023 and 2022, the Company has no other non-current liabilities.

27. EQUITY

As of 31 December 2023 and 2022, the breakdown of equity items is as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Capital receipts	**15.120.000**	15.120.000
Total	**15.120.000**	15.120.000

i) Non-Controlling Shares

None.

ii) Capital Reserves

None.

iii) Restricted reserves from the Profit

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. The details of the restricted reserves are as follows:

Account Name	**Dec 31, 2023**	Dec 31, 2022
Restricted reserves allocated from profit	**168.356.538**	168.356.538
Total	**168.356.538**	168.356.538

iv) Profits / Losses for the Previous Year

Account Name	**Dec 31, 2023**	Dec 31, 2022
Retained years' profits or (losses)	**861.419.117**	838.103.622
Total	**861.419.117**	838.103.622

v) Accumulated Other Comprehensive Income or Expense that will not be reclassified to Profit or Loss

Account Name	**Dec 31, 2023**	Dec 31, 2022
Actuarial gains and losses (note:24)	**(137.449.275)**	(98.529.404)
Deferred tax effect (note:35)	**34.362.319**	19.705.880
Will not be reclassified to profit or loss - accumulated other comprehensive income/(expense)	**(103.086.956)**	(78.823.524)

vi) Other Considerations

"Paid-in share capital", "Restricted reserves" and "Share premium" should be recognised at their amounts presented in the statutory records. In accordance with the implementation of the relevant communique, the differences are associated with in the accompanying financial statements (such as inflation adjustments) are as follows:

- If it arises from "Paid-in share capital" and has not been included to the share capital yet, it should be reclassified tp the "Adjustment to share capital" to be recognised after "Paid-in share capital".
- If it arises from "Restricted reserves" and "Share Premium" and has not yet been subject to profit distribution or capital increase, it must be reclassified to "Retained earnings".

Other equity items are carried with their amounts in accordance with Turkish Financial Reporting Standards ("TFRS") issued by POA.

28. REVENUE AND COST OF SALES

As of 31 December 2023 and 2022, the functional breakdown of revenue and cost of sales is as follows:

Account Name	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Revenues	**4.016.749.520**	4.295.582.655
Domestic sales	**1.022.009.690**	917.284.774
Export sales	**3.122.422.623**	3.499.389.039
Other income	**1.223.827**	1.308.782
Sales returns (-)	**(52.316.209)**	(56.999.233)
Sales deductions (-)	**(76.590.411)**	(65.400.707)
Cost of sales (-)	**(3.511.587.699)**	(3.621.983.104)
Cost of goods sold (-)	**(2.758.272.875)**	(3.135.814.307)
Depreciation expense	**(169.967.594)**	(142.346.761)
Personal expenses	**(529.603.980)**	(329.416.863)
Severance and leave provision expenses	**(53.743.250)**	(14.405.173)
Gross profit / (loss)	**505.161.821**	673.599.551

29. MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

As of 31 December 2023 and 2022, the breakdown of operating expenses is as follows:

Account Name	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Marketing, sales and revenue expenses (-)	**(106.437.414)**	(133.690.384)
General and administrative expenses (-)	**(107.445.992)**	(104.407.570)
Research and development expenses (-)	**(32.179.395)**	(25.141.274)
Total	**(246.062.801)**	(263.239.228)

30. EXPENSES BY NATURE

As of 31 December 2023 and 2022, the functional breakdown of marketing, sales and distribution expenses, research and development expenses and general administrative expenses recognized in expenses by nature is as follows:

Marketing, sales and revenue expenses (-)	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Packaging material expense	**(45.146.767)**	(82.895.623)
Freight expenses	**(30.980.496)**	(23.012.544)
Intermediary commission expenses	**(20.498.330)**	(20.734.867)
Personnel expenses	**(6.042.709)**	(4.498.189)
Severance and leave provision expenses	**(568.863)**	(152.476)
Other expenses	**(3.200.249)**	(2.396.685)
Total	**(106.437.414)**	(133.690.384)

General and administrative expenses (-)	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Personnel expenses	**(57.369.653)**	(51.454.062)
Transportation and travel expenses	**(2.750.020)**	(1.920.806)
Externally provided benefits and services	**(13.610.448)**	(13.926.834)
Various office-related expenses	**(2.913.996)**	(2.977.506)
Severance and leave provision expenses	**(5.410.288)**	(1.450.157)
Tax, duty, and fee expenses	**(1.477.966)**	(1.923.426)
Depreciation expenses	**(16.088.615)**	(13.474.111)
Other expenses	**(7.825.006)**	(17.280.668)
Total	**(107.445.992)**	(104.407.570)

Research and development expenses (-)	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Personnel expenses	**(22.521.240)**	(17.977.389)
Severance and leave provision expenses	**(2.300.361)**	(616.582)
Depreciation expenses	**(4.431.392)**	(3.711.260)
Material expenses	**(279.254)**	(193.847)
Project expenses	**(2.397.061)**	(2.242.436)
Other expenses	**(250.087)**	(399.760)
Total	**(32.179.395)**	(25.141.274)

The functional breakdown of depreciation and amortisation charges recognized under statement of profit or loss is as follows:

Depreciation expenses	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Cost of sales (-)	**(169.967.594)**	(142.346.761)
General and administrative expenses (-)	**(16.088.615)**	(13.474.111)
Research and development expenses (-)	**(4.431.392)**	(3.711.260)
Other operating expenses (-)	**(3.954.648)**	(3.311.992)
Total	**(194.442.249)**	(162.844.124)

The functional breakdown of personnel expenses recognized under statement of profit or loss is as follows:

Personnel expenses	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Cost of sales (-)	**(529.603.980)**	(329.416.863)
Marketing, sales and revenue expenses (-)	**(6.042.709)**	(4.498.189)
General and administrative expenses (-)	**(57.369.653)**	(51.454.062)
Research and development expenses (-)	**(22.521.240)**	(17.977.389)
Other operating expenses (-)	**(30.669.718)**	(12.814.684)
Total	**(646.207.300)**	(416.161.187)

31. OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2023 and 2022, the functional breakdown of other operating income/(expenses) is as follows:

Other income from main activities	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Foreign exchange gain	**314.305.735**	638.050.815
Provision for doubtful receivables that are no longer valid	**2.889.761**	3.800.614
Provision for unrelated lawsuits	**136.301**	128.854
Other income	**35.140.895**	165.721
Total	**352.472.692**	642.146.004

Other operating expenses (-)	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Foreign exchange losses	**(335.042.956)**	(651.998.118)
Non-operating expenses (personnel expenses)	**(30.669.718)**	(12.814.684)
Non-operating expenses (depreciation expenses)	**(3.954.648)**	(3.311.992)
Provision for doubtful debts expense	**(1.455.951)**	(4.761.544)
Litigation expense	**(4.273.216)**	(383.146)
Tax, duty and duty expenses	**(6.405.168)**	(385.702)
Other expenses	**(24.553.121)**	(1.635.403)
Total	**(406.354.778)**	(675.290.589)

32. GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 31 December 2023 and 2022, the functional breakdown of gains from investment activities is as follows:

Income from investment activities	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Gain on sale of securities	**792.693**	539.913
Gain on sale of property, plant, and equipment	**14.979**	2.916.172
Total	**807.672**	3.456.085

Expenses from investment activities (-)	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Loss on sale of property, plant, and equipment	**–**	(802.283)
Total	**–**	(802.283)

33. FINANCIAL INCOME/(EXPENSES)

As of 31 December 2023 and 2022, the functional breakdown of financial income is as follows:

Finance income	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Interest income on deposits	**1.010.647**	403.105
Total	**1.010.647**	403.105

As of 31 December 2023 and 2022, the functional breakdown of financial expenses is as follows:

Finance expenses (-)	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Interest expenses	**(46.837.866)**	(26.865.147)
Total	**(46.837.866)**	(26.865.147)

The Company has no capitalised financing cost during the period.

34. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31, 2022: None).

35. INCOME TAXES

The Company's tax expense (or income) consists of current period corporate income tax expense and deferred tax expense or income and the breakdown and details of income taxes are as follows:

Account Name	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Current period legal tax provision (-)	**(48.676.958)**	(58.997.576)
Deferred tax income / (expense)	**(54.097.013)**	(9.388.076)
Total tax income / (expense)	**(102.773.971)**	(68.385.652)

i) *Current Period Legal Provision for Tax*

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, the Company has been calculated tax in accordance with the 2023 earnings in the first advance tax period, an advance tax rate of 25% was calculated on corporate earnings.

Account Name	Jan 1- Dec 31, 2023	Jan 1- Dec 31, 2022
Provision for corporate tax	48.676.958	58.997.576
Prepaid taxes and other liabilities of period profit	(45.106.836)	(47.769.948)
Current period legal tax liability	**3.570.122**	**11.227.628**

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

According to corporate tax law article numbered 20, the corporate tax is imposed by the taxpayer's tax returns. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income tax withholding. In accordance with the decision of Cabinet numbered 2009-14592 dated 12 January 2009, the rate has been applied as 15%.

ii) Deferred Tax:

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Company is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Company intends to pay off the current tax assets and liabilities.

As of 31 December 2023 and 2022, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Accumulated temporary differences		**Deffered tax assets / (liability)**	
	Dec 31, 2023	Dec 31, 2022	**Dec 31, 2023**	Dec 31, 2022
Inventory	**31.627.456**	48.279.200	**7.906.864**	12.069.800
Tangible and intangible assets	**15.466.636**	126.755.240	**3.866.659**	31.688.810
Expected credit loss	**1.455.952**	3.809.232	**363.988**	952.308
Litigatipn provision	**4.705.436**	749.412	**1.176.359**	187.353
Leave provision	**21.671.740**	12.863.992	**5.417.935**	3.215.998
Provision for severance pay	**163.009.012**	138.415.716	**40.752.253**	34.603.929
Tfrs 16-right of use assets	**174.840.124**	56.561.252	**(43.710.031)**	(14.140.313)
Tfrs 16-lease debts	**112.724.628**	33.473.112	**28.181.157**	8.368.278
Receivable and payable rediscount	**2.035.992**	–	**(508.998)**	–
Exchange rate difference	**827.304**	–	**206.826**	–
Investment Incentive	**56.486.856**	81.557.844	**14.121.714**	20.389.461
Other	**749.188**	1.230.480	**(187.297)**	(307.621)
Total deferred tax asset/ (liability)	**–**	**–**	**57.587.429**	97.028.003

Movements in deferred tax assets/(liabilities) are as follows:

Account Name	**Jan 1- Dec 31, 2023**	Jan 1- Dec 31, 2022
Early start of term. tax asset/(liability)	**97.028.003**	86.710.199
Deferred tax income/(expense)	**(54.097.013)**	(9.388.076)
Accounting income in other comprehensive income (note:24)	**14.656.439**	19.705.880
End-of-period deferred tax asset/(liability)	**57.587.429**	97.028.003

Reconciling the effective current period tax expense and profit for the period is as follows:

Tax reconciliation	**Jan 1- Dec 31, 2023**	Jan 1- Dec 31, 2022
Profit/(loss) before tax	**89.778.446**	91.701.147
Corporate tax rate 25%	**(22.444.612)**	(22.925.287)
	–	–
Tax impact;	**(80.329.359)**	(45.460.365)
	–	–
None deductible expense	**(19.536.610)**	(6.136.897)
Reduced corporate tax	**8.124.769**	26.801.826
Other differences	**(68.917.518)**	(66.125.294)
Tax provision expense in the income statement	**(102.773.971)**	(68.385.652)

36. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 December 2023 and 2022, which is as follows:

Account Name	**Jan 1- Dec 31, 2023**	Jan 1- Dec 31, 2022
Net income / (loss)	**(12.995.525)**	23.315.495
Weighted average number of shares	**1.512.000.000**	1.512.000.000
Earnings per share / (loss)	**(0.0086)**	0.0154

37. RELATED PARTY DISCLOSURES

The related party transactions and balances are performed without obtaining guarantees and collaterals.

a) *Related party balances are as follows:*

Dec 31, 2023	**Trade Receivables**	**Other Receivables**	**Trade Payables**	**Other Payables**
Erkunt Traktör	145.969.137	–	2.311.109	–
Mahindra Overseas Investment Company Ltd.	–	–	–	–
Kumsan	–	–	11.367.813	–
Şahıs Ortaklar	–	–	–	8.525
Total	**145.969.137**	–	**13.678.922**	8.525

Dec 31, 2023	**Trade Receivables**	**Other Receivables**	**Trade Payables**	**Other Payables**
Erkunt Traktör	139.776.415	55.029	–	–
Mahindra Overseas Investment Company Ltd.	29.172.513	–	–	–
Kumsan	–	–	7.439.802	–
Şahıs Ortaklar	–	–	1.584.051	14.047
Total	**168.948.928**	55.029	**9.023.853**	14.047

b) *Related party transactions are as follows:*

Purchases

Dec 31, 2023	**Interest**	**Rent**	**Mechandise and Service**	**Other**	**Total**
Erkunt Traktör	–	–	–	510.824	510.824
Kumsan	–	–	40.977.502	–	40.977.502
Total	**–**	–	**40.977.502**	510.824	**41.488.325**

Dec 31, 2022	**Interest**	**Rent**	**Mechandise and Service**	**Other**	**Total**
Erkun Traktör	–	–	3.318.474	–	3.318.474
Kumsan	–	–	20.545.192	–	20.545.192
Erkunt Gayrimenkul A.Ş.	–	9.562.737	–	–	9.562.737
Toplam	**–**	9.562.737	**23.863.666**	–	**33.426.403**

Sales

Dec 31, 2023	**Interest**	**Rent**	**Mechandise and Service**	**Other**	**Total**
Erkunt Traktör	–	230.400	236.597.763	2.244.679	239.072.841
Mahindra	–	–	9.324.416	–	9.324.416
Toplam	**–**	230.400	**245.922.179**	2.244.679	**248.397.258**

Dec 31, 2022	**Interest**	**Rent**	**Mechandise and Service**	**Other**	**Total**
Erkunt Traktör	–	113.704	157.007.460	–	157.121.164
Mahindra	–	–	98.671.372	–	98.671.372
Toplam	**–**	113.704	**255.678.832**	–	**255.792.536**

C) *Key management compensation*

	Dec 31, 2023	Dec 31, 2022
Benefits provided to senior executives	**16.324.406**	10.527.003
Total	**16.324.406**	10.527.003

38. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Company is exposed to variety of financial risks due to its operations. These risks include credit risk, price risk, foreign exchange risk, interest rate risk and liquidity risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Company's financial performance. The Company also has financial instruments such as trade receivables and trade payables that arise directly from its operations.

The Company has financial instruments such as bank borrowings, finance leases, cash on hand and short-term bank deposits which are applied on foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company management manages these risks as follows. The Company also monitors the market risk that may arise from the use of financial instruments.

Capital risk management

The Company, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand. The capital structure of the Company consists of cash and cash equivalents disclosed in note 6, borrowings explained in note 8 and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years disclosed in note 27. Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Company monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings, finance leases and trade payables as disclosed in the statement of financial position). Total capital is calculated as equity, as presented in the statement of financial position, plus net debt. General strategy based on the Company's equity does not differ from the prior period. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Company's financial performance.

Net financial debt/invested capital ratio as of 31 December 2023 and 2022 are as follows:

	Dec 31, 2023	Dec 31, 2022
Total debts	**1.154.484.130**	1.075.052.835
Liguid assets (-)	**44.542.603**	56.132.945
Net debt	**1.109.941.527**	1.018.919.890
Total equity	**1.153.544.710**	1.190.803.667
Total capital	**2.263.486.237**	2.209.723.557
Net debt/Total capital rate	**0.49**	0.46

The Company has no speculative financial instruments (including derivative instruments) and has no any operations related to the trading of such instruments.

Foreign Currency Risk

Foreign exchange risk arises from the fact that the Company has liabilities denominated in USD, EURO and GBP.

Foreign exchange transactions result in foreign exchange risk arising from foreign exchange denominated assets and liabilities into Turkish Lira. The Company's exposure to foreign exchange risk arises from its borrowings, finance lease liabilities, receivables and payables denominated in foreign currencies. In order to minimize this risk, the Company monitors its financial position and cash inflows/outflows with detailed cash flow statements as of 31 December 2023 and 2022.

The following table details the Company's foreign currency sensitivity as at 31 December 2023 and 2022 for the changes at the rate of 10%.

The following table details the Company's foreign currency sensitivity as at 31 December 2023 and 2022 for the changes at the rate of 10% in the statement of financial position:

Exchange Rate Sensitivity Analysis Table (Current Period) Dec 31, 2023

	Profit / (Loss)	
	Appreciation of Foreign currency	**Depreciation of Foreign Currency**
In case of a % 10 change in the value of US Dollar against TL;		
1 - US Dollar net asset / (liability)	(21.795.015)	21.795.015
2 - The portion hedged against US Dollars (-)	–	–
3 - US Dollars net effect (1+2)	**(21.795.015)**	**21.795.015**
In case of a % 10 change in the value of Avro against TL;		
4 - Avro net assets / (liabilities)	5.671.206	(5.671.206)
5 - The portion hedged against Avro risk (-)	–	–
6 - Avro net effect (4+5)	**5.671.206**	**(5.671.206)**
In case of a % 10 change in the value of Pound against TL;		
7 - Pound net assets / (liabilities)	11.084.524	(11.084.524)
8 - The portion hedged against Pound risk (-)	–	–
9 - Pound net effect (7+8)	**11.084.524**	**(11.084.524)**

Exchange Rate Sensitivity Analysis Table (Prior Period) Dec 31, 2022

	Profit / (Loss)	
	Appreciation of Foreign currency	**Depreciation of Foreign Currency**
In case of a % 10 change in the value of US Dollar against TL;		
1 - US Dollar net asset / (liability)	(403.918)	403.918
2 - The portion hedged against US Dollars (-)	–	–
3 - US Dollars net effect (1+2)	**(403.918)**	**403.918**
In case of a % 10 change in the value of Avro against TL;		
4 - Avro net assets / (liabilities)	12.324.056	(12.324.056)
5 - The portion hedged against Avro risk (-)	–	–
6 - Avro net effect (4+5)	**12.324.056**	**(12.324.056)**
In case of a % 10 change in the value of Pound against TL;		
7 - Pound net assets / (liabilities)	9.894.402	(9.894.402)
8 - The portion hedged against Pound risk (-)	–	–
9 - Pound net effect (7+8)	**9.894.402**	**(9.894.402)**

The Group's foreign currency position as of periods ended are as follows:

Foreign Exchange Statement

	Dec 31, 2023				Dec 31, 2022			
	TL Equivalent	**US Dollar**	**Avro**	**Pound**	TL Equivalent	US Dollar	Avro	Pound
1. Trade receivables	**428.998.824**	**39.255**	**9.352.201**	**3.290.598**	577.931.505	1.081.855	11.086.282	4.869.513
2a. Monetary financial assets	**6.338.406**	**16.125**	**180.013**	**–**	42.225.692	212.392	968.840	104.117
2b. Non-monetary financial assets	**–**	**–**	**–**	**–**	–	–	–	–
3. Other	**–**	**–**	**–**	**–**	8.132.718	–	247.384	184
4. Current Assets Total (1+2+3)	**435.337.230**	**55.380**	**9.532.213**	**3.290.598**	628.289.915	1.294.247	12.302.506	4.973.814
5. Trade receivables	**–**	**–**	**–**	**–**	–	–	–	–
6a. Monetary financial assets	**–**	**–**	**–**	**–**	–	–	–	–
6b. Non-monetary financial assets	**–**	**–**	**–**	**–**	–	–	–	–
7. Other	**–**	**–**	**–**	**–**	–	–	–	–
8. Fixed Assets Total (5+6+7)	**–**	**–**	**–**	**–**	–	–	–	–
9. Total Assets (4+8)	**435.337.230**	**55.380**	**9.532.213**	**3.290.598**	628.289.915	1.294.247	12.302.506	4.973.814
10. Trade payables	**392.455.799**	**7.445.700**	**4.916.790**	**330.122**	91.475.418	1.509.877	1.260.170	96.160
11. Financial liabilities	**36.484.005**	**–**	**1.118.023**	**–**	–	–	–	–
12a. Other monetary liabilities	**43.852.618**	**–**	**1.343.829**	**–**	129.233.180	–	3.395.078	478.030
12b. Other non-monetary liabilities	**–**	**–**	**–**	**–**	–	–	–	–
13. Total Short Term Liabilities (10+11+12)	**472.792.422**	**7.445.700**	**7.378.642**	**330.122**	220.708.597	1.509.877	4.655.248	574.190
14. Trade payables	**–**	**–**	**–**	**–**	–	–	–	–
15. Financial liabilities	**13.462.383**	**–**	**412.544**	**–**	48.211.506	–	1.465.107	–
16a. Other monetary liabilities	**–**	**–**	**–**	**–**	–	–	–	–
16b. Other non-monetary liabilities	**–**	**–**	**–**	**–**	–	–	–	–
17. Total Long Term Liabilities (14+15+16)	**13.462.383**	**–**	**412.544**	**–**	48.211.506	–	1.465.107	–
18. Total Liabilities (13+17)	**486.254.805**	**7.445.700**	**7.791.186**	**330.122**	268.920.104	1.509.877	6.120.355	574.190
19. Net Asset/ (Liability) Position of Derivative - Instruments off the Balance Sheet	**–**	**–**	**–**	**–**	–	–	–	–
19a. Total amount of hedged assets	**–**	**–**	**–**	**–**	–	–	–	–
19b. Total amount of hedged liabilities	**–**	**–**	**–**	**–**	–	–	–	–
20. Net Foreign Exchange Asset / (Liability) Position (9+18+19)	**(50.917.575)**	**(7.390.320)**	**1.741.028**	**2.960.476**	359.369.811	(215.630)	6.182.151	4.399.624
21. Monetary ıtems net foreign exch. asset/(liab.) - position (1+2a+5+6a-10+11+12a+14+15+16a)	**(50.917.575)**	**(7.390.320)**	**1.741.028**	**2.960.476**	359.369.811	(215.630)	6.182.151	4.399.624
22.Total fair value of financial ınstruments	**–**	**–**	**–**	**–**	–	–	–	–
- used for the foreign exchange hedge	**–**	**–**	**–**	**–**	–	–	–	–
23. The amount of hedged part of foreign exchange assets	**–**	**–**	**–**	**–**	–	–	–	–
24. The amount of hedged part of foreign exchange liabilities	**–**	**–**	**–**	**–**	–	–	–	–
25. Export	**3.122.422.623**	**6.834.925**	**62.276.489**	**19.907.568**	3.499.389.039	5.508.387	63.314.346	31.929.966
26. Import	**282.643.982**	**5.845.456**	**5.192.361**	**356.196**	178.769.633	2.031.830	3.737.875	491.502

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Total credit risk is presented in the statement of financial position.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Company also obtains security when appropriate. It is the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties.

Types of Credits Exposed by Financial Instrument Types

Dec 31, 2023

	Trade Receivables		Other Receivables		Given Advances				Bank
	Related	**Unrelated**	**related**	**Other**	**related**	**Other**	**Notes**	**Deposits**	**Note**
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	**145.969.137**	**490.180.761**	–	**39.985.543**	–	**20.233.059**	**10 –11– 15**	**44.516.743**	**6**
- The part of maximum risk secured by guarantee etc.	–	–	–	–	–	–		–	–
A. Net book value of financial assets	–	–	–	–	–				
which are undue or which did not decline in value (2)	**145.969.137**	**490.180.761**	–	**39.985.543**	–	**20.233.059**	**10 –11– 15**	**44.516.743**	**6**
B. Book value of financial assets renegotiated in terms of conditions and which otherwise would be counted as overdue or declined in value (3)	–	–	–	–	–	–		–	
C. Net book values of assets overdue but not declined in value (4)	–	–	–	–	–	–		–	
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	
D. Net book values of assets declined in value	–	–	–	–	–	–		–	
- Overdue (gross book value)	–	–	–	–	–	–		–	
- Decline in value (-)	–	–	–	–	–	–		–	
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	
- Undue (gross book value)		–	–	–	–	–		–	
- Decline in value (-)	–	–	–	–	–	–		–	
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	
E. Elements containing credit risk off the balance sheet	–	–	–	–	–	–		–	

Dec 31, 2022

	Trade Receivables		Other Receivables		Given Advances				Bank
	Related	**Other**	**related**	**Other**	**related**	**Other**	**Notes**	**Deposits**	**Note**
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	**168.948.928**	**558.582.463**	55.029	**2.348.945**	–	**13.089.543**	**10 –11– 15**	**45.648.776**	**6**
- The part of maximum risk secured by guarantee etc.	–	–	–	–	–	–		–	–
A. Net book value of financial assets	–	–	–	–	–				
which are undue or which did not decline in value (2)	**168.948.928**	**558.582.463**	55.029	**2.348.945**	–	**13.089.543**	**10 –11– 15**	**45.648.776**	**6**
B. Book value of financial assets renegotiated in terms of conditions and which otherwise would be counted as overdue or declined in value (3)	–	–	–	–	–	–		–	
C. Net book values of assets overdue but not declined in value (4)	–	–	–	–	–	–		–	
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	
D. Net book values of assets declined in value	–	–	–	–	–	–		–	
- Overdue (gross book value)	–	–	–	–	–	–		–	
- Decline in value (-)	–	–	–	–	–	–		–	
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	
- Undue (gross book value)		–	–	–	–	–		–	
- Decline in value (-)	–	–	–	–	–	–		–	
- The part of net value secured by guarantee etc.	–	–	–	–	–	–		–	
E. Elements containing credit risk off the balance sheet	–	–	–	–	–	–		–	

Liquidity Risk

Liquidity risk is the risk that a Company will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Company provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Undiscounted contractual cash flows of the non-derivative financial liabilities in TL as of 31 December 2023 and 2022 are as follows:

Dec 31, 2023 **Contract Term /Expected Term**	**Book Value**	**Total Cashout In Accordance With the Contract**	**0-3 month**	**4-12 month**	**1-5 year**	**More than 5 years**
Non-derivative						
financial liabilities	**890.441.465**	**1.011.040.140**	**792.564.516**	**32.314.066**	**121.094.738**	**65.066.820**
Bank loans	47.937.216	48.002.370	48.002.370	–	–	–
Leasing payables	132.214.420	230.128.200	11.652.576	32.314.066	121.094.738	65.066.820
Trade payables	645.375.020	667.994.761	667.994.761	–	–	–
Other payables	64.914.809	64.914.809	64.914.809	–	–	–

<u>Dec 31, 2022</u> Contract Term / Expected Term	Book Value	Total Cashout In Accordance With the Contract	0-3 month	4-12 month	1-5 year	More than 5 years
Non-derivative financial liabilities	**850.871.348**	**863.066.375**	**808.649.698**	**15.974.440**	**38.442.237**	**–**
Bank loans	17.052.349	17.052.349	17.052.349	–	–	–
Leasing payables	48.211.506	60.406.533	5.989.856	15.974.440	38.442.237	–
Trade payables	743.936.259	743.936.259	743.936.259	–	–	–
Other payables	41.671.234	41.671.234	41.671.234	–	–	–

Interest Risk

The Company is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest rate financial instruments and short-long term nature of borrowings.

As of 31 December 2023 and 2022, interest position of Erkunt Sanayi is as follows:

Interest Position **Fixed interest financial instruments**	**Dec 31, 2023**	Dec 31, 2022
Financial assets	**–**	3.295.458
Financial Obligations	**182.844.316**	65.835.649

Variable interest financial instruments	**Dec 31, 2023**	Dec 31, 2022
Financial assets	**–**	–
Financial Obligations	**–**	–

Price Risk

Price risk include foreign exchange risk, interest rate and market risk. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest. Market risk have been determined by the Company by using available market information and appropriate valuation methodologies.

Capital Management

The Company's main objectives for capital management are to keep the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of cash and cash equivalents and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

General strategy based on the Company's equity does not differ from the prior period.

Fair value of financial assets and liabilities

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

Foreign currency denominated receivables and payables are translated with the exchange rates prevailing as of the date of the financial statements.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial Assets

Carrying values of cash and cash equivalents, accrued interests and other financial assets are approximate to their fair values due to their short-term nature and insignificant credit risk. The carrying values of receivables estimated that reflecting the fair value with the less provision for doubtful receivables.

Financial Liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are carried at their discounted cost and transaction costs are added to the initial cost of the borrowing. The fair values of the borrowings after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

39. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

<u>Fair value of financial instruments</u>

The fair value of the financial assets and liabilities is determined as follows:

- Level 1: Financial assets and liabilities are valued at quoted prices traded on the active market for the same assets and liabilities.
- Level 2: Financial assets and liabilities are valued at inputs that are used to determine the price of the asset or liability that is observable directly or indirectly in the market, other than the quoted price at the first level.
- Level 3: Financial assets and liabilities are valued at inputs that are not based on observable inputs in the market for the fair value of an asset or liability.

The Company has no classification regarding its financial assets and liabilities at fair value (31 December 2022: None).

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Company determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

40. EVENTS AFTER THE REPORTING PERIOD

None.

41. THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

AUDITOR'S REPORT

To the Annual General Meeting of Sampo-Rosenlew Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sampo-Rosenlew Oy (business identity code 0773638-7) for the year ended 31 March, 2024. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

KPMG OY AB
JANNA KIVIMÄKI
Authorised Public Accountant, KHT

Tampere, 26 April 2024

BALANCE SHEET

ASSETS		31 March, 2024	31 March, 2023
Non-current assets			
Intangible assets	(App. C1.1)	**22,00,231**	25,84,852
Tangible assets	(App. C1.1)	**47,914**	1,97,162
Investments	(App. C1.2)	**36,80,000**	36,80,000
Non-current assets total		**59,28,145**	64,62,014
Current assets			
Inventory	(App. C2)	**1,97,99,536**	2,33,82,725
Long-term receivables			
Deferred tax receivable	(App. C3)	**–**	30,97,060
Short-term receivables	(App. C3)	**1,62,84,077**	1,05,58,656
Cash and cash equivalents		**20,66,995**	40,86,201
Current assets total		**3,81,50,608**	4,11,24,642
ASSETS TOTAL		**4,40,78,753**	4,75,86,656
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**5,60,626**	5,60,626
Other Equity			
Revaluation reserve		**33,00,000**	33,00,000
Invested non-restricted equity fund		**2,86,35,021**	1,84,29,396
Retained earnings		**(1,85,57,604)**	(1,13,19,211)
Correction to Retained earnings of prevoius years		**(6,16,504)**	
Profit/loss for the financial year		**(1,01,55,644)**	(72,38,393)
Shareholders' equity total	(App. C4)	**31,65,895**	37,32,418
Statutory reserves			
Warranty provisions		**2,95,000**	2,40,000
Liabilities			
Short-term liabilities	(App. C5)	**4,06,17,858**	4,36,14,238
Liabilities total		**4,09,12,858**	4,38,54,238
EQUITY AND LIABILITIES TOTAL		**4,40,78,753**	4,75,86,656

PROFIT AND LOSS ACCOUNT

		31 March, 2024	31 March, 2023
NET SALES	(App. B1)	**5,00,31,080**	5,46,31,304
Increase(+)/decrease(-) in finished goods and WIP inventories		**(1,25,001)**	(1,52,828)
Production for own use			3,23,669
Other operating income		**1,47,563**	2,09,856
Raw materials and services	(App. B2)	**(3,83,35,757)**	(4,26,25,342)
Personnel expenses	(App. B3)	**(95,02,434)**	(1,00,00,188)
Depreciations	(App. B4)	**(6,87,561)**	(7,68,314)
Other operating expenses		**(69,49,661)**	(79,19,837)
NET OPERATING PROFIT/LOSS		**(54,21,771)**	(63,01,680)
Financial income and expenses	(App. B5)	**(16,36,813)**	(9,36,713)
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		**(70,58,584)**	(72,38,393)
Deferred tax		**(30,97,060)**	
PROFIT/LOSS FOR THE PERIOD		**(1,01,55,644)**	(72,38,393)

STATEMENT OF CHANGES IN FINANCIAL POSITION

	31 March, 2024	31 March, 2023
Net operating profit/loss	**(54,21,771)**	(63,01,680)
Adjustments		
Depreciation	**6,87,561**	7,68,314
Other adjustments		
Cash flow before changes in working capital	**(47,34,210)**	(55,33,366)
Change in working capital		
Increase (-) decrease (+) in short-term zero-interest receivables	**22,74,424**	12,91,421
Increase (-) decrease (+) in inventories	**35,83,189**	(10,25,755)
Increase (+) decrease (-) in short-term zero-interest liabilities	**(75,57,884)**	(4,84,577)
Cash flow from operating activities before financials and taxes	**(64,34,481)**	(57,52,276)
Interest and other financial expenses paid	**(16,38,663)**	(9,88,981)
Cash flow from operations (A)	**(80,73,144)**	(67,41,257)
Investments in intangible and tangible assets	**(1,53,692)**	(4,64,165)
Dividends received from investments	**1,850**	52,268
Cash flow from investing activities (B)	**(1,51,843)**	(4,11,897)
Cash flow from financing activities		
Proceeds from borrowings	**40,00,000**	2,01,00,000
Repayments of borrowings		(1,67,12,754)
Increase in reserve for invested free own capital	**22,05,780**	73,90,500
Cash flow from financing activities (C)	**62,05,780**	1,07,77,746
CHANGE IN CASH AND CASH EQUIVALENTS	**(20,19,207)**	36,24,592
Amount in the beginning of fiscal year	**40,86,201**	4,61,609
Amount in the end of fiscal year	**20,66,995**	40,86,201

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2024

A. Basis of preparation

1. Valuation Principles

Deferred Tax assets:
The company's financial statements have included estimated tax receivables related to losses from old years confirmed in taxation. The deferred tax asset has been written down in the 31.03.2024 financial statements after the company's management determined that utilization of the deferred tax asset is not likely.

Valuation of Fixed Assets:
Fixed assets are carried at direct purchase cost with deduction of planned depreciations. Depreciation according to plan has been computed according to either the total useful lives of the fixed assets goods or with maximum reducing balance method. The depreciation principles are given as follows.

Depreciation plan prepared in advance has been used for determining the depreciation of the depreciable assets. The amounts of depreciation are based on estimated useful lives as follows:

intangible rights	5 and 10 years
machinery and equipment	25% reducing-balance method
other tangible assets	10 years

Valuation of Inventories:

Inventories have been entered at the amount of the acquisition cost or at a sales price if likely to be lower than the acquisition cost. Variable manufacturing expenses of goods have been included in the acquisition costs of inventories.

Receivables and Payables in Foreign Currencies:
Receivables and payables in foreign currencies have been converted into EUR using the average exchange rates of fiscal year closing date. With minor transactions, the rate of the recording date is used.

Research and Development Expenses:
The R&D expenses are entered in the year incurred for the part that is considered as yearly expense. Additionally company capitalizes R&D costs that are long term expenses. Capitalized expenses are depreciated within 5 to 10 years.

2. Financial Statements

Sampo-Rosenlew Oy is wholly owned subsidiary of Mahindra & Mahindra(M&M), Mumbai, India. M&M consolidates Sampo-Rosenlew Oy to group financial statement, which can be found at company head quarters in Mumbai.

Sampo-Rosenlew Oy has also branch in Sweden and joint venture in Algeria. The figures for the Swedish branch have been combined with those of Sampo-Rosenlew.

B. Notes to Profit and Loss Account

1. Sales by market

	2024	2023
Market areas		
Finland	**1,42,02,470**	1,08,53,622
EU	**1,66,84,939**	1,49,37,657
Outside EU	**1,91,43,672**	2,88,40,025
Total	**5,00,31,080**	5,46,31,304

2. Materials and Services

	2024	2023
Materials and supplies		
Purchases in the fiscal year	**3,72,24,924**	4,13,36,694
Increase/decrease -/+ in stock	**1,25,001**	1,52,828
Materials and supplies	**3,73,49,925**	4,14,89,522
Services bought from outside	**11,10,833**	11,35,820
Total materials, supplies and services	**3,84,60,758**	4,26,25,342

3. Auditors compensation for the financial period

	2024	2023
Audit Fees	**67,076**	54,225

4. Personnel expenses and average no of personnel

	2024	2023
Wages and salaries	**78,54,347**	84,38,913
Pension expenses	**12,67,879**	12,42,925
Other personnel expenses	**3,80,207**	3,18,350
Personnel expenses, total	**95,02,434**	1,00,00,188

The average number of personnel employed by the Group and the Parent Company during the fiscal year

	2024	2023
White collars	**54**	52
Blue collars	**145**	145
Personnel, total	**199**	197

5. Depreciations

Depreciations according to plan	**2024**	2023
Machinery and equipment	**1,88,159**	2,46,001
Intangible rights	**4,99,403**	5,22,313
Depreciations according to plan, total	**6,87,561**	7,68,314

6. Financing income and expenses

Dividends received	**2024**	2023
From other companies	**1,850**	52,268
Dividends received, total	**1,850**	52,268
Interests and other financial income		
Other interests and financial income	**11,702**	216
Interest and other financial income, total	**11,702**	216
Interest and other financing expenses		
Interest expenses for other companies	**(14,64,167)**	(8,99,701)
Currency exchange losses	**(1,05,302)**	(16,325)
Other financing expenses	**(80,896)**	(73,171)
Interest and other financing expenses, total	**(16,50,365)**	(9,89,197)
Financing income and expenses, total	**(16,36,813)**	(9,36,713)

Exchange gains and losses are netted.

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2024

C. Notes to Balance Sheet

1. Fixed Assets

1.1. Acquisition Costs of Fixed Assets (excluding investments)

	Intangible assets Intangible rights and other long term expenditure	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition costs 31.3.2023	71,98,551	2,02,55,567	53,562	2,03,09,129
Increase	1,16,178	42,249	0	42,249
Decrease	(1,396)	(3,338)	0	(3,338)
Acquisition costs 31.3.2024	**73,13,333**	**2,02,94,478**	**53,562**	**2,03,48,040**
Accumulated depr. 31.3.2023	(46,13,699)	(2,00,57,982)	(53,985)	(2,01,11,967)
Depreciation for the fiscal year	(4,99,403)	(1,88,582)	423	(1,88,159)
Accumulated depr. 31.3.2024	**(51,13,102)**	**(2,02,46,564)**	**(53,562)**	**(2,03,00,126)**
Book value 31.3.2024	**22,00,231**	**47,914**	**0**	**47,914**

1.2 Investments

Shares	**In associated comp.**
Book value 31.3.2019	3,80,000
Revaluation	33,00,000
Book value 31.3.2024	36,80,000

Associated companies	**Shareholding-%**	**Total Equity**	**Result as on 31.12.2023**
Sampo-CMA, Algeria	38%	1,88,90,601	1,11,500

2. Inventories

	2024	2023
Materials and supplies	**87,74,992**	1,18,92,534
Goods in production	**49,52,074**	62,58,920
Finished goods	**60,72,470**	52,31,271
Inventories, total	**1,97,99,536**	2,33,82,725

3. Receivables

	2024	2023
Long-term receivables		
Deferred tax receivable	**0**	30,97,060
Short-term receivables		
Receivables from Group Companies		
Capital loan receivable	**79,99,845**	0.00
Trade Receivables	**0**	1,04,406
Receivables from Joint Ventures		
Trade Receivables	**11,60,158**	47,42,826
Receivables from other companies		
Advances to Suppliers	**4,61,204**	2,03,169
Accounts receivable	**54,50,665**	40,29,555
Other receivables	**3,88,478**	13,91,157
Accrued receivables	**8,23,727**	87,543
Short-term receivables, total	**1,62,84,077**	1,05,58,656
Receivables, total	**1,62,84,077**	1,36,55,716

The company's board has decided to write down deferred tax asset of EURO 3,097,059 in the balance sheet, because the company's management determined that utilization of the deferred tax asset is not likely.

4. Shareholders' Equity

Restricted equity	**2024**	**2023**
Share capital	**5,60,626**	5,60,626
Revaluation reserve	**33,00,000**	33,00,000
Restricted equity total 31.3.	**38,60,626**	38,60,626
Unrestricted equity		
Invested unrestricted equity 1.4	**1,84,29,396**	1,10,38,896
Increases in invested equity 1	**22,05,780**	73,90,500
Increases in invested equity 2	**79,99,845**	0
Unrestricted equity 31.3.	**2,86,35,021**	1,84,29,396

Restricted equity	**2024**	**2023**
Earnings from previous period 31.3	**(1,85,57,604)**	(1,13,19,211)
Correction to Retained earnings of prevoius years	**(6,16,504)**	
Results for the fiscal year	**(1,01,55,644)**	(72,38,393)
Unrestricted equity 31.3	**(6,94,731)**	(1,28,208)
Shareholders' Equity total 31.3	**31,65,895**	37,32,418
Capitalized R&D 31.3	**22,00,231**	25,79,920
Distributable funds 31.3	**(28,94,962)**	(27,08,128)

The adjustment made to the result of the previous financial periods is related to the correction of the material costs of the previous year for the Swedish branch.

The parent company has made an additional investment in the company by subscribing to the company's new shares with a decision made on March 20, 2024. The share claim EUR 7999845 has been recorded in the financial statements as a receipt from the parent company, because the additional investment made by the parent company has entered the company's account after the closing date of April 2, 2024. No new shares have been registered at the time of closing the accounts. After registration, the investment is recorded in the invested unrestricted equity fund.

5. Liabilities

Short-term liabilities	**2024**	**2023**
Debts to Group companies		
Amount Payable to Group Company	**7,27,188**	9,72,659
Debts to other companies		
Loans from credit institututions	**2,91,00,000**	2,51,00,000
Advance payments received	**22,18,496**	48,99,491
Accounts payable	**44,84,502**	87,82,454
Other debts	**5,19,562**	7,00,808
Accrued expenses	**35,68,111**	31,58,826
Short-term liabilities total	**4,06,17,858**	**4,36,14,238**
Liabilities total	**4,06,17,858**	**4,36,14,238**

Major Items of Accrued Expenses	**2024**	**2023**
Wage Accruals	**20,26,122**	21,13,829
Social insurance contributions	**4,37,807**	2,76,040
Interest Accruals	**5,13,385**	3,11,276
Other	**5,90,797**	4,57,680
Total	**35,68,111**	31,58,826

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2024

6. Related party transactions

Company operates in the rented premises owned by the related parties. The rent paid is based on average rent level in the district and the rental terms are ordinary.

7. Securities and contingent liabilities

Contingent liabilities	2024	2023
Rent liability at the end of fiscal year	23,98,000	40,33,000
Lease liability at the end of fiscal year	1,18,294	1,19,603

Signatures of the Board of directors

Place: Pori

Date: 22nd April 2024

Olli Vaartimo
Chairman of the Board

Jali Prihti
Board member

Bharat Goenka
Board member

Prakash Wakankar
Board member

Deven Kataria
CEO

AUDITOR'S NOTATION

Separate Auditor's report has today been given regarding audit performed.

Place: ____________________

Date: ____________________

KPMG Oy Ab

Authorized public accountant

Janna Kivimäki

KHT

INDEPENDENT AUDITORS' REPORT

To the Members of
Swaraj Engines Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Swaraj Engines Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

KAM on Related Party Transactions	
Key Audit Matter	As a part of the business activity, the Company deals with entities which are related parties and significant revenue sources are from related parties only. The Arm's length pricing of the transactions with Related Parties, risks of material misstatement associated with related party relationships and transactions may have a significant impact on the interest of the Company, and true and fair presentation of related party relationships and transactions in the financial statements of the Company.
Principal Audit Procedures	We performed the following audit procedures relating to related party relationships and transactions. We inquired of management regarding: The identity of the Company's related parties, including changes from the prior period; The nature of the relationships between the Company and related parties; and the type and purpose of the transactions with related parties; Identify, account for, and disclose related party relationships and transactions in accordance with the applicable financial reporting framework; Confirmations obtained from related parties for an outstanding balances as part of our audit procedures; Performed appropriate substantive audit procedures relating to identified related parties and related party transactions; Evaluate the terms of the related party transactions that these are consistent with management's explanations; Ensured that all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature; Inquired that the Company has adopted a Related Party Transactions Policy approved by the Board and transactions are as per the policy.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, and the related annexures, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Financial Statements – Refer Note 2.31 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There was no delay in transferring the amounts to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCV1953

Place: Mumbai
Date: April 18, 2024

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Swaraj Engines Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCV1953

Place: Mumbai
Date: April 18, 2024

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment property by which the property, plant and equipment, and investment property are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment property. In accordance with the programme, the Company has physically verified property, plant and equipment, and investment property during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and investment property or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations, and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of finished goods, raw materials, stores & spares, components, and work-in-progress has been physically verified at reasonable intervals by the management during the year. Stock-in-transit as on March 31, 2024 has been verified by the management on subsequent receipt of the goods. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records. We have relied on confirmations and representations from third parties in case of inventory lying in their locations, wherever applicable.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Statute	Nature	Forum where dispute is Pending	Period to which the Amount relates	Amount involved (In Lakhs)
Central Excise Act, 1944	Excise Duty	Appellate Authority - Tribunal Level	F.Y. 2004-05 to FY 2005-06	81.76
		Appellate Authority - Tribunal Level	F.Y. 2015-16 to FY 2017-18	94.82
Punjab Value Added Tax Act 2005	Sales Tax	Punjab VAT Tribunal	A.Y. 2012-13	56.18
		Dy. Excise & Taxation Commissioner (Appeal) Mohali	A.Y. 2013-14	30.77

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not obtained any loans or other borrowings. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution, or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not obtained term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no short-term loan is obtained by the Company during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle-blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCV1953

Place: Mumbai
Date: April 18, 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rs. in Lakhs

Particulars	Note	2024	2023
(I) ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2.1	**7530.64**	8720.03
(b) Capital work-in-progress	2.2	**3775.79**	209.36
(c) Investment property	2.3	**21.01**	21.54
(d) Intangible assets	2.4	**9.23**	9.68
(e) Financial assets	2.5	**1091.98**	5163.39
(f) Income tax assets (net)		**256.59**	409.48
(g) Deferred tax assets (net)	2.13	**261.39**	128.03
(f) Other non-current assets	2.6	**624.08**	82.08
Total Non-Current Assets		**13570.71**	14743.59
CURRENT ASSETS			
(a) Inventories	2.7	**7079.83**	6960.77
(b) Financial assets			
(i) Investments	2.8	**2011.10**	2612.61
(ii) Trade receivables	2.9	**12019.18**	12808.94
(iii) Cash and cash equivalents	2.10	**417.63**	362.75
(iv) Bank balances other than (iii) above	2.10	**17150.89**	10544.12
(v) Other financial assets	2.5	**764.75**	2464.39
(c) Other current assets	2.6	**2665.18**	3116.28
Total current assets		**42108.56**	38869.86
Total Assets		**55679.27**	53613.45
(II) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2.11	**1214.73**	1214.59
(b) Other equity (refer SOCE)		**35641.84**	33006.35
Total Equity		**36856.57**	34220.94
Liabilities:			
Non-Current Liabilities			
(a) Financial liabilities			
- Lease liabilities		**86.21**	88.44
(b) Provisions	2.12	**705.07**	667.86
Total Non-Current liabilities		**791.28**	756.30
Current liabilities:			
(a) Financial liabilities			
(i) Lease liabilities		**35.72**	34.19
(ii) Trade Payables			
- Total outstanding dues of micro and small enterprises	2.14	**5357.29**	4380.58
- Total outstanding dues of other than micro and small enterprises	2.14	**10482.69**	12227.34
(iii) Other financial liabilities	2.15	**1638.87**	1444.45
(b) Provisions	2.12	**363.10**	339.64
(c) Current tax liabilities (net)		**6.93**	–
(d) Other current liabilities	2.16	**146.82**	210.01
Total current liabilities		**18031.42**	18636.21
Total Equity and Liabilities		**55679.27**	53613.45
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

The Notes referred to above form an integral part of these financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

FOR AND ON BEHALF OF THE BOARD

Aniruddha Joshi
Partner
Membership No. 040852

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
M.No. : ACS - 9936

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

Mumbai, April 18, 2024

S.A.S. Nagar (Mohali), April 18, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

Particulars	Note	2024	2023
INCOME			
Revenue from operations	2.17	**141923.93**	142182.14
Other income	2.18	**1435.81**	1195.49
TOTAL INCOME		**143359.74**	143377.63
EXPENSES			
Cost of materials consumed	2.19	**111903.75**	113767.86
Changes in inventories of finished goods and work-in-progress	2.20	**226.92**	(387.84)
Employee benefits expense	2.21	**4299.94**	4371.03
Finance costs	2.22	**24.71**	7.60
Depreciation and amortisation expense	2.23	**1730.78**	1854.07
Other expenses	2.24	**6677.04**	5790.43
TOTAL EXPENSES		**124863.14**	125403.15
Profit before exceptional items and tax		**18496.60**	17974.48
Exceptional items		**–**	–
Profit before tax		**18496.60**	17974.48
Tax expense			
(1) Current tax	2.13	**4,845.00**	4749.87
(2) Deferred tax	2.13	**(135.00)**	(136.70)
Total tax expense		**4710.00**	4613.17
Profit for the year		**13786.60**	13361.31
Other comprehensive income		**4.89**	(8.77)
A (i) Items that will not be reclassified to profit or loss		**6.53**	(11.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(1.64)**	2.95
B (i) Items that may be reclassified to profit or loss		**–**	–
(ii) Income tax relating to items that will be reclassified to profit or loss		**–**	–
Total comprehensive income for the period		**13791.49**	13352.54
Earning per Equity Share (face value Rs. 10 per share):			
(1) Basic	2.26	**113.50**	110.02
(2) Diluted	2.26	**113.48**	109.99
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

The Notes referred to above form an integral part of these financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

FOR AND ON BEHALF OF THE BOARD

Aniruddha Joshi
Partner
Membership No. 040852

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
M.No. : ACS - 9936

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

Mumbai, April 18, 2024

S.A.S. Nagar (Mohali), April 18, 2024

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED MARCH 31, 2024

A. Changes in Equity Share Capital

Rs. in Lakhs

Financial Year	Balance as at 1st April	Changes in equity share capital due to prior period errors	Restated balance as at	Changes in equity share capital during the year	Balance as at 31st March
FY 2023-24	**1214.59**	**–**	**1214.59**	**0.13**	**1214.73**
FY 2022-23	1214.40	–	1214.40	0.19	1214.59

B. Changes in Other Equity
For the year ended 31st March, 2024

Rs. in Lakhs

Particulars	Reserves and Surplus							
	Retained Earnings	General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Other Reserve-Employee Stock Option Outstanding Reserve	Other Comprehensive Income-Actuarial Gain/ (Loss)	Total
As at 1st April 2023	23982.54	8922.86	224.00	0.05	29.47	13.50	(166.07)	**33006.35**
Profit for the Year	13786.60	–	–	–	–	–	4.89	**13791.49**
Dividend paid on equity shares	(11174.54)	–	–	–	–	–	–	**(11174.54)**
Options exercised during the period	–	–	16.63	–	–	(16.63)	–	**–**
Options expensed during the period	–	–	–	–	–	18.54	–	**18.54**
As at 31st March, 2024	**26594.60**	**8922.86**	**240.63**	**0.05**	**29.47**	**15.41**	**(161.18)**	**35641.84**

For the year ended 31st March, 2023

Rs. in Lakhs

Particulars	Reserves and Surplus							
	Retained Earnings	General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Other Reserve-Employee Stock Option Outstanding Reserve	Other Comprehensive Income-Actuarial Gain/ (Loss)	Total
As at 1st April 2022	20336.80	8922.86	201.71	0.05	29.47	19.59	(157.30)	**29353.18**
Profit for the Year	13361.31	–	–	–	–	–	(8.77)	**13352.54**
Dividend paid on equity shares	(9715.57)	–	–	–	–	–	–	**(9715.57)**
Options exercised during the period	–	–	22.29	–	–	(22.29)	–	**–**
Options forfeited/lapsed during the year	–	–	–	–	–	16.20	–	**.16.20**
As at 31st March, 2023	**23982.54**	**8922.86**	**224.00**	**0.05**	**29.47**	**13.50**	**(166.07)**	**33006.35**

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Mumbai, April 18, 2024

FOR AND ON BEHALF OF THE BOARD

MAHESH GUPTA
Chief Financial Officer

RAJESH JEJURIKAR
Chairman
DIN: 00046823

RAJESH K. KAPILA
Company Secretary
M.No. : ACS - 9936

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

S.A.S. Nagar (Mohali), April 18, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

Particulars	2024	2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Tax	**18496.60**	17974.48
Adjustments for:		
Depreciation and Amortisation	**1730.78**	1854.07
Employee Stock Compensation	**18.54**	16.20
Interest (Received) / Paid (Net)	**(1287.05)**	(1099.05)
(Profit)/Loss on Mutual Fund Investment	**(203.70)**	(144.60)
(Profit)/Loss on disposal of Property, Plant and Equipment (Net)	**99.16**	85.28
Net gain on financial assets measured at FVTPL	**(2.65)**	(4.99)
Operating Profit Before Working Capital Changes	**18851.68**	18681.39
Movements in working capital:		
(Increase)/Decrease in Trade and Other Receivables (Non-Current/Current)	**943.64**	(3519.25)
(Increase) in Inventories	**(119.06)**	(753.73)
(Decrease)/Increase in Trade and Other Payables (Non-Current/Current)	**(753.03)**	3682.44
Cash generated from Operations	**18923.23**	18090.85
Income taxes paid	**(4685.18)**	(4808.18)
Net cash generated from Operating Activities	**14238.05**	13282.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments Sales / (Purchase) - Net	**604.16**	1012.85
Bank Deposit (Placed) / Matured - Net	**476.00**	(3352.00)
Other Corporate Deposits (Placed)/Matured - Net	**2,000.00**	(1,000.00)
Interest received	**1311.76**	1106.65
Net Proceeds from disposal of Mutual Fund Investments	**203.70**	144.60
Purchase of Property, Plant and Equipment	**(4779.54)**	(1287.34)
Changes in earmarked balances and margin accounts with banks	**(2,992.77)**	(590.93)
Proceeds from disposal of Property, Plant and Equipment	**220.25**	203.22
Net cash (used in) from Investing Activities	**(2956.44)**	(3762.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities (including interest)	**(35.61)**	(17.29)
Dividends paid to Shareholders of the Company	**(11,174.54)**	(9715.57)
Equity Shares issued under ESOP	**0.13**	0.19
Interest and Finance Charges paid	**(16.71)**	(1.51)
Net cash(used in) Financing Activities	**(11226.73)**	(9734.18)
Net Increase / (Decrease) in Cash and Cash Equivalents	**54.88**	(214.46)
Cash and Cash Equivalents at the beginning of the year	**362.75**	577.21
Cash and Cash equivalents at the end of the year	**417.63**	362.75

Note: Previous year figures have been regrouped wherever found necessary.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Mumbai, April 18, 2024

FOR AND ON BEHALF OF THE BOARD

MAHESH GUPTA
Chief Financial Officer

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DIN: 00046823

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M.No. : ACS - 9936

GIJU KURIAN
Whole Time Director & Chief Executive Officer
DIN: 09629029

S.A.S. Nagar (Mohali), April 18, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. COMPANY'S OVERVIEW AND MATERIAL ACCOUNTING POLICIES

1.1 Company's Overview

Swaraj Engines Limited (SEL) is a public limited company incorporated and domiciled in India. SEL has its works / principal place of business at Plot No. 2, Phase-IX, Industrial Area, S.A.S. Nagar (Mohali), Punjab, India and registered office at Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab, India.

SEL is in the business of manufacturing diesel engines and hi-tech engine components. Diesel Engines are specifically designed for tractor application.

The Shares of the Company are listed on both BSE Limited and National Stock Exchange of India Limited.

1.2 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013 as amended.

The financial statements are approved by the Company's Board of Directors and authorised for issue on 18th April, 2024.

1.3 Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

i) expected to be realised or intended to be sold or consumed in normal operating cycle,

ii) held primarily for the purpose of trading,

iii) expected to be realised within twelve months after the reporting period,

iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or

v) carrying current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period,

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, or

v) it includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current

1.4 Property, Plant and Equipment

i) Property, plant and equipment are stated at cost of construction or acquisition, less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

ii) When an asset is scrapped, or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Account.

iii) Depreciation on Tangible Assets (except Land) is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed in Schedule II of the Companies Act, 2013 except for fixed assets mentioned in para (iv) below, based on the Company's expected usage Pattern supported by technical assessment

Nature of Assets	Life adopted in Accounts
a. Patterns, Blocks and Dies	4 Years
b. Vehicles	4 Years

iv) The assets' residual value, useful lives and methods of depreciation are reviewed at each financial year end, and adjustment if any, is made prospectively.

1.5 Investment Properties

Investment Properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured at cost and the same is derecognized upon disposal or when it is permanently withdrawn from use with no future economic benefits are expected from the disposal.

Depreciation is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed for Building in Schedule II of the Companies Act, 2013.

1.6 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads and is ascertained on weighted

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

average basis, net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of raw materials and stores and spares are determined on weighted average basis.

1.7 Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.8 Employee Benefit

Company's contributions paid/payable during the year to Employee's State Insurance Corporation and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

Company contributes to the appropriate authorities its share of the Members Provident Fund Account as per the Employees' Provident Fund Act, 1952.

Company contributes to a trust, which has taken Master Policy with the Life Insurance Corporation of India to cover its liability towards employees' gratuity. Provisions in respect of liabilities of gratuity and leave encashment are made based on actuarial valuation made by an independent actuary as at the balance sheet date. Gains and Losses through re-measurements of the net defined benefit liability are recognized in other comprehensive income. The actual return of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income.

In respect of Employee Stock Option Scheme:

The compensation cost of stock options granted to employees is measured by the Fair Value Method. The fair value, determined at the grant date of the underlying equity shares, is recognized and amortised on straight line basis over the vesting period.

1.9 Revenue Recognition

The Company's revenue recognition policy is aligned to the principles enunciated in Ind AS 115. The company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring a promised good or service to a customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, if any.

Transaction price is the amount of a consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Sale of goods

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled in exchange of goods.

Rendering of services

Revenue from rendering services is recognised when performance obligation is satisfied and customer obtains the control of the transferred services. Following criteria is required to be met for transfer of control of services:

i) the customer simultaneously receives and consumes the benefits from the services transferred.

ii) the Company has an enforceable right to payment for services transferred.

Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

Other Income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the deposits and at the interest rate settled with the Banks/ Financial Institutions.

1.10 Intangible Assets

Intangible assets are carried at cost and amortized on Straight line method, so as to reflect the pattern in which the assets economic benefits are consumed.

Intangible Asset under Development

The expenses incurred on development phase are initially recognized as Intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Other Intangible Assets

i) Development expenditure:

Development expenditure incurred on technical services and other project/product related expenses are amortized over the estimated period of benefit, not exceeding five years. Amortization commences as and when the asset is available for use.

ii) Software Expenditure:

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

1.11 Taxes on Income

Current tax is determined as the amount of tax payable in respect of the taxable income for the year

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.12 Financial Instruments

Financial Assets

Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts are approximate to fair value due to the short maturity of these instruments. Trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at fair value.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company’s Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.13 Impairment of Assets

The carrying value of assets at each balance sheet date are reviewed for Impairment. If any indication exists, the recoverable amount of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount.

1.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

In respect of warranty on sale of engines, the estimated cost of warranty is accrued at the time of sale. The estimate for accounting of warranty is periodically reviewed and revisions are made as and when required.

1.15 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Depreciation / amortisation and useful lives of property plant and equipment/ intangible assets:

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Fair value measurement of financial instruments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for product warranty

The Company recognizes provision for product warranties in respect of its products that it sells. Provisions are discounted, where necessary to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current best estimates.

1.16 Earnings per share

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

1.17 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months from the date of acquisition and which are subject to an insignificant risk of change in value.

1.18 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate which is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company recognises the lease payments associated with these leases as per expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments.

1.19 Accounting Policies not specifically referred above are consistent with generally accepted Accounting practices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.1 Property, Plant and Equipment

Rs. in Lakhs

Particulars	2024	2023
(a) Property, Plant and Equipment	**7415.86**	8607.96
(b) Right of use assets	**114.78**	112.07
Total	**7530.64**	8720.03

(a) Property, Plant and Equipment

(Refer Note 1.4)

(i) Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2024:

Rs. in Lakhs

Description of Assets		Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Gross Carrying Value as at 1st April, 2023		124.80	1606.91	22292.56	228.18	132.78	473.11	135.78	24994.12
Additions during the year		–	59.27	618.98	21.93	15.52	13.05	–	728.75
Disposals/Adjustments during the year		–	42.34	3,129.73	5.72	3.64	–	34.19	3215.62
Gross Carrying Value as at 31st March, 2024	**(A)**	**124.80**	**1623.84**	**19781.81**	**244.39**	**144.66**	**486.16**	**101.59**	**22507.25**
Accumulated depreciation as at 1st April, 2023		–	825.94	14923.50	174.54	58.60	299.97	103.61	16386.16
Depreciation expense for the year		–	50.95	1,558.15	20.46	12.08	44.51	14.45	1700.60
Accumulated depreciation on disposals/ adjustments during the year		–	25.80	2,929.08	4.94	3.26	–	32.29	2995.37
Accumulated depreciation as at 31st March, 2024	**(B)**	**–**	**851.09**	**13552.57**	**190.06**	**67.42**	**344.48**	**85.77**	**15091.39**
Carrying Value as at 31st March, 2024	**(A-B)**	**124.80**	**772.75**	**6229.24**	**54.33**	**77.24**	**141.68**	**15.82**	**7415.86**

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2023:

Rs. in Lakhs

Description of Assets		Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Gross Carrying Value as at 1st April, 2022		124.80	1674.47	23764.98	228.74	123.41	495.49	144.78	26556.67
Additions during the year		–	26.18	1158.50	24.19	22.75	27.44	0.00	1259.06
Disposals/Adjustments during the year		–	93.74	2630.92	24.75	13.38	49.82	9.00	2821.61
Gross Carrying Value as at 31st March, 2023	(A)	124.80	1606.91	22292.56	228.18	132.78	473.11	135.78	24994.12
Accumulated depreciation as at 1st April, 2022		–	799.00	15663.69	172.41	61.39	304.60	88.40	17089.49
Depreciation expense for the year		–	47.54	1681.10	24.85	9.71	42.89	23.69	1829.78
Accumulated depreciation on disposals/ adjustments during the year		–	20.60	2421.29	22.72	12.50	47.52	8.48	2533.11
Accumulated depreciation as at 31st March, 2023	(B)	–	825.94	14923.50	174.54	58.60	299.97	103.61	16386.16
Carrying Value as at 31st March, 2023	(A-B)	124.80	780.97	7369.06	53.64	74.18	173.14	32.17	8607.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(b) Right of use assets - Vehicles

(Refer Note 1.18) Rs. in Lakhs

Description of Assets		2024	2023
Gross Carrying Value as at 1st April		133.83	–
Additions during the year		26.91	133.83
Disposals/Adjustments during the year		–	–
Gross Carrying Value as at 31st March	**(A)**	**160.74**	**133.83**
Accumulated depreciation as at 1st April		21.76	–
Depreciation expense for the year		24.20	21.76
Accumulated depreciation as at 31st March	**(B)**	**45.96**	**21.76**
Carrying Value as at 31st March	**(A - B)**	**114.78**	**112.07**

(i) The following is the break-up of current and non-current lease liabilities as at March 31, 2024:

	As at 31st March, 2024		As at 31st March, 2023	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Lease Liabilities	**35.72**	**86.21**	34.19	88.44

(ii) The following is the movement in the lease liabilities for the year ended March 31, 2024:

Particulars	**2024**	**2023**
As at 1st April	122.63	–
Additions/modifications	26.91	133.83
Finance Cost	8.00	6.09
Lease rentals paid	(35.61)	(17.29)
As at 31st March	**121.93**	**122.63**

(iii) The table provides details regarding contractual liabilities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	**As on 31st March, 2024**	**As on 31st March, 2023**
Undiscounted future cash flows		
- Not later than 1 year	**37.74**	**36.82**
- Later than 1 year and not later than 5 years	**97.54**	**104.42**
- Later than 5 years	**–**	**–**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

2.2 Capital Work-in-progress

Ageing for capital work-in-progress as at 31st March, 2024 is as follows:

Rs. in Lakhs

	Amount in capital work-in-progress for a period of				
Particulars	**Less than 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
Project-in-Progress	**3,775.79**	**–**	**–**	**–**	**3775.79**
Total	**3,775.79**	**–**	**–**	**–**	**3775.79**

Ageing for capital work-in-progress as at 31st March 2023 is as follows:

Rs. in Lakhs

	Amount in capital work-in-progress for a period of				
Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Project-in-Progress	206.63	2.73	–	–	209.36
Total	206.63	2.73	–	–	209.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.3 Investment Property

(Refer Note 1.5)

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2024:

Rs. in Lakhs

Description of Assets		Investment Property
Gross Carrying Value as at 1st April, 2023		**33.35**
Additions during the year		**–**
Disposals/Adjustments during the year		**–**
Gross Carrying Value as at 31st March, 2024	**(A)**	**33.35**
Accumulated depreciation as at 1st April, 2023		**11.81**
Depreciation expense for the year		**0.53**
Accumulated depreciation on disposals/adjustments during the year		**–**
Accumulated depreciation as at 31st March, 2024	**(B)**	**12.34**
Carrying Value as at 31st March, 2024	**(A-B)**	**21.01**

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2023:

Rs. in Lakhs

Description of Assets		Investment Property
Gross Carrying Value as at 1st April, 2022		33.35
Additions during the year		–
Disposals/Adjustments during the year		–
Gross Carrying Value as at 31st March, 2023	(A)	33.35
Accumulated depreciation as at 1st April, 2022		11.28
Depreciation expense for the year		0.53
Accumulated depreciation on disposals/adjustments during the year		–
Accumulated depreciation as at 31st March, 2023	(B)	11.81
Carrying Value as at 31st March, 2023	(A-B)	21.54

Fair value disclosure on Company's Investment Properties

Part of Company's administrative building/block is letted out and the same is classified as Investment Property based on the nature, characteristics and risks.

As at 31st March,2024, the Fair Value of the property is **Rs. 105.17** Lakhs. This valuation is performed by accredited independent valuer and same is categorised at Level 2.

2.4 Intangible Assets

(Refer Note 1.10)

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2024:

Rs. in Lakhs

Description of Assets		**Computer Software**	**Development Expenditure**	**Total**
Gross Carrying Value as at 1st April, 2023		**20.45**	**178.42**	**198.87**
Additions during the year		**5.00**	**–**	**5.00**
Disposals/Adjustments during the year		**–**	**–**	**–**
Gross Carrying Value as at 31st March, 2024	**(A)**	**25.45**	**178.42**	**203.87**
Accumulated Amortisation as at 1st April, 2023		**10.77**	**178.42**	**189.19**
Amortisation expense for the year		**5.45**	**–**	**5.45**
Accumulated Amortisation on disposals/adjustments during the year		**–**	**–**	**–**
Accumulated Amortisation as at 31st March, 2024	**(B)**	**16.22**	**178.42**	**194.64**
Carrying Value as at 31st March, 2024	**(A-B)**	**9.23**	**–**	**9.23**

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2023:

Rs. in Lakhs

Description of Assets		Computer Software	Development Expenditure	Total
Gross Carrying Value as at 1st April, 2022		13.89	178.42	192.31
Additions during the year		6.56	–	6.56
Disposals/Adjustments during the year		–	–	–
Gross Carrying Value as at 31st March, 2023	(A)	20.45	178.42	198.87
Accumulated Amortisation as at 1st April, 2022		8.77	178.42	187.19
Amortisation expense for the year		2.00	–	2.00
Accumulated Amortisation on disposals/adjustments during the year		–	–	–
Accumulated Amortisation as at 31st March, 2023	(B)	10.77	178.42	189.19
Carrying Value as at 31st March, 2023	(A-B)	9.68	–	9.68

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.5 Other Financial Assets

Rs. in Lakhs

Particulars	Non-Current		Current	
	2024	2023	**2024**	2023
Carried at amortised cost:				
Security Deposits-Considered Good				
Unsecured	**81.98**	63.39	**–**	–
Others				
Fixed Deposits more than 12 months	**1,010.00**	5100.00	**–**	–
Interest Accrued on Deposits	**–**	–	**761.57**	459.68
Other Corporate Deposits	**–**	–	**–**	2000.00
Others (including Advances to Employees)	**–**	–	**3.18**	4.71
Total	**1091.98**	5163.39	**764.75**	2464.39

2.6 Other Current Assets

Rs. in Lakhs

Particulars	Non-Current		Current	
	2024	2023	**2024**	2023
Capital advances	**569.85**	6.12	**–**	–
Balance with Government Authorities	**–**	–	**2547.81**	2969.92
Prepaid Expenses	**7.36**	15.24	**27.16**	32.05
Others (including advances to suppliers)	**46.87**	60.72	**90.21**	114.31
Total	**624.08**	82.08	**2665.18**	3116.28

2.7 Inventories

(Refer Note 1.6)

Rs. in Lakhs

Particulars	2024	2023
Raw Materials & Components*	**4495.82**	4131.56
Work-in-Progress	**–**	61.72
Finished Goods	**1970.30**	2135.50
Stores and Spares	**443.72**	461.98
Loose Tools	**169.99**	170.01
Total	**7079.83**	6960.77

* including Goods-in-transit Rs. 569.00 Lakhs (2023 - Rs. 300.00 Lakhs)

2.8 Investments - Current

Rs. in Lakhs

Particulars	Face Value per unit (in Rs.)	2024		2023	
		Number	**Amounts**	Number	Amounts
Quoted Investments					
Carried at Fair Value through Profit and Loss					
Investments in Mutual Funds					
Axis Liquid Fund - Regular Growth	1000	**37806**	**1007.25**	–	–
HDFC Liquid Fund - Regular Plan - Growth	1000	**21368**	**1003.85**	–	–
UTI Liquid Cash Plan - Regular Plan Growth	1000	**–**	**–**	71314	2612.61
Total			**2011.10**		2612.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.9 Trade Receivables

(Refer Note 2.30)

Rs. in Lakhs

Particulars	2024	2023
Billed - Unsecured, considered good	**12019.18**	12808.94
Of the above, Trade Receivables from:		
- Related Parties	**12019.18**	12808.33
- Others	**–**	0.61

Ageing of Trade Receivables as at 31st March, 2024 is as follows :-

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
As at 31st March 2024							
Un-disputed Trade Receivables - considered good	**11373.97**	**645.21**	**–**	**–**	**–**	**–**	**12019.18**
As at 31st March 2023							
Un-disputed Trade Receivables - considered good	12802.46	6.48	–	–	–	–	12808.94

2.10 Cash & Cash Equivalents and Other Bank Balances

Rs. in Lakhs

Particulars	2024	2023
a) Cash and Cash Equivalents		
Balances with Banks	**417.45**	362.08
Cash on hand	**0.18**	0.67
Total	**417.63**	362.75
b) Other Bank balances		
Earmarked balances with Banks - Unpaid/Unclaimed Dividend	**140.89**	148.12
Balances with Bank on Margin Account	**4000.00**	1000.00
Fixed Deposits with Banks	**13010.00**	9396.00
Total	**17150.89**	10544.12

2.11 Equity Share Capital

Rs. in Lakhs

Particulars	2024	2023
Authorised:		
Equity Shares, Rs. 10/- par value	**2500.00**	2500.00
2,50,00,000 (2023: 2,50,00,000) Equity Shares		
Issued, Subscribed and Paid-Up:	**1214.73**	1214.59
Equity Shares, Rs. 10/- par value		
1,21,47,255 (2023: 1,21,45,916) Equity Shares fully paid-up		
	1214.73	1214.59

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each Equity Shareholder is entitled to one vote per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(i) Equity Shareholders holding more than 5% shares:

Name	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares held	**% of Shareholding**	Number of shares held	% of Shareholding
Mahindra & Mahindra Limited (M&M)	**6331141**	**52.12%**	6331141	52.13%
DSP Small Cap Fund	**827774**	**6.81%**	799266	6.58%

(ii) Reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares held	**Share Capital (Rs. in Lakhs)**	Number of shares held	Share Capital (Rs. in Lakhs)
Issued, Subscribed and Paid-up:				
At the beginning of the year	**12145916**	**1214.59**	12143996	1214.40
Movement in equity during the year				
Add: Equity shares issued in pursuance to Employee Stock Option Plan	**1339**	**0.13**	1920	0.19
Number of equity shares at the closing	**12147255**	**1214.73**	12145916	1214.59

In the last 5 years, the Company has not :

- allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash;
- allotted any bonus shares.

(iii) Disclosure of Shareholding of Promoters:

Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	Number of shares held	**% of Shareholding**	Number of shares held	% of Shareholding	
Mahindra & Mahindra Limited (M&M)	**6331141**	**52.12%**	6331141	52.13%	(0.01%)

(iv) Employee Stock Option

Under the Employee Stock Option Scheme - 2015 (ESOS-2015), 31,000 Equity Shares of the face value of Rs. 10/- are available for being granted to eligible employees on the recommendation of the Nomination and Remuneration Committee. Under the first cycle (Dec. 2015 - Dec. 2019), options granted were vested in four instalments on the expiry of 18 months, 30 months, 42 months and 54 months respectively. Options granted effective January 2020 & onwards are vested in 3 instalments on the expiry of 12 months, 24 months and 36 months. These options may be exercised on any day over a period of 5 years from the date of vesting. Numbers of vested options are exercisable subject to minimum of 50 or number of options vested whichever is lower.

Further to grant given till previous financial years, the Company during the current financial year has given grant of 1409 Equity Shares at face value to the eligible employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Activity in ESOS - 2015 is as follows:

No of shares

Particulars	2024	2023
Options Outstanding at the beginning	**2648**	2921
Options Granted during the year	**1409**	1647
Options Exercised during the year	**(1339)**	(1920)
Options Outstanding at the end	**2718**	2648

Information in respect of options outstanding as at 31st March 2024

Exercise Price	No. of Options	Weighted Average Remaining Life for vesting
Rs. 10	**2718**	17 Months

The fair value of Options granted during the year, calculated using the Black-Scholes Option Pricing model with the following assumptions:

Grant date	1st Dec 2023
Vesting Period	12 - 36 Months
Share price in market at the time of option grant (Rs.)	2200.40
Exercise price (Rs.)	10.00
Expected volatility (%)	28.99
Expected life of the option (years)	4.51
Expected dividends (%)	4.18
Risk-free interest rate (%)	7.18
Weighted average fair value as on grant date (Rs.)	1816.21

2.12 Provisions

Rs. in Lakhs

Particulars	Non-Current 2024	Non-Current 2023	Current 2024	Current 2023
Provision for Employee Benefits (Refer Note 1.8)				
- Provision for Leave Encashment	**573.23**	563.06	**95.97**	81.54
- Provision for Gratuity (Refer Note 2.29)	**–**	–	**49.19**	77.87
- Provision for Post Retirement Medical Benefits	**66.35**	54.17	**–**	–
Others				
- Provision for Warranty	**65.49**	50.63	**217.94**	180.23
Total	**705.07**	667.86	**363.10**	339.64

Provision for warranty relates to sale of engine, the estimated cost of which is accrued at the time of sale.

Rs. in Lakhs

Particulars	2024	2023
Balance as at 1st April	**230.86**	224.57
Add: Provision made during the year	**173.45**	107.41
Less: Utilisation during the year	**137.33**	93.69
Less: Unwinding of discount and effect of changes in the discount rate	**(16.45)**	7.43
Balance as at 31st March	**283.43**	230.86
Out of the above:		
Classified as Non Current	**65.49**	50.63
Classified as Current	**217.94**	180.23
	283.43	230.86

2.13 Income Taxes

(Refer Note 1.11)

(a) Deferred Tax

Rs. in Lakhs

Particulars	2024	2023
Deferred Tax Liabilities		
- On Property, Plant & Equipment (incl. Right of use assets)	**(47.38)**	67.79
- On Financial Assets carried at Fair Value through Profit and Loss	**(0.67)**	1.26
Deferred Tax Assets		
- On Employee benefits	**182.65**	166.21
- On Lease Liabilities	**30.69**	30.87
Deferred Tax Liabilities / (Assets) - net	**(261.39)**	(128.03)

(b) Income Tax recognised in Profit and Loss

Rs. in Lakhs

Particulars	2024	2023
Current Tax	**4845.00**	4749.87
Deferred Tax	**(135.00)**	(136.70)
Total Income Tax expense	**4710.00**	4613.17

(c) Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarised below:

Rs. in Lakhs

Particulars	2024	2023
Profit before tax	**18496.60**	17974.48
Income tax expense calculated at 25.17 % (2023: 25.17 % incl. Sur & Cess)	**4655.59**	4524.18
Income not considered for tax purposes	**(0.67)**	(1.30)
Effect of estimated non deductible expenses	**55.08**	90.29
Others (including permanent differences & reversals)	**–**	–
Income Tax expense recognised in profit and loss	**4710.00**	4613.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.14 Trade Payables

Rs. in Lakhs

Particulars	2024	2023
Trade payable - Micro, Small and Medium enterprises	**5357.29**	4380.58
Trade payable - Other than Micro, Small and Medium enterprises	**10260.53**	11911.68
Accruals	**222.16**	315.66
Total	**15839.98**	16607.92

Micro, Small and Medium Enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and small enterprises, which are outstanding for more than the stipulated period and other disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:-

Rs. in Lakhs

Particulars	2024	2023
(a) Dues remaining unpaid as at 31st March		
- Principal	**–**	0.38
- Interest on the above	**–***	–*
(b) Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed date during the year		
- Principal paid beyond the appointed date	**4.34**	129.01
- Interest paid in terms of Section 16 of the Act	**–***	1.39
(c) Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	**–**	–
(d) Further interest due and payable even in succeeding year, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid as at 31st March	**–**	–

*interest of Rs. 487/- (F23 : Rs. 21/-) only

Ageing for Trade Payables

Rs. in Lakhs

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
As at 31st March, 2024						
Micro, Small and Medium enterprises	**5,357.29**	**–**	**–**	**–**	**–**	**5357.29**
Others	**8,480.67**	**1,777.75**	**2.02**	**0.09**	**–**	**10260.53**
Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues - Others	**–**	**–**	**–**	**–**	**–**	**–**
	13,837.96	**1,777.75**	**2.02**	**0.09**	**–**	**15617.82**
Accurals						**222.16**
Total						**15839.98**
As at 31st March, 2023						
Micro, Small and Medium enterprises	4380.20	0.38	–	–	–	4380.58
Others	9623.34	2288.25	0.09	–	–	11911.68
Disputed dues - MSME	–	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–	–
	14003.54	2288.63	0.09	–	–	16292.26
Accurals						315.66
Total						16607.92

Disclosure of Struck Off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.15 Other Financial Liabilities

Rs. in Lakhs

Particulars	2024	2023
Capital Creditors	**504.20**	320.67
Deposits & Retention Money	**27.03**	22.87
Unpaid/Unclaimed Dividend*	**140.89**	148.12
Salary/Wages Payables	**940.50**	920.12
Others (including Directors' Commission)	**26.25**	32.67
Total	**1638.87**	1444.45

* There is no amount due for payment to Investor Education and Protection Fund u/s 125 of Companies Act, 2013 as on 31st March, 2024.

2.16 Other Current Liabilities

Rs. in Lakhs

Particulars	2024	2023
Advances received from customers	**7.99**	29.34
Statutory dues	**138.83**	180.67
Total	**146.82**	210.01

2.17 Revenue from Operations

(Refer Note 2.34) Rs. in Lakhs

Particulars	2024	2023
Revenue from sale of products	**141273.59**	141445.34
Revenue from rendering of services	**0.28**	0.18
Other operating revenue	**650.06**	736.62
Total	**141923.93**	142182.14

2.18 Other Income

Rs. in Lakhs

Particulars	2024	2023
Interest Income	**1311.76**	1106.65
Rental income from Investment property	**16.86**	17.10
Profit on Sale of Financial Instruments	**203.70**	144.60
Net gain on financial assets measured at FVTPL	**2.65**	4.99
Profit / (Loss) on disposal of Property, Plant and Equipment	**(99.16)**	(85.28)
Miscellaneous Income	**–**	7.43
Total	**1435.81**	1195.49

2.19 Cost of Materials Consumed

Rs. in Lakhs

Particulars	2024	2023
Opening stock	**3831.56**	3446.24
Add: Purchases	**111999.01**	114153.18
	115830.57	117599.42
Less:		
Closing Stock	**3926.82**	3831.56
Total	**111903.75**	113767.86

2.20 Changes in Inventories of Finished Goods and Work-in-Progress

Rs. in Lakhs

Particulars	2024	2023
Inventories at the end of the year:		
Finished Goods	**1970.30**	2135.50
Work-in-Progress	**0.00**	61.72
	1970.30	2197.22
Inventories at the beginning of the year:		
Finished Goods	**2135.50**	1666.45
Work-in-Progress	**61.72**	142.93
	2197.22	1809.38
Net (Increase) / Decrease	**226.92**	(387.84)

2.21 Employee Benefits Expense

(Refer Note 1.8) Rs. in Lakhs

Particulars	2024	2023
Salaries and Wages	**3530.44**	3589.04
Contribution to provident and other funds	**212.03**	219.97
Employee Stock Compensation	**18.54**	16.20
Staff welfare expenses	**538.93**	545.82
Total	**4299.94**	4371.03

2.22 Finance Cost

Rs. in Lakhs

Particulars	2024	2023
Bank Charges	**0.19**	0.12
Interest Expense	**0.07**	1.39
Interest - unwinding of discounting on Warranty	**16.45**	–
Interest on lease liability	**8.00**	6.09
Total	**24.71**	7.60

2.23 Depreciation, amortisation and impairment expense

Rs. in Lakhs

Particulars	2024	2023
(a) Depreciation on Property, Plant and Equipment	**1700.60**	1829.78
(b) Depreciation on Right-of-use asset	**24.20**	21.76
(c) Depreciation on Investment Property	**0.53**	0.53
(d) Amortisation on Intangible Assets	**5.45**	2.00
Total	**1730.78**	1854.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.24 Other Expenses

Rs. in Lakhs

Particulars	2024	2023
Power, Fuel & Water Charges	**681.75**	656.97
Consumption of Stores & Spares	**1420.98**	1463.73
Hire & Service Charges	**2040.95**	1481.21
Rates and Taxes	**10.44**	14.41
Insurance	**55.36**	59.90
Repairs and Maintenance		
- Buildings	**80.36**	83.53
- Machinery	**707.91**	534.09
- Others	**37.22**	28.05
Postage & Telephone	**3.72**	4.30
Printing & Stationery	**11.01**	7.77
Travelling & Conveyance Expenses	**48.85**	58.59
Auditors' Remuneration		
- Statutory Auditor's		
Audit Fee (including quarterly limited reviews)	**17.50**	15.00
Tax Audit Fee	**2.50**	2.00
Other Services	**3.50**	0.75
- Cost Auditor		
Audit Fee	**1.40**	1.20
CSR Expenses (Refer Note 2.25)	**304.23**	245.62
Research & Development Expenses	**464.78**	399.21
Other Marketing Expenses	**108.29**	104.08
Miscellaneous Expenses	**676.29**	630.02
Total	**6677.04**	5790.43

2.25 Corporate Social Responsibility Expenditure

Rs. in Lakhs

Particulars	2024	2023
1. Amount required to be spent by the company during the year	**300.00**	242.95
2. Amount of expenditure incurred on:		
(i) Construction/acquistion of any asset	**–**	–
(ii) On purposes other than (i) above	**304.23**	245.62
3. Shortfall at the end of the year	**–**	–
4. Total Previous year's shortfall	**–**	–
5. Reason for shortfall	**Not applicable**	Not applicable
6. Nature of CSR Activities	Driven by our Core purpose, our CSR vision is to focus our efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programmes designed in the domains of education, health and environment while harnessing the power of technology.	
7. Details of related party transactions in relation to CSR expenditure as per relevant accounting standard	**–**	–

2.26 Earning per Share

(Refer Note 1.16) Rs. in Lakhs

Particulars	2024	2023
Profit for the year	**13786.60**	13361.31
Profit for the year for diluted earning per share	**13786.60**	13361.31
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	**12146888**	12144548
Effect of potential Ordinary Equity shares on employee stock options	**2163**	2900
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	**12149051**	12147448
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	**113.50**	110.02
Diluted earning per share (Rs.)	**113.48**	109.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.27 Financial Instruments

(Refer Note 1.12)

Capital management

Company's capital management objectives are to:

- ensure the company's ability to continue as a going concern

- provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

For the purposes of the Company's Capital Management, capital includes issued capital and all other equity reserves. Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Rs. in Lakhs

Particulars	**2024**	2023
Equity Share Capital	**1214.73**	1214.59
Other Equity Reserves	**35641.84**	33006.35
Total	**36856.57**	34220.94

Categories of Financial Assets and Financial Liabilities

As at 31st March, 2024 Rs. in Lakhs

Particulars	**Amortised Costs**	**Fair Value through Profit or Loss**	**Fair Value through OCI**	**Total Carrying Value**	**Total Fair Value**
Non-Current Assets					
Security Deposits-Unsecured	**81.98**	**–**	**–**	**81.98**	**81.98**
Fixed Deposits more than 12 months	**1,010.00**	**–**	**–**	**1,010.00**	**1,010.00**
Total Non-Current Financial Assets	**1091.98**	**–**	**–**	**1091.98**	**1091.98**
Current Assets					
Investments	**–**	**2011.10**	**–**	**2011.10**	**2011.10**
Trade Receivables	**12019.18**	**–**	**–**	**12019.18**	**12019.18**
Cash and Cash Equivalents	**417.63**	**–**	**–**	**417.63**	**417.63**
Other Bank Balances	**17150.89**	**–**	**–**	**17150.89**	**17150.89**
Other Financial Assets	**764.75**	**–**	**–**	**764.75**	**764.75**
Total Current Financial Assets	**30352.45**	**2011.10**	**0.00**	**32363.55**	**32363.55**
Total Financial Assets	**31444.43**	**2011.10**	**0.00**	**33455.53**	**33455.53**
Non-Current Liabilities					
Financial liabilities - Lease	**86.21**	**–**	**–**	**86.21**	**86.21**
Total Non-Current Financial Liabilities	**86.21**	**–**	**–**	**86.21**	**86.21**
Current Liabilities					
Lease Liabilities	**35.72**	**–**	**–**	**35.72**	**35.72**
Trade Payables	**15839.98**	**–**	**–**	**15839.98**	**15839.98**
Other Financial Liabilities	**1638.87**	**–**	**–**	**1638.87**	**1638.87**
Total Current Financial Liabilities	**17514.57**	**–**	**–**	**17514.57**	**17514.57**
Total Financial Liabilities	**17600.78**	**–**	**–**	**17600.78**	**17600.78**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at 31st March, 2023 Rs. in Lakhs

Particulars	Amortised Costs	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Non-Current Assets					
Security Deposits-Unsecured	63.39	–	–	63.39	63.39
Fixed Deposits more than 12 months	5100.00	–	–	5100.00	5100.00
Total Non-Current Financial Assets	5163.39	–	–	5163.39	5163.39
Current Assets					
Investments	–	2612.61	–	2612.61	2612.61
Trade Receivables	12808.94	–	–	12808.94	12808.94
Cash and Cash Equivalents	362.75	–	–	362.75	362.75
Other Bank Balances	10544.12	–	–	10544.12	10544.12
Other Financial Assets	2464.39	–	–	2464.39	2464.39
Total Current Financial Assets	26180.20	2612.61	–	28792.81	28792.81
Total Financial Assets	31343.59	2612.61	–	33956.20	33956.20
Non-Current Liabilities					
Financial liabilities - Lease	88.44	–	–	88.44	88.44
Total Non-Current Financial Liabilities	88.44	–	–	88.44	88.44
Current Liabilities					
Lease Liabilities	34.19	–	–	34.19	34.19
Trade Payables	16607.92	–	–	16607.92	16607.92
Other Financial Liabilities	1444.45	–	–	1444.45	1444.45
Total Current Financial Liabilities	18086.56	–	–	18086.56	18086.56
Total Financial Liabilities	18175.00	–	–	18175.00	18175.00

Financial Risk Management Framework

Company's activities expose it to financial risks viz credit risk and liquidity risk.

Credit Risk

Majority of Company's receivables pertain to Mahindra & Mahindra Limited, a holding company. Based on the overall credit worthiness of Receivables, coupled with their past track record, Company expect No / Minimum Risk with regard to its outstanding receivables. Also, there is mechanism in place to periodically track the outstanding amount and assess the same with regard to its realisation. Company expect all the debtors to be realised in full, accordingly no provision has been made in the books of account.

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks, high rating financial institutions & debt based Mutual Funds. Ratings are monitored periodically for re-adjustment of Portfolio , if any required. Investment as on date of financial statement are as per latest available ratings.

Liquidity Risk

(i) Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast & actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of Financial Liabilities

The following tables specifies the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the tables have been drawn up based on the earliest date on which the Company can be required to pay. Financial Liabilities includes Trade Payables, Capital Purchases, Unpaid/Unclaimed Dividend etc. which are in the normal course of business having maturity plan of less than 1 year and lease liabilities having maturity more than 1 year.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31st March, 2024				
Lease Liabilities	**35.72**	**47.08**	**39.13**	**–**
Trade Payables	**15839.98**	**–**	**–**	**–**
Other Financial Liabilities	**1638.87**	**–**	**–**	**–**
Total	**17514.57**	**47.08**	**39.13**	**–**
31st March, 2023				
Lease Liabilities	34.19	79.56	8.88	–
Trade Payables	16607.92	–	–	–
Other Financial Liabilities	1444.45	–	–	–
Total	18086.56	79.56	8.88	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at 31st March, 2024, the Company had a working capital of Rs. 24,077.13 lakhs including cash and bank balance & bank deposits of Rs. 17427.63 lakhs and investment of Rs. 2011.10 lakhs and other corporate deposits of Rs. Nil.

As at 31st March, 2023, the Company had a working capital of Rs. 20233.65 lakhs including cash and bank balance & bank deposits of Rs. 10758.75 lakhs and investment of Rs. 2612.61 lakhs and other corporate deposits of Rs. 2000 lakhs.

Accordingly, company do not perceive any liquidity risk.

(iii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	2024	2023
Secured Bank Overdraft facility		
- Expiring within one year	**–**	450.00
- Expiring beyond one year	**–**	–
Secured Non-Fund based Letter of Credit facility		
- Expiring within one year	**39.00**	–
- Expiring beyond one year	**–**	–

2.28 Fair Value Measurement

The fair values of the Financial Assets and Liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level 1 - Quoted (unadjusted prices) in active markets for identical assets or liabilities.

Level 2 - Other Techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair Valuation Techniques and Inputs used - recurring Items

a) Financial Instruments measured at Fair value

Rs. in Lakhs

Particulars	Fair value as at 2024	Fair value as at 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial Assets					
Investments in Mutual Fund	**2011.10**	2612.61	Level 1	As on Date NAV of the Quoted Fund	–
Total Financial Assets	**2011.10**	2612.61			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b) Financial Instrument measured at Amortised Cost

As at 31st March, 2024 Rs. in Lakhs

Particulars	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Non-Current Assets					
Security Deposits-Unsecured	**81.98**	**81.98**	**–**	**81.98**	**–**
Fixed Deposits more than 12 months	**1010.00**	**1010.00**	**–**	**1010.00**	**–**
Total Non-Current Financial Assets	**1091.98**	**1091.98**	**–**	**1091.98**	**–**
Current Assets					
Trade Receivables	**12019.18**	**12019.18**	**–**	**12019.18**	**–**
Cash and Cash Equivalents	**417.63**	**417.63**	**–**	**417.63**	**–**
Other Bank Balances	**17150.89**	**17150.89**	**–**	**17150.89**	**–**
Other Financial Assets	**764.75**	**764.75**	**–**	**764.75**	**–**
Total Current Financial Assets	**30352.45**	**30352.45**	**–**	**30352.45**	**–**
Total Financial Assets	**31444.43**	**31444.43**	**–**	**31444.43**	**–**
Financial Liabilities					
Non-Current Liabilities					
- Lease liabilities	**86.21**	**86.21**	**–**	**86.21**	**–**
Total Non-Current Financial Liabilities	**86.21**	**86.21**	**–**	**86.21**	**–**
Current Liabilities					
- Lease liabilities	**35.72**	**35.72**	**–**	**35.72**	**–**
Trade Payables	**15839.98**	**15839.98**	**–**	**15839.98**	**–**
Other Financial Liabilities	**1638.87**	**1,638.87**	**–**	**1638.87**	**–**
Total Current Financial Liabilities	**17514.57**	**17514.57**	**–**	**17514.57**	**–**
Total Financial Liabilities	**17600.78**	**17600.78**	**–**	**17600.78**	**–**

As at 31st March 2023 Rs. in Lakhs

Particulars	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Non-Current Assets					
Security Deposits-Unsecured	63.39	63.39	–	63.39	–
Fixed Deposits more than 12 months	5100.00	5100.00	–	5,100.00	–
Total Non-Current Financial Assets	5163.39	5163.39	–	5,163.39	–
Current Assets					
Trade Receivables	12808.94	12808.94	–	12808.94	–
Cash and Cash Equivalents	362.75	362.75	–	362.75	–
Other Bank Balances	10544.12	10544.12	–	10544.12	–
Other Financial Assets	2464.39	2464.39	–	2464.39	–
Total Current Financial Assets	26180.20	26180.20	–	26180.20	–
Total Financial Assets	31343.59	31343.59	–	31343.59	–
Financial Liabilities					
Non-Current Liabilities					
- Lease liabilities	88.44	88.44	–	88.44	–
Total Non-Current Financial Liabilities	88.44	88.44	–	88.44	–
Current Liabilities					
- Lease liabilities	34.19	34.19	–	34.19	–
Trade Payables	16607.92	16607.92	–	16607.92	–
Other Financial Liabilities	1444.45	1444.45	–	1444.45	–
Total Current Financial Liabilities	18086.56	18086.56	–	18086.56	–
Total Financial Liabilities	18175.00	18175.00	–	18175.00	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.29 Employee benefits

(Refer Note 1.8)

Defined benefit plans – as per Actuarial Valuation on 31st March, 2024

Rs. in Lakhs

Particulars	Gratuity - Funded 2024	2023
I. Expenses Recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	**64.14**	62.09
2. Past Service Cost	**–**	2.07
3. Interest	**89.41**	84.75
4. Expected Return on plan assets	**(86.76)**	(78.75)
5. Total Expense	**66.79**	70.16
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**1318.59**	1257.51
2. Fair value of plan assets as at 31st March	**1269.40**	1179.64
3. Surplus/(Deficit)	**(49.19)**	(77.87)
III. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**1257.51**	1285.60
2. Expenses Recognised in Profit and Loss Account		
- Past Service Cost	**–**	2.07
- Current Service Cost	**64.14**	62.09
- Interest Expense/ (Income)	**89.41**	84.75
3. Recognised in Other Comprehensive Income		
Re-measurement gains / (losses)		
- Actuarial Gain/ (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**–**	–
iii. Experience Adjustments	**(19.47)**	2.28
iv. Difference in present value of obligation	**9.08**	14.76
4. Benefit payments	**(82.08)**	(194.04)
5. Present value of defined benefit obligation at the end of the year	**1318.59**	1257.51
IV. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**1179.64**	1113.32
2. Expected return on plan assets	**86.76**	78.75
3. Recognised in Other Comprehensive Income		
Re-measurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	**1.34**	5.34
4. Contributions by employer (including benefit payments recoverable)	**79.87**	176.27
5. Benefit payments	**(78.21)**	(194.04)
6. Fair value of plan assets at the end of the year	**1269.40**	1179.64
V. The Major categories of plan assets		
- Funded with LIC	**100.00%**	100.00%
VI. Actuarial assumptions		
1. Discount rate	**7.23%**	7.35%
2. Expected Return	**7.35%**	7.13%
3. In Service Mortality	**IAL 2012-14 Ultimate**	IAL 2012-14 Ultimate
4. Turnover Rate	**5.00%**	5.00%
5. Salary Rise - Officers	**9.00%**	9.00%
6. Salary Rise - Workers	**6.00%**	6.00%
7. Remaining Working Life	**14.39 Years**	15.03 Years

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: Rs. in Lakhs

Principal assumption		Changes in assumption	Increase/(Decrease) impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**0.50%**	**(37.08)**	**39.17**
	2023	0.50%	(37.58)	39.71
Salary growth rate	**2024**	**0.50%**	**37.73**	**(36.06)**
	2023	0.50%	38.46	(36.76)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.30 Related Party Transactions

Names of the Related Parties	Relationship
Holding Company	
1. Mahindra & Mahindra Limited (M&M)	Holding Company (Associate Company upto 26th Sept. 2022)

Subsidiary of M&M

1. Mahindra Rural Housing Finance Limited
2. Mahindra & Mahindra Financial Services Limited
3. Mahindra Logistics Limited
4. Mahindra Integrated Business Solutions Private Limited

Associate/Joint Venture of M&M

1. Tech Mahindra Limited	Associate Company
2. Mahindra Summit Agriscience Limited	Joint Venture

Key Management Personnel

Name of KMP	Designation
Mr. Rajesh Jejurikar	Chairman (Non-Executive, Non-Independent Director)
Mr. Dileep C. Choksi	Non-Executive Independent Director
Mrs. Neera Saggi #	Non-Executive Independent Director
Ms. Samita Mankad ^	Non-Executive Independent Director
Mr. S.Nagarajan	Non-Executive Independent Director
Mr. Nikhilesh Panchal	Non-Executive Independent Director
Mr. Harish Chavan	Non-Executive, Non-Independent Director
Mr. Puneet Renjhen	Non-Executive, Non-Independent Director
Mr. Giju Kurian	Whole Time Director & CEO

^appointed / # ceased during the year

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Sr. No.	Nature of Transactions	Holding Co. (M&M)		Subsidiary/ Associates/ JV of M&M Ltd.		KMPs		Total	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
1	**Purchases:**	**3767.15**	2053.13	**193.33**	121.24	**–**	–	**3960.48**	2,174.37
	Goods	**3746.58**	2011.77	**–**	–	**–**	–	**3746.58**	2,011.77
	Services	**20.57**	41.36	**193.33**	121.24	**–**	–	**213.90**	162.60
2	**Sales:**	**168226.22**	168710.83	**–**	–	**–**	–	**168226.22**	168710.83
	Goods	**168226.22**	168710.83	**–**	–	**–**	–	**168226.22**	168710.83
3	**Deputation of Personnel:**								
	From related party	**930.49**	824.63	**–**	–	**–**	–	**930.49**	824.63
4	**Managerial Remuneration**	**–**	–	**–**	–	**141.19**	82.33	**141.19**	82.33
5	**Stock Options***	**–**	–	**–**	–	**12.03**	–	**12.03**	–
6	Commission and other benefits to Non-executive/independent director**	**–**	–	**–**	–	**39.56**	55.50	**39.56**	55.50
7	Dividend Distributed	**5824.65**	3373.43	**–**	–	**–**	–	**5824.65**	3373.43
8	**Other Transactions:**								
	Rental Income	**18.21**	17.34	**1.28**	1.22	**–**	–	**19.49**	18.56
	Other Expenses	**222.43**	273.67	**0.60**	0.55	**–**	–	**223.03**	274.22
	Reimbursement received from Parties	**5.37**	113.53	**0.60**	0.55	**–**	–	**5.97**	114.08
	Reimbursement made to Parties	**217.06**	160.14	**–**	–	**–**	–	**217.06**	160.14
9	**Outstandings:**								
	Trade and Other Payable	**51.87**	65.81	**7.48**	6.49	**–**	–	**59.35**	72.30
	Trade and Other Receivable	**12019.06**	12808.11	**0.12**	0.22	**–**	–	**12019.18**	12808.33

*excludes stock option from Holding Company - Mahindra & Mahindra Limited.

** includes sitting fees and commission paid/payable to Khaitan & Co., in which Mr. Nikhlesh Panchal is a partner.

Transactions with related parties are at arm's length.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.31 Contingent Liabilities and Commitments

Rs. in Lakhs

Particulars	2024	2023
Contingent Liabilities		
Claims against the Company not acknowledged as debt		
- Excise matters in dispute	**211.19**	234.92
- Sales Tax matters in dispute	**99.21**	96.42
- Income Tax matters in dispute*	**50.43**	77.78
Commitments		
Estimated amount of contracts remaining to be executed	**1167.21**	385.77

*Assessment of Income Tax is complete upto Assessment Year 2020-21. There is no demand which is disputed in Appeal and not provided for. For earlier Assessment Years, Company have filed appeals / references which involve an estimated liability of Rs. 50.43 Lakhs (31.03.2023 - Rs. 77.78 Lakhs)

2.32 Segment Reporting

The Company is primarily engaged in the business of diesel engines, diesel engine components and spare parts. As the basic nature of these activities are governed by the same set of risk, returns and internal business reporting system, accordingly these have been grouped as single segment in above disclosures as per Ind AS- 108 dealing with “Operating Segment”.

2.33 Particulars in respect of goods manufactured:

Class of Goods	Unit of Qty	2024	2023
Production			
Engines	Nos.	**138807**	137442
Despatches			
Engines	Nos.	**138761**	137005

2.34 Particulars in respect of Revenue from Operations:

Rs. in Lakhs

Class of Goods	2024	2023
Sale of Products		
Engines	**137952.92**	138836.82
Spares	**3320.67**	2608.52
Total	**141273.59**	141445.34
Other operating revenue		
Scrap & Others	**650.34**	736.80
Total	**141923.93**	142182.14

2.35 Particulars in respect of Finished Goods:

Class of Goods	Unit of Qty	Opening Balance		Closing Balance	
	Nos.	Qty.	Rs. in Lakhs	Qty.	Rs. in Lakhs
Engines		**1927**	**1687.86**	**1933**	**1643.15**
		(1537)	(1269.93)	(1927)	(1687.86)
Engine Parts		**–**	**447.64**	–	**327.15**
		–	(396.52)	–	(447.64)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.36 Additional Regulatory Information

Ratios

Particulars	2024	2023	Variance (%)
1. Current Ratio (in times)	**2.34**	2.09	11.96%
(Current Assets) / (Current Liabilities)			
2. Debt-Equity Ratio (in times)	**N.A.**	N.A.	–
(Total Debt) / (Total Equity)			
3. Debt service coverage Ratio (in times)	**N.A.**	N.A.	–
(Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustment) / (Debt service = Interest and lease payments + Principal repayments)			
4. Return on Equity (%)	**38.79%**	41.25%	(2.46%)
(Net Profit after Taxes) / (Average Shareholder's Equity)			
5. Inventory Turnover Ratio (times)	**20.22**	21.60	(6.39%)
(Revenue from operations) / (Average Inventory)			
6. Trade receivables turnover ratio (times)	**11.43**	12.27	(6.85%)
(Revenue from operations) / (Average Trade Receivables)			
7. Trade payables turnover ratio (times)	**6.90**	7.71	(10.51%)
(Purchases) / (Average trade payables)			
8. Net capital turnover ratio (times)	**6.41**	7.47	(14.19%)
(Revenue from operations) / (Average working capital)			
9. Net profit ratio (%)	**9.71%**	9.40%	0.31%
(Net Profit after Taxes) / (Revenue from operations)			
10. Return on capital employed (%)	**50.61%**	52.74%	(2.13%)
(Profit before tax and finance costs) / (Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities)			
11. Return on Investments (%) - Quoted Investments	**6.77%**	5.03%	1.74%
(Income generated from Investments) / (Time Weighted Average Investments)			

There is no significant change (> 25%) in the above ratios over previous year.

2.37 Dividends

The Board of Directors, in their meeting held on 27th April, 2023, proposed a total dividend of Rs. 92/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on 28th July, 2023, this has resulted in a cash outflow of Rs. 11174.54 lakhs during 2023-24.

The Board of Directors, in their meeting held on 18th April 2024, proposed a total dividend of Rs. 95/- per equity share for the financial year ended on 31st March 2024, subject to the approval of shareholders at the Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 11539.89 lakhs.

2.38 Previous year's figures have been regrouped, wherever necessary, so as to correspond with those of the current year.

INDEPENDENT AUDITORS' REPORT

To The Board Of Directors

Carnot Technologies Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial statements of **Carnot Technologies Private Limited**, which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and a summary of the significant accounting policies and other explanatory information **(hereinafter referred to as "the standalone financial statements")**.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the **IND AS** and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2024, its Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on other Legal and Regulation requirements

1. As required by the companies (Auditor's Report) Order, 2016, as amended, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement deal with by this report are in agreement with the books of account.
4. In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
5. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2)of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
7. With respect to the other matters to be included in the Auditor's Reporting accordance with Rule 11. of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   I. The Company does not have pending litigation which would not impact its financial position.
   II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
   III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P. Nayak
Partner
M No: 049645
UDIN: 24049645BKEYVD9063

Place: Mumbai
Date: 16th April, 2024

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARNOT TECHNOLOGIES PVT LTD ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2024.

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and equipment;

b) Company is maintaining proper records showing full particulars of intangible assets.

c) The Property plant and equipment have been physically verified by the management at regular intervals; as informed to us and no material discrepancies between the books records and the physical Property plant and equipment have been noticed.

d) There are no immovable properties in the name of the company during the year under report.

e) Company has not revalued its property, plant and equipment and intangible assets during the year.

f) No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988.

(ii) a) During the year, the Inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. Also, there are no discrepancies of 10% or more in the aggregate of each class of inventory.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable

(iii) The Company has not made any investments in, granted any loans, secured or unsecured guarantees to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has been generally **regular subject to certain delay** in depositing undisputed statutory dues, including Income-Tax, Service Tax, Goods & Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

The Company has no undisputed statutory dues, including Income-Tax, Service Tax, Cess and other material statutory dues, as applicable, payable to the appropriate authorities.

b) According to the information and explanations given to us and based on the records of company examined by us, the Company has outstanding GST demands for FY 2017-18 and 2018-19 amount to Rs. 24,74,680 and Rs. 33,33,224 respectively for which the company has preferred an appeal with the relevant appellate authority which is pending as on the date of Balance Sheet.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.

b) During the year, the Company has not made any preferential allotment of preference shares.

(xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration and noted that there were no whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 777 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) The provisions of internal audit committee as per clause 3 (xiv) (a) and (xiv) (b) are not applicable commensurate with the size of the Company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses amounting to Rs. 9,44,30,285 during the year, there were no cash losses incurred for the previous year (2022-23).

(xviii) There has been no resignation of statutory auditor during the year. The provisions of this clause are hence not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of CSR are not applicable to the company. Hence provisions of clause 3 (XX) (a) and (b) are not applicable.

(xxi) The provisions of consolidated financials and consolidated CARO report are not applicable to the company and hence the aforementioned clause is not applicable.

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P. Nayak
Partner
M No: 049645
UDIN: 24049645BKEYVD9063

Place: Mumbai
Date: 16th April, 2024

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **Carnot technologies Private Limited** as at the year 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over Financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future years are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-March-2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAl.

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P. Nayak
Partner
M No: 049645
UDIN: 24049645BKEYVD9063

Place: Mumbai
Date: 16th April, 2024

BALANCE SHEET AS AT 31ST MARCH 2024

Figures in INR Lakhs

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	**25.04**	29.95
(b) Other Intangible assets	2	**–**	38.92
(c) Intangible assets under development		**–**	–
(d) Deferred tax Assets (Net)	3	**32.70**	13.11
(e) Non-current financial assets			
(i) Long-term loans		**–**	–
(ii) Other non-current financial assets	4	**0.50**	3.47
(f) Other non-current assets	5	**–**	0.32
		58.23	85.77
(2) Current assets			
(a) Inventories	6	**14.27**	102.53
(b) Financial Assets		**–**	–
(i) Investments		**–**	–
(ii) Trade receivables	7	**33.48**	98.64
(iii) Cash and cash equivalents	8	**189.86**	196.83
(iv) Other Bank Balances	9	**10.03**	683.13
(vi) Other current financial assets	10	**10.66**	9.34
(c) Current Tax Assets(Net)	11	**182.09**	178.80
(d) Other current assets	12	**22.18**	59.53
		462.57	1,328.80
Total Assets		**520.80**	1,414.58
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	**17.06**	17.06
(b) Other Equity	14	**41.58**	1,027.75
		58.63	1,044.81
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		**–**	–
(b) Provisions	15	**44.42**	33.77
(c) Other Non-current liabilities	16	**14.60**	17.24
		59.03	51.01
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings		**–**	–
(ii) Trade Payables	17	**25.52**	27.32
(iii) Other Current Financial Liabilities	18	**98.47**	108.52
(b) Current provisions	19	**3.52**	2.61
(c) Other current liabilities	20	**275.64**	180.31
		403.14	318.76
Total Equity and Liabilities		**520.80**	1,414.58

Notes forming part of the financial statements (all amounts in rupees)

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
UDIN: 24049645BKEYVD9063
Place: Mumbai
Date : 16th April, 2024

Pushkar Limaye
Whole Time Director and Chief Technology Officer
DIN 07270209

Place: Mumbai
Date : 16th April, 2024

Ramesh Ramachandran
Director
DIN 09562621

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Figures in INR Lakhs

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	21	**2,481.17**	2,352.22
Other income	22	**15.46**	29.70
Total income		**2,496.62**	2,381.93
Expenses			
Consumption of Direct Material	23	**507.85**	580.47
Changes in inventories	24	**88.26**	(73.88)
Employee benefits expense	25	**1,562.39**	968.67
Finance costs	26	**0.00**	2.79
Depreciation and amortisation expense	2	**64.15**	56.85
Other expenses	27	**1,282.43**	527.66
Total expenses		**3,505.08**	2,062.56
Profit/(Loss) before exceptional items and tax		**(1,008.45)**	319.36
Exceptional items		**–**	–
Profit/(Loss) before tax		**(1,008.45)**	319.36
Tax expense			
(1) Current tax provision		**–**	–
(2) Deferred tax (charged)/credited	3	**20.29**	4.21
Profit/(Loss) for the period/year		**(988.17)**	323.57
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		**2.69**	(9.97)
Income tax relating to items not reclassified		**(0.70)**	–
Items that will be reclassified subsequently to profit or loss		**–**	–
Income tax relating to items that will be reclassified		**–**	–
Total comprehensive income/(expense) for the period/year		**(986.18)**	313.60
Earnings per share			
Basic earnings (loss) per share	28	**(4,938.36)**	1,617.04
Diluted earnings (loss) per share	28	**(2,948.25)**	965.39

See accompanying notes forming part of financial statements
In terms of our report attached

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
UDIN: 24049645BKEYVD9063
Place: Mumbai
Date : 16th April, 2024

Pushkar Limaye
Whole Time Director and Chief Technology Officer
DIN 07270209

Place: Mumbai
Date : 16th April, 2024

Ramesh Ramachandran
Director
DIN 09562621

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Figures in INR Lakhs

Particulars	Period ended 31st March 2024	Year ended 31st March 2023
Profit before tax	**(1,008.45)**	319.36
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Impairment of Property, Plant and Equipment	**64.15**	56.85
Other Comprehensive income	**2.69**	(9.97)
Interest from security deposit	**–**	(0.16)
Preliminary expenses		
Operating profit before working capital changes	**(941.61)**	366.08
Working capital adjustments:		
(Increase)/decrease in Non current Assets	**0.32**	(0.10)
(Increase)/decrease in Non Current Financial Assets	**2.97**	(0.00)
(Increase)/decrease in trade receivables	**65.16**	(58.10)
(Increase)/decrease in Inventories	**88.26**	(73.88)
(Increase)/decrease in Current Assets	**(3.29)**	(92.51)
(Increase)/decrease in Current Financial Assets	**(1.32)**	(4.16)
(Increase)/decrease in other current assets	**37.35**	(45.72)
Increase/(decrease) in trade and other payables	**(1.80)**	12.12
Increase/(decrease) in other current financial liabilities	**(10.05)**	–
Increase/(decrease) in other current liabilities	**95.32**	173.37
Increase/(decrease) in Non Current Provisions	**10.65**	10.80
Increase/(decrease) in Provisions	**0.91**	51.22
Increase/(decrease) in Non Current liabilities	**(2.64)**	–
Net cash flows from operating activities	**(659.76)**	339.13
Investing activities		
Net Purchase of property, plant and equipment	**(20.32)**	(24.47)
Net cash flows used in investing activities	**(20.32)**	(24.47)
Financing activities		
Proceeds from Share Capital	**–**	–
Proceeds from Share Premium	**–**	–
Proceeds from borrowings	**–**	(88.99)
Income from Secuirty deposit	**–**	0.16
Net cash flows from/(used in) financing activities	**–**	(88.83)
Net increase in cash and cash equivalents	**(680.07)**	225.83
Cash and cash equivalents at the beginning of the period/year	**879.96**	654.14
Cash and cash equivalents at period/year end	**199.89**	879.97

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
UDIN: 24049645BKEYVD9063
Place: Mumbai
Date : 16th April, 2024

Pushkar Limaye
Whole Time Director and Chief Technology Officer
DIN 07270209

Place: Mumbai
Date : 16th April, 2024

Ramesh Ramachandran
Director
DIN 09562621

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2024

A. Equity share capital

Figures in INR Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Balance at the beginning of the reporting year	**17.06**	17.06
Changes in Equity Share capital during the year	**–**	–
Balance at the end of the reporting year	**17.06**	17.06

B. Other Equity

Particulars	Reserve and Surplus		
	Share Premium	Retained Earnings	Total
As at 1st April 2023	1,383.30	(355.55)	1,027.75
Profit for the year	–	(988.17)	(988.17)
Other Comprehensive Income/Loss	–	1.99	1.99
Total Comprehensive Income for the year	1,383.30	(1,341.72)	41.58
Shares issued	–	–	
As at 31st March 2024	**1,383.30**	**(1,341.72)**	**41.58**
As at 1st April 2022	1,383.30	(669.15)	714.15
Profit for the year	–	323.57	323.57
Other Comprehensive Income/Loss	–	(9.97)	(9.97)
Total Comprehensive Income for the year	1,383.30	(355.55)	1,027.75
Shares issued	–	–	–
As at 31st March 2023	1,383.30	(355.55)	1,027.75

Remeasurement loss (net) on defined benefit plans Rs. 1.99 lakhs (2023: Loss of Rs. 9.97 lakhs) has been recognised during the year as a part of retained earnings

C. Description of the nature and purpose of Other Equity:

1. **Share Premium:** Share premium reserve is used to record the premium on issue of shares.

2. **Retained Earnings:** Retained Earnings comprises of accumulated balance of profit/(losses) of current and prior years. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

See the accompaning notes forming part of financial statements

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
UDIN: 24049645BKEYVD9063
Place: Mumbai
Date : 16th April, 2024

Pushkar Limaye
Whole Time Director and Chief Technology Officer
DIN 07270209

Place: Mumbai
Date : 16th April, 2024

Ramesh Ramachandran
Director
DIN 09562621

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31ST 2024

1 OVERVIEW

1.1 Company overview

CARNOT Technologies Private Limited was incorporated in India as private limited company under the Companies Act , 2013 on 24th August, 2015. The company is engaged in the business of the following:

I. Service Sector- Technology enabled applications in different fields including automobiles products both in India & Overseas.

II. Trading Sector- Retail in information technology products and applications.

1.2 Basis of Preparation of financial statement

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the “”Act””) and other relevant provisions of the Act.

The financial statements up to and for the year ended March 31, 2017 were prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Act (Previous GAAP).

These are the first Ind AS financial statements of the Company prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied for the pupose of transition to Ind AS from previous GAAP.

These financial statements have been prepared on a historical cost and accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

1.3 Use of Estimates

The preparation of the financial statements in conformity with IndAS requires the management to make estimates, judgments and assumptions. The estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note no.1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Material accounting policies

a. Property plant and equipment (including Capital Work-in-Progress)

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of property plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company provides depreciation on all assets on written down value basis over its useful life of asset which is in line with Schedule II of Comapnies Act, 2013.

Gains or losses arising from the retirement or disposal of property plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the property plant and equipment and recognised as income or expense in the Statement of Profit and Loss.

Assets not yet ready for use are recognised as capital work in progress.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b. Intangible Assets

Intangible assets are accounted at actual cost incurred less accumulated amortisation and impairment, if any.

Intangible assets i.e. software are amortised on a straight line basis over their estimated useful life of approximately five years, so as to effectively depreciate the assets over the specified useful life.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

c. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previosuly recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

d. Investments and financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

e. Inventories

The stock of raw materials and components, goods in process, finished goods and stores, spares, property under development etc. are stated at lower of cost or net realisable value (NRV).

In determining the cost of the raw materials and components FIFO method is used. Cost of goods in process and manufactured finished products includes the cost of materials, labour and other manufacturing overhead. Average cost method is used to determine cost of work in progress and finished goods.

Obsolete slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories. (a) Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower. (b)Process stock: At cost or estimated realisable value, whichever is lower. (c) Finished goods: At cost or net realisable value, whichever is lower and are inclusive of input tax credit thereon.

f. **Revenue Recognition**

Revenue is recognised based on fair value of consideration receive or receivable and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover, which represents invoiced value of goods sold is recognized net of goods and service tax, trade and volume discounts or rebates, etc. The following specific recognition criteria must also be met before revenue is recognised:

Supply contracts - Sale of products

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. An amount of consideration can vary because of discounts, rebates, incentives etc. which are explicitly stated in the contract or are as per customary business practices.

Contract Balances

- Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

- Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

Interest Income is accounted on accrual basis.

Dividend Income

Dividend is recognized when the right to receive the payment is established.

g. **Employee Benefits**

i. **Short term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, bonuses and performance incentives.

ii. **Long term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the Balance Sheet date.

iii. **Post-employment benefit plan**

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/ superannuation. Company's liability towards gratuity are determined by independent actuaries, using project unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

h. **Leases**

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plusany initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i. **Current and Deferred Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

j. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

k. Provisions and Contingent Liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Cash flow statement

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

n. Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

2. Property Plant & Equipment

Figures in INR Lakhs

	Gross block – at cost					**Depreciation/ Amortisation**					**Net block**	
Particulars	**As at 1 April 2023**	**Additions**	**Adjustments**	**Deductions**	**As at 31 Mar 2024**	**As at 1 April 2023**	**For the year**	**Adjustments**	**Deductions**	**As at 31 Mar 2024**	**As at 31 Mar 2024**	**As at 31 Mar 2023**
Tangible assets												
Computers..............	44.92	18.44	–	0.19	63.17	27.79	20.45	–	–	48.24	**14.93**	17.13
Furniture and fixtures..	32.81	0.65	–	–	33.46	24.59	2.26	–	–	26.86	**6.60**	8.21
Office Equipments	10.41	1.42	–	–	11.83	6.28	2.39	–	–	8.67	**3.16**	4.12
Plant & Machinery	0.08		–	–	0.08	0.04	0.01	–	–	0.05	**0.03**	0.03
Electrical Equipments .	1.68		–	–	1.68	1.23	0.12	–	–	1.35	**0.33**	0.45
Total	**89.89**	**20.51**	**–**	**0.19**	**110.20**	**60.94**	**25.23**	**–**	**–**	**85.17**	**25.04**	**29.95**

Intangible Assets

igures in INR Lakhs

	Gross block - at cost					Depreciation/ Amortisation					Net block	
Particulars	**As at 1 April 2023**	**Additions**	**Adjustments**	**Deductions**	**As at 31 Mar 2024**	**As at 1 April 2023**	**For the year**	**Adjustments**	**Deductions**	**As at 31 Mar 2024**	**As at 31 Mar 2024**	**As at 31 Mar 2023**
Intangible Assets	260.23	–			260.23	221.30	38.92	–	–	260.23	–	38.92
Total	**260.23**	**–**	**–**	**–**	**260.23**	**221.30**	**38.92**	**–**	**–**	**260.23**	**–**	**38.92**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 Deferred tax Assets (Net)

Figures in INR Lakhs

Particulars	31st March, 2024	31st March, 2023
Deferred tax asset arising on account of (A)		
Opening DTA	**13.11**	8.90
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	**7.12**	4.21
Employees benefit expenses	**12.47**	–
Brought depreciation/Unabsorbed losses	**–**	–
Others	**–**	–
	32.70	13.11
Deferred tax liability arising on account of (B)		
Others	–	–
Total	**32.70**	13.11

Movements in deferred tax assets/(liabilities)

Particulars	Property, Plant & Equipment	Provision for Employee Benefit	Total
At 31st March 2023	**13.11**	**–**	**13.11**
(Charged)/Credited			
-to profit and loss	**7.12**	**13.16**	**20.29**
-to other comprehensive income	**–**	**(0.70)**	**(0.70)**
At 31st March 2024	**20.23**	**12.47**	**32.70**

4 Other non-current financial assets

Particulars	31st March 2024	31st March 2023
Deposit with maturity more than 12 months from reporting date	**0.50**	3.47
Total	**0.50**	3.47

5 Other non-current assets

Particulars	31st March 2024	31st March 2023
(a) Advances other than Capital advances		
Other advances - Deferred Notional rent expense	**–**	0.32
Total	**–**	0.32

6 Inventories

Particulars	31st March 2024	31st March 2023
Stock in Trade	**14.27**	102.53
Total	**14.27**	102.53

7 Trade receivable

Figures in INR Lakhs

Particulars	As at 31st March, 2024 Outstanding for following period from due date of payment					
	Less Than 6M	6M - 1 Yrs	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Total
(i) Undisputed Trade Receivables						
Considered Good	**17.37**	**11.74**	**2.57**	**1.80**	**–**	**33.48**
Considered Doubtful	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Disputed Trade Receivables						
Considered Good	**–**	**–**	**–**	**–**	**–**	**–**
Considered Doubtful	**–**	**–**	**–**	**–**	**–**	**–**
Total	**17.37**	**11.74**	**2.57**	**1.80**	**–**	**33.48**

Particulars	As at 31st March, 2023 Outstanding for following period from due date of payment					
	Less Than 6M	6M - 1 Yrs	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Total
(i) Undisputed Trade Receivables						
Considered Good	96.98	–	1.66	–	–	98.64
Considered Doubtful	–	–	–	–	–	–
(ii) Disputed Trade Receivables						
Considered Good	–	–	–	–	–	–
Considered Doubtful	–	–	–	–	–	–
Total	96.98	–	1.66	–	–	98.64

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8 Cash and cash equivalents

Figures in INR Lakhs

Particulars	31st March 2024	31st March 2023
Balances with banks in:		
– Current accounts	**189.86**	196.37
Cash in hand	**–**	0.47
Total	**189.86**	196.83

9 Other bank balances

Particulars	31st March 2024	31st March 2023
Fixed Deposit with Bank	**10.03**	683.13
Total	**10.03**	683.13

10 Other current financial assets

Particulars	31st March 2024	31st March 2023
Loans & Advances to Employees	**1.14**	9.34
Security Deposit	**3.27**	–
Unbilled Revenue	**6.25**	–
Total	**10.66**	9.34

11 Current Tax Assets

Particulars	31st March 2024	31st March 2023
TDS Receivable	**141.38**	170.62
TCS Receivable	**–**	0.00
MAT Receivable	**40.70**	8.18
Total	**182.09**	178.80

12 Other current assets

Particulars	31st March 2024	31st March 2023
Advances other than capital advances-		
a) other advances	**–**	34.27
Others		
Balances with revenue authorithies	**7.26**	11.93
Prepaid expenses	**14.92**	13.33
Total	**22.18**	59.53

13 Equity share capital

Authorised

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2023	**60,000**	6.00
Increase/(decrease) during the period	**–**	
As at 31 March 2024	**60,000**	6.00
Preference Shares of INR 100 each		
As at 01 April 2023	**16,300**	16.30
Increase/(decrease) during the period	**–**	
As at 31 March 2024	**16,300**	16.30

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**60,000**	6.00
Increase/(decrease) during the year	**–**	–
As at 31 March 2023	**60,000**	6.00
Preference Shares of INR 100 each		
As at 01 April 2022	**13,441**	13.44
Increase/(decrease) during the year	**1,613**	1.61
As at 31 March 2023	**15,054**	15.05

Issued, Subscribed and fully paid up

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2023	**20,010**	2.00
Increase/(decrease) during the period	**–**	–
As at 31 March 2024	**20,010**	2.00
Preference Shares of INR 100 each		
As at 01 April 2023	**15,054**	15.05
Increase/(decrease) during the period	**–**	–
As at 31 March 2024	**15,054**	15.05

Issued, Subscribed and fully paid up

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**20,010**	2.00
Increase/(decrease) during the period	**–**	–
As at 31 March 2023	**20,010**	2.00
Preference Shares of INR 100 each		
As at 01 April 2022	**15,054**	15.05
Increase/(decrease) during the period	**–**	–
As at 31 March 2023	**15,054**	15.05

a) Reconciliation of Equity & Preference shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2023	**20,010**	2.00
Increase/(decrease) during the period	**–**	–
As at 31 March 2024	**20,010**	2.00
Preference Shares of INR 100 each		
As at 01 April 2023	**15,054**	15.05
Increase/(decrease) during the period	**–**	–
As at 31 March 2024	**15,054**	15.05

Particulars	Number of equity shares	Amount in INR Lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**20,010**	2.00
Increase/(decrease) during the year	**–**	–
As at 31 March 2023	**20,010**	2.00

Particulars	Number of Preference shares	Amount in INR
Preference Shares of INR 100 each		
As at 01 April 2022	**13,441**	13.44
Increase/(decrease) during the year	**1,613**	1.61
As at 31 March 2022	**15,054**	15.05

b). Terms/rights attached to equity shares/Preference Shares

1) The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

   In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

2) 4,480 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 6,581.51/- each in FY 2016-2017 & 6,663 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 8131.81- each during the financial year 2017-2018.

   Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

3) 2,298 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 12,954.42/- IN FY 2020-21.

   Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

4) 1,613 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 15,391.65/- IN FY 2021-22.

   Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

c). Shareholders holding more than 5% of the shares in the Company

Particulars		**2023-24**	2022-23
Equity shares of Rs 10 each, fully paid up			
Rohan Vadgaonkar			
	Number	**2,260**	2,260
	% Holding	**11.29**	11.29
Prathamesh Joshi			
	Number	**1,233**	1,233
	% Holding	**6.16**	6.16
Pushkar Limaye			
	Number	**2,115**	2,115
	% Holding	**10.57**	10.57
Urmil Shah			
	Number	**3,858**	3,858
	% Holding	**19.28**	19.28
Mahindra & Mahindra Ltd			
	Number	**10,544**	10,544
	% Holding	**52.69**	52.69

14 Other Equity

Figures in INR Lakhs

Particulars	**31st March 2024**	31st March 2023
Retained Earnings		
As per last Balance Sheet	**(355.55)**	(669.15)
Increase/(decrease) during the period/year	**(988.17)**	323.57
Other Comprehensive income/loss	**1.99**	(9.97)
	(1,341.72)	(355.55)
Share Premium		
As per last Balance Sheet	**1,383.30**	1,383.30
Increase/(decrease) during the period/year	**–**	–
	1,383.30	1,383.30
Total	**41.58**	1,027.75

15 Provisions

Particulars	**31st March 2024**	31st March 2023
a) Provisions for Employee Benefits- Gratuity	**44.42**	31.60
b) Other provision	**–**	2.17
Total	**44.42**	33.77

16 Other Non - Current liabilities

Particulars	**31st March 2024**	31st March 2023
a) Contract Liability	**14.60**	17.24
Total	**14.60**	17.24

17 Trade Payable

Particulars	**As at 31st March, 2024** Outstanding for following period from due date of payment				
	Less Than 1 Yr	**1-2 Yrs**	**2-3 Yrs**	**More than 3 Yrs**	**Total**
MSME	**–**	–	**–**	**–**	**–**
Others	**22.47**	3.06	**–**	**–**	**25.52**
Disputed Dues - MSME	**–**	**–**	**–**	**–**	**–**
Disputed Dues - Others	**–**	**–**	**–**	**–**	**–**
Total	**22.47**	3.06	**–**	**–**	**25.52**

Particulars	**As at 31st March, 2023** Outstanding for following period from due date of payment				
	Less Than 1 Yr	**1-2 Yrs**	**2-3 Yrs**	**More than 3 Yrs**	**Total**
MSME	4.84	–	–	–	4.84
Others	22.39	0.09	–	–	22.48
Disputed Dues - MSME	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–
Total	27.23	0.09	–	–	27.32

18 Other Current Financial Liabilities

Figures in INR Lakhs

Particulars	31st March 2024	31st March 2023
a) Security Deposits	**5.50**	0.50
b) Salary Payable	**5.75**	90.77
c) Other Liabilites*	**87.22**	17.25
Total	**98.47**	108.52

*Other liabilities include expenses payable, reimbursement to employees and contractors payable.

19 Current Provisions

Particulars	31st March 2024	31st March 2023
Provision for employee benefits - Gratuity	**3.52**	2.61
Total	**3.52**	2.61

20 Other Current Liabilities

Particulars	31st March 2024	31st March 2023
a) Contract Liability	**143.19**	150.77
b) Other Advances	**35.10**	–
C) Statutory dues payable		
- GST & VAT Payable	**65.66**	–
- TCS Payable	**0.00**	0.00
- TDS Payable	**24.19**	25.59
- PF Payable	**2.81**	2.91
- Profession Tax Payable	**0.13**	0.16
- ESIC payable	**4.56**	0.89
Total	**275.64**	180.31

21 Revenue from Operations

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
From contract with customers for goods and services		
Sale of products	**946.06**	682.16
Sale of Services	**1,535.11**	1,670.06
Total	**2,481.17**	2,352.22

Reconciliation between contract price and revenue from contracts with customer

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Contract Price	**2,481.49**	2,352.22
Less: Sales Return	**–**	–
Less: Discounts	**0.32**	–
Revenue from contracts with customers	**2,481.17**	2,352.22

22 Other Income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income from financial assets		
– on bank deposits	**6.29**	22.23
– on security deposits	**–**	–
– on others	**5.37**	3.68
Foreign Exchange Gain	**0.59**	**–**
Sundry Balances Written Back	**–**	–
Other Receipts	**3.21**	3.79
Total	**15.46**	29.70

23 Consumption of Direct Material

Figures in INR Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Raw Material & Direct Expense	**507.85**	580.47
Total	**507.85**	580.47

24 Changes in Inventories

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening Inventory	**102.53**	28.65
Less: Closing Inventory	**14.27**	102.53
Net (increase)/ decrease in inventories	**88.26**	(73.88)

25 Employee Benefit Expenses

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries, wages and bonus	**1,369.32**	816.89
Director's Remuneration	**115.03**	115.33
Less: Capitalised under Capital WIP	**–**	–
	1,484.35	932.22
Salary to Interns	**9.06**	6.63
Staff welfare expense	**22.89**	4.63
Gratuity (Refer Note 32)	**17.25**	**9.77**
Employer Contribution -PF , ESIC	**28.85**	15.42
Total	**1,562.39**	968.67

26 Finance Cost

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest on Overdraft against FD	**–**	2.79
Finance Charges	**–**	–
Total	**–**	2.79

27 Other Expenses

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Audit Fees (Refer Note 31)	**4.00**	1.53
Professional Fees	**116.82**	59.45
Sales and after sales support services	**298.15**	103.19
M to M Subscription Charges	**228.46**	101.88
Platform Hosting Charges	**100.99**	48.78
Software Subscription Charges	**128.22**	85.23
Marketing Expenses	**151.34**	44.52
Travelling and conveyance	**97.33**	54.84
Call centre Support services	**62.21**	–
Hire charges	**33.44**	1.39
Rent Expenses	**10.18**	8.14
Recruitment Expenses	**16.96**	–
Telephone & Internet expenses	**9.55**	3.66

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Bad Debts	**5.00**	–
Legal, Design and Consultancy	**3.24**	1.06
Store Set–up Expenses	**3.81**	–
Electricity expenses	**1.81**	0.92
General Office Expenses	**0.87**	3.05
Repairs and maintenance	**2.77**	2.13
Printing & Stationery	**2.06**	0.72
Courier Charges	**0.19**	0.48
Interest & Late fees	**2.50**	0.58
Rates and Taxes	**0.03**	0.38
Bank Charges	**0.84**	1.31
Foreign Exchange Loss	**–**	0.14
Training Expenses	**–**	4.16
Miscellaneous expenses	**1.66**	0.15
Total	**1,282.43**	527.66

Note: Short term/ low value assets lease expense recognized during the year Rs. 10.18 lakhs (2023: 8.14 lakhs)

28 Earnings per Share

Figures in INR Lakhs

	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
i)	Net profit after tax as per statement of profit and loss attributable to equity shareholders	**(988.17)**	323.57
ii)	Weighted average number of equity shares used as denominator for calculating basic ESPS	**20,010**	20,010
iii)	Weighted average potential equity shares on account of compulsory convirtible Preference Shares	**13,507**	13,507
iv)	Total weighted average number of equity shares used as denominator for calculating diluted EPS	**33,517**	33,517
v)	Net profit after tax for diluted EPS	**(988.17)**	323.57
vi)	Basic earnings per share (₹)	**(4,938.36)**	1,617.04
vii)	Diluted earnings per share (₹)	**(2,948.25)**	965.39
viii)	Face value per equity share (₹)	**10**	10

29 Foreign Exchange Expenditure

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Software expenses	**31.85**	39.24
Platform Hosting Charges	**14.98**	18.18
Hardware purchased	**–**	2.22
Marketing Expenses	**0.80**	–
M2M subscription	**5.92**	0.83
Total	**53.54**	60.46

30 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(A) List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

	Name of the Related Party	Nature of Relationship
1	Mahindra & Mahindra ltd	Holding Company
2	Key Managerial Person	
	Rohan Vadgaonkar	Director
	Pushkar Limaye	Director
3	**Close member of KMP and entities controlled/jointly controlled by Holding Company**	
	Juhi Kulkarni	Relative of Director
	Mahindra and Mahindra Financial Services Limited	Subsidiary of Holding Company
	Mahindra Integrated Business Solutions Private Limited	Subsidiary of Holding Company
	Mahindra Summit Agriscience Limited	Subsidiary of Holding Company

(B) Details of related party transactions during the period ended 31 March, 2024 and 31 March, 2023

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Payment to key Management Personnel		
Remnuneration to Directors		
Rohan Vadgaonkar	**25.00**	26.67
Pushkar Limaye	**90.00**	87.34
Juhi Kulkarni (Relative of KLP)	**46.01**	35.22
Transactions during the period		
Sales / service		
Mahindra & Mahindra Ltd (Holding Company)- Sales of Goods and service	**1,670.32**	**2,158.56**
Mahindra and Mahindra Financial Services Limited (Fellow Subsidiary)- Sales of service	**1.52**	**–**
Mahindra Integrated Business Solutions Private Limited (Fellow Subsidiary)- Service availed	**16.47**	–
Mahindra Summit Agriscience Limited (Fellow Subsidiary) Sales of Goods and service	**0.20**	–
Total	**1,849.52**	2,307.79

31 Auditors' Remuneration

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Audit fees	**4.00**	1.53
Total	**4.00**	1.53

32 Details of Post Employment Benefit Plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity on retirement/termination is payable to the employees on his last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Details of defined benefit plans as per actuarial valuation is given below:

Figures in INR Lakhs

Particulars	31st March 2024	31st March 2023
Gratuity:		
i. Amount recognized in profit and loss		
Current Service Cost	**14.78**	8.23
Past Service Cost	**–**	–
loss/(gain) on curtailments and settlement	**–**	–
Net interest cost	**2.47**	1.53
Total included in 'Employee Benefit Expenses/(Income)	**17.25**	9.77
ii. Amount recognized in other comprehensive income		
Remeasurement (gains)/losses:		
a) Actuarial (gains)/losses arising from changes in -		
– financial assumption	**1.32**	–0.81
– demographic assumptions		–
– experience adjustments	**(4.01)**	10.78
b) Return on plan assets, excluding amount included in net interest expense/ (income)	**–**	–
Amounts recognized in Other Comprehensive (Income)/Expense	**(2.69)**	9.97
iii. Changes in defined benefit plans		
Opening Defined Benefit Obligation	**34.20**	22.01
Transfer in/(out) obligation	**–**	–
Current service cost	**14.78**	8.23
Interest cost	**2.47**	1.53
Actuarial (gains)/losses arising from changes in -		
– financial assumption	**1.32**	(0.81)
– demographic assumptions		–
– experience adjustments	**(4.01)**	10.78
Past Service Cost		–
Loss/(gain) on curtailments		–
Benefits paid	**(0.82)**	(7.54)
Closing Defined Benefit Obligation	**47.94**	34.20
iv. Changes in plan assets during the year		
Opening value of plan assets	**–**	–
Transfer in/(out) plan assets	**–**	–
Expenses deducted from assets	**–**	–
Interest Income	**–**	–
Return on plan assets excluding amounts included in interest income	**–**	–
Contribution by Employer	**–**	–
Contribution by Employee	**–**	–
Benefits Paid	**–**	–
Closing fair value of plan assets	**–**	–
v. Net defined benefit obligation		
Present Value of Plan Liabilities*	**47.94**	34.20
Fair Value of Plan Assets	**–**	–
Deficit / (Surplus) of funded plans	**47.94**	34.20
Classification:		
Current Liability	**3.52**	2.61
Non Current Liability	**44.42**	31.60
Total	**47.94**	34.20

Actuarial Assumptions ans Sensitivity

Figures in INR Lakhs

Particulars	31st March 2024	31st March 2023
Discount Rate	7.20% p.a	7.50% p.a
Salary Growth Rate	7.00% p.a	7.00% p.a
	Age 25 & Below : 10 % p.a	Age 25 & Below : 10 % p.a
	25 to 35 : 8 % p.a.	25 to 35 : 8 % p.a.
Withdrawal Rates	35 to 45 : 6 % p.a.	35 to 45 : 6 % p.a.
	45 to 55 : 4 % p.a.	45 to 55 : 4 % p.a.
	55 & above : 2 % p.a.	55 & above : 2 % p.a.

Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:	31st March 2024	31st March 2023
Increase by 0.5% in Discount Rate	**45.77**	32.68
Decrease by 0.5% in Discount Rate	**50.31**	35.87
Increase by 0.5% in Salary Growth Rate	**48.97**	34.99
Decrease by 0.5% in Salary Growth Rate	**46.88**	33.32
Increase by 10% in Withdrawal Rates	**49.05**	34.99
Decrease by 10% in Withdrawal Rates	**46.70**	33.30

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any

Effect of the plan on the entity's future cash flows

The Company do not have any funding arrangement. They settle the Gratuity on Pay-N-Go basis.

The Gratuity Benefits Scheme is manged on unfunded basis so Expected Contribution is shown as Nil.

33 Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. No change were made in the objective, policies or process during the financial year ended 31st March 2024 and 31st March 2023.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company. The company does not have gearing as it does not have any borrowings for the reporting period.

Net Debt and Equity is given in the table below :

Particular	31st March 2024	31st March 2023
Loans and borrowings	**–**	–
Less : cash and bank balances	**199.89**	879.96
Net Debts	**–**	–
Total Equity (Equity Share Capital plus Other Equity)	**58.63**	1,044.81
Capital gearing ratio	**–**	–

34 Financial Risk Management

Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company oversees the management of these risks. The focus of Risk Management is to assess risks, monitor, evaluate and deploy mitigation measures to manage these risks within risk appetite.

34.1 Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Instrument affected by market risk includes loans and borrowings, deposits and derivative financial instruments.

i) Foreign Currency Risk

The Company is not exposed to foreign exchange risk through its sales and services or purchases from overseas suppliers in any foreign currency.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's fixed rate long term borrowings carry fixed interest rate throughout the tenor of the borrowings. Hence the company is not exposed to interest rate risk.

34.2 Credit Risk

Credit risk refers to the risk of default of obligations by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same borrower

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

34.3 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies operating cash flows and short term borrowings in the form of buyers credit to meet its needs for funds. The Company has access to a sufficient variety of sources of funding as per requirement. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

A For the year ended 31st March 2024

Particular	Less than 1 Year	More than 1 Year	Carrying Value
Borrowings (including current maturities)	–	–	–
Other Financial Liabilities	98.47	–	98.47
Trade Payables	25.52	–	25.52

B For the year ended on 31st March 2023

Particular	Less than 1 Year	More than 1 Year	Carrying Value
Borrowings (including current maturities)	–	–	–
Other Financial Liabilities	108.52	–	108.52
Trade Payables	27.23	0.09	27.32

34.4 Offsetting of balances: The Company has not offset financial assets and financial liabilities

35 Financial Instruments

A) The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

Figures in INR Lakhs

Particular	As at 31st March 2024				As at 31st March 2023			
		Level of input used in				Level of input used in		
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets								
At Amotised Cost								
Trade Receivables	**33.48**	**–**	**–**	**33.48**	98.64	–	–	98.64
Cash & Cash Equivalents	**189.86**	**–**	**–**	**189.86**	196.83	–	–	196.83
Other Bank Balance	**10.03**	**–**	**–**	**10.03**	683.13	–	–	683.13
Other Financial Assets	**11.16**	**–**	**–**	**11.16**	12.82	–	–	12.82
Total	**244.54**	**–**	**–**	**244.54**	991.42	–	–	991.42
Financial Liability								
At Amotised Cost								
Borrowings	**–**	**–**	**–**	**–**	–	–	–	–
Trade Payables	**25.52**	**–**	**–**	**25.52**	27.32	–	–	27.32
Other Financial Liabilities	**98.47**	**–**	**–**	**98.47**	108.52	–	–	108.52
Total	**123.99**	**–**	**–**	**123.99**	135.84	–	–	135.84

B. Measurement of fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivable, cash and cash equivalents, other bank balances, trade payables, deposits and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of fixed deposit is approximate at its carrying amount due to interest bearing feature of the instrument.
3. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

36 Segment Information

The Company operates in 2 operating segment i.e. Product and Services. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed between segments which is primarily market based. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment.

Particular	**31st March 2024**	31st March 2023
Revenue from Sale of Product	**946**	682
Revenue from Sale of Services	**1,535**	1,670
Total	**2,481**	2,352

37 Ratio

Ratio	Numerator	Denominator	2023-24	2022-23	% Variance	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	1.15	4.17	–72%	Variation due to increase in current assets and increase in current liabilities in current year as compare to previous year
(b) Debt–Equity Ratio	Debt (Total Borrowings)	Total Equity	–	–	NA	NA
(c) Debt Service Coverage Ratio	Profit for the period/year + Finance cost + Depreciation	Interest on Borrowings	–	–	NA	NA
(d) Return on Equity Ratio	Profit for the period/year	Average Total Equity	(1.79)	0.36	–592%	Due to increase in operating expense in current year
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	42.49	35.86	18%	
(f) Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	37.56	33.80	11%	
(g) Trade payables turnover ratio	Total purchases	Average Trade Payable	19.22	27.30	–30%	Due to increase in average trade payables in current year
(h) Net capital turnover ratio	Revenue from operations	Average Working Capital = Current Assets – Current Liabilities	41.75	2.33	1693%	Due to decrease in current assets
(i) Net profit ratio	Profit for the period/year	Revenue from operations	(0.40)	0.14	–390%	Loss due to increase in operating expense in current year
(j) Return on Capital employed	Profit Before Tax + Finance cost	Equity + Debt (Borrowings) – Cash and Cash Equivalents	713.89%	193.74%	268%	Due to loss in current year
(k) Return on investment	Profit Before Tax + Finance cost	Total assets	–193.63%	22.58%	–958%	Due to loss in current year and decrease in total assets

38 Previous year's figures are regrouped or rearranged wherever necessary to make them comparable with current year's presentation.

39 Other Statutory Information

DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(e) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(f) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
UDIN: 24049645BKEYVD9063
Place: Mumbai
Date : 16th April, 2024

Pushkar Limaye
Whole Time Director and Chief Technology Officer
DIN 07270209

Place: Mumbai
Date : 16th April, 2024

Ramesh Ramachandran
Director
DIN 09562621

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M.I.T.R.A. AGRO EQUIPMENTS PRIVATE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Financial Statements of M.I.T.R.A. Agro Equipments Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The company does not have any pending litigations which will impact its financial positions;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared/paid/declared and paid any dividend during the year.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2024, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDR8350

Place : Mumbai
Date : April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the current year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished goods, stores and spares and stock-in-trade has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

    (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

    (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT- 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

    (c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non- cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanation given to us and the audit procedures performed by us, we report that the group has 4 core investment companies.

17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the the act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDR8350

Place : Mumbai
Date : April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of M.I.T.R.A. Agro Equipments Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDR8350

Place : Mumbai
Date : April 16, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Rs. In thousands

		Note	As at 31st March 2024	As at 31st March 2023
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	2	**45,319**	37,185
	(b) Capital Work-in-Progress	3	**4,298**	140
	(c) Other Intangible Assets	3	**44,696**	35,827
	(d) Intangible Assets Under Development		**5,580**	17,367
	(e) Right to Use	4	**11,643**	18,289
	(f) Income Tax Assets (Net)		**4,881**	1,749
	(g) Defered Tax Assets (Net)	28	**–**	8,724
	(h) Other Assets	5	**4,199**	78,369
			1,20,616	1,97,650
	CURRENT ASSETS			
	(a) Inventories	6	**1,35,201**	1,55,212
	(b) Financial Assets			
	(i) Trade Receivables	7	**71,979**	27,937
	(ii) Cash and Cash Equivalents	8	**40,142**	15,862
	(iii) Other Financial Assets	5	**42,293**	5,866
	(c) Other Assets	4	**9,844**	23,837
			2,99,460	2,28,714
	TOTAL ASSETS		**4,20,076**	4,26,364
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	9	**2,631**	2,631
	(b) Other Equity	10	**3,31,085**	3,42,301
			3,33,717	3,44,932
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Lease Liabilities	14	**7,643**	15,367
	(ii) Trade Payables	11	**188**	-
	(b) Provisions	12	**8,924**	6,216
	(c) Other Liabilities	14	**90**	2,414
			16,845	23,997
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) (a) Lease Liabilities	14	**5,668**	5,722
	(ii) Trade Payables			
	– Total outstanding dues of micro and small enterprises (for details refer note no - 33)	11	**3,466**	1,916
	– Total outstanding dues of creditors other than micro and small enterprises (including acceptances)	11	**33,813**	29,817
	(iii) Other Financial Liabilities	13	**2,750**	3,891
	(b) Other Liabilities	14	**9,573**	3,224
	(c) Provisions	12	**14,243**	12,865
			69,514	57,435
	TOTAL EQUITY AND LIABILITIES		**4,20,076**	4,26,364
	Summary of Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In thousands

Particulars	Note	As at 31st March 2024	As at 31st March 2023
INCOME			
Revenue from Operations	15	**6,52,301**	5,54,486
Other Income	16	**7,344**	6,116
Total Income		**6,59,645**	5,60,602
EXPENSES			
Cost of materials consumed	17	**3,86,201**	3,10,261
Changes in inventories of finished goods, stock-in-trade and work-in-progress	18	**5,663**	9,608
Employee benefits expense	19	**1,37,609**	98,769
Finance costs	20	**1,058**	1,574
Depreciation and amortisation expense	21	**25,777**	21,624
Other expenses	22	**94,857**	64,628
Total Expenses		**6,51,165**	5,06,465
Profit/(Loss) before tax		**8,481**	54,136
Tax Expense			
Current Tax	23	**2,434**	–
Deferred Tax	23	**8,724**	22,887
Income tax paid to previous year		**8,539**	–
Profit/(Loss) for the year		**(11,216)**	31,250
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Acturial gain on defined benefit plans		**–**	21
Total other comprehensive income/ (loss)		**–**	21
Total comprehensive income/ (loss) for the year		**(11,216)**	31,271
Earnings per equity share : (Face Value Rs 10/- per share) (Rupees)			
Basic (Rs. In Amounts)		**(42.63)**	118.76
Diluted (Rs. In Amounts)		**(42.63)**	118.76
Summary of Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Aniruddha Joshi
Partner
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Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

Place : Mumbai
Date : April 16, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In thousands

	Particulars	As at 31st March 2024	As at 31st March 2023
A	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit/(Loss) before exceptional items and tax	**8,481**	54,136
	Adjustments for :		
	Depreciation and Amortisation expenses	**20,437**	15,848
	(Gain)/Loss on foreign exchange fluctuations (Net)	**(898)**	(1,312)
	Investment and Interest income	**(3,260)**	(4,096)
	Other Income	**(3,185)**	–
	Finance costs	**1,058**	1,574
	Provision for Gratuity	**3,183**	2,321
	Employee Compensation Expenses	**–**	18,141
	Sundry Balance Written back	**–**	(299)
	Sundry Balance Written-off	**249**	448
	Operating Profit before Working Capital changes	**26,063**	86,761
	Changes in :		
	Trade and other receivables	**(44,042)**	(15,334)
	Inventories	**20,011**	(24,618)
	Trade and other payables	**5,547**	(8,928)
	Others Current Assets	**8,778**	4,632
	Others Current liabilities	**6,334**	(1,939)
		(3,372)	(46,188)
	Cash generated from operations	**22,692**	40,574
	Income Taxes paid (Net of refunds)	**11,349**	–
	NET CASH FROM OPERATING ACTIVITIES	**11,343**	40,574
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Property, Plant and Equipment and Other intangible assets	**(15,721)**	(18,176)
	Proceeds from sale of investments	**34,234**	(19,011)
	Interest/Dividend received	**3,260**	4,096
	NET CASH USED IN INVESTING ACTIVITIES	**21,773**	(33,091)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Repayments of borrowings	**(7,778)**	(5,011)
	Interest, Commitment and Finance Charges paid	**(1,058)**	(1,574)
	NET CASH USED IN FINANCING ACTIVITIES	**(8,835)**	(6,585)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**24,280**	898
	CASH AND CASH EQUIVALENTS:		
	Opening Balance	**15,862**	14,964
	Addition/(deletion) on account of transfer of business		
	Unrealised Gain/(Loss) on foreign currency Cash and Cash Equivalents		
	Closing Balance	**40,142**	15,862

As per our attached report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2024

A) Equity Share Capital

Current reporting period

Rs. In thousands

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year (Additions)	Balance at the end of the current reporting period	Restated balance at the beginning of the current reporting period
2,631	**–**	**2,631**	

Previous reporting period

Balance at the beginning of the previous reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	Restated balance at the beginning of the current reporting period
2,542	90	2,631	

Current reporting period

Rs. In thousands

	Reserves and Surplus				
	Securities Premium	**Employee Stock Options Outstanding**	**Retained Earnings**	**Other Comprehensive Income**	**Total**
Balance at the beginning of the current reporting period	**3,44,958**	**0**	**(3,866)**	**1,209**	**3,42,301**
Changes in accounting policy or prior period errors	**–**	**–**	**–**	**–**	**–**
Restated balance at the beginning of the current reporting period	**–**	**–**	**–**	**–**	**–**
Exercise of Employee stock option	**–**	**–**	**–**	**–**	**–**
Option granted during the period	**–**	**–**	**–**	**–**	**–**
Total Comprehensive Income for the current year	**–**	**–**	**–**	**–**	**–**
Dividends	**–**	**–**	**–**	**–**	**–**
Transfer to retained earnings	**–**	**–**	**(11,216)**	**–**	**(11,216)**
Any other change (to be specified)	**–**	**–**	**–**	**–**	**–**
Balance at the end of the current reporting period	**3,44,958**	**0**	**(15,082)**	**1,209**	**3,31,085**

Previous reporting period

Rs. In thousands

	Reserves and Surplus				
	Securities Premium	Employee Stock Options Outstanding	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the current reporting period	3,24,982	1,835	(32,165)	(1,742)	2,92,911
Changes in accounting policy or prior period errors	–	–	(2,972)	2,972	–
Restated balance at the beginning of the current reporting period	–	–	–	–	–
Exercise of Employee stock option	19,976	(19,976)	–	–	0
Option granted during the period	–	18,141	–	–	18,141
Total Comprehensive Income for the current year	–	–	–	–	–
Dividends	–	–	–	–	–
Transfer to retained earnings	–	–	31,271	(21)	31,250
Any other change (to be specified)	–	–	–	–	–
Balance at the end of the current reporting period	3,44,958	0	(3,866)	1,209	3,42,301

Description of the nature and purpose of Other Equity

i) **Securities Premium Account :** The Securities Premium is created on issue of shares at a premium.

ii) **Employee Stock Options Outstanding :** The Employee Stock Options Outstanding represents reserve in respect of equity share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

As per our attached report of even date
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

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Director
DIN : 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1 Material accounting policies

The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Basis of preparation, presentation and measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(b) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for the financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety, which are described as follows :

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included with in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Use of Estimates & Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates on assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, obligations relating to employee defined benefits etc. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

(e) Property Plant & Equipment

Property Plant & Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any for use.

Depreciation is provided on straight line basis for property, plant and equipments so as to expense the depreciable aamount, i.e the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(f) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software Expenditure:

The expenditure incurred is amortized over five financial years equally commencing from the year in which the expenditure is incurred.

Internally-generated intangible assets – Development expenditure:

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(g) Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(h) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Material and bought out components are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. In determining the cost of purchased materials, First-in-first-out is used.

Cost of manufactured finished goods and work-in-progress are valued on absorption costing basis and includes appropriate proportion of overheads.

Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

(i) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

(j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments.

(k) Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(l) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets at Fair value through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss, The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in Other Income.

(m) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(n) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Sale of services are recognised on rendering of such services.

(o) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

(p) GST

Goods & Service Tax payable on finished goods is accounted for upon transfer of goods to the customers. GST recovered is excluded from the sale of products and services. Purchases and Expenses are accounted net of GST when GST is recoverable.

(q) Custom Duty

Custom duty payable on imported goods is accounted for when the goods enter the Indian shores.

(r) Foreign exchange transactions

Transactions in foreign currencies (Other than company's functional currency) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognized as income or expense, as the case maybe.

(s) Employee Benefits

Providend Fund, ESIC and Labour Welfare Fund

The Group's contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Other Benefits

The undiscounted amount of short-term employee benefit expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

Gratuity

Company's liability towards gratuity are determined by independent actuaries, using the projected unit credit method.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

Employee Stock Option

The Company accounts for compensation expense under the Employee Stock Option Plan as per the Indian Accounting Standards and as permitted by the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India. The difference between the fair value and the exercise price of option as at the date of the grant is treated as compensation expenses and charged over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(t) Taxes on Income

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(u) Warranty

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information.

(v) Segment Reporting

The Company's business activity falls within a primary business segment namely manufacturing of different kinds of agricultural machines and related components.

(w) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(x) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2 Property, Plant and Equipment

Rs. In thousands

Particulars	Buildings	Plant and Equipment	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Total
(I) Cost							
Balance as at 1st April, 2022	**465**	**26,987**	**1,939**	**5,151**	**4,195**	**8,812**	**47,549**
Additions during the year 2022-23	–	9,706	446	1,571	977	–	12,701
Disposal during the year 2022-23	–	–	–	–	–	–	–
Balance as at 31st March, 2023	**465**	**36,693**	**2,385**	**6,722**	**5,172**	**8,812**	**60,249**
Additions during the year 2023-24	–	19,520	675	1,436	818	2,933	25,381
Disposal during the year 2023-24	144	14,057	12	9	196	4,987	19,405
Balance as at 31st March, 2024	**320**	**42,157**	**3,048**	**8,149**	**5,794**	**6,757**	**66,225**
(II) Accumulated Depreciation							
Balance as at 1st April, 2022	32	5,861	1,215	4,191	2,002	6,117	19,419
Depreciation for the year 2022-23	15	2,054	214	571	369	422	3,646
Deductions/Adjustments during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2023	**48**	**7,915**	**1,429**	**4,763**	**2,371**	**6,539**	**23,064**
Depreciation for the year 2023-24	15	2,731	340	1,214	379	603	5,281
Depreciation on Deletion 2023-24	25	2,330	12	8	77	4,987	7,439
Balance as at 31st March, 2024	**38**	**8,315**	**1,757**	**5,968**	**2,673**	**2,155**	**20,906**
Net Carrying amount (I-II)							
Balance as at 31st March, 2023	417	28,778	956	1,959	2,801	2,273	37,185
Balance as at 31st March, 2024	**282**	**33,842**	**1,291**	**2,181**	**3,121**	**4,602**	**45,319**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

3 Other Intangible Assets

Rs. In thousands

Particulars	Development Expenditure (Internally Generated)	Computer Software	Trade Mark	Total
(I) Cost				
Balance as at 1st April, 2022	**69,218**	**2,790**	**30**	**72,038**
Additions during the year 2022-23	12,373	226	–	12,599
Deductions/Adjustments during the year	–	–	–	–
Other adjustments during the year	–	–	–	–
Balance as at 31st March, 2023	**81,591**	**3,015**	**30**	**84,637**
Additions during the year 2023-24	22,919	1,431	–	24,350
Deductions during the year	–	331	–	331
Balance as at 31st March, 2024 (Cost)	**1,04,511**	**4,115**	**30**	**1,08,656**
(II) Accumulated amortisation				
Balance as at 1st April, 2022	35,425	1,171	12	36,607
Amortisation expense for the year 2022-23	11,783	413	6	12,203
Balance as at 31st March, 2023	**47,208**	**1,584**	**18**	**48,810**
Amortisation expense for the year 2023-24	14,618	532	6	15,156
Deductions during the year	–	5	–	5
Balance as at 31st March, 2024	**61,826**	**2,111**	**24**	**63,961**
Net Carrying amount (I-II)				–
Balance as at 31st March, 2023	34,383	1,431	12	35,827
Balance as at 31st March, 2024	**42,685**	**2,005**	**6**	**44,696**

Capital-Work-in Progress (CWIP) - CWIP aging schedule

Rs. In thousands

Sr. No.	CWIP	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	CWIP - Tangible and Intangible	4,298	–	–	–	4,298

Capital-Work-in Progress (CWIP) - CWIP completion schedule

Rs. In thousands

Sr. No.	Project List	To be completed in: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Mould	3,248	–	–	–	3,248
1	SAP Software	1,050	–	–	–	1,050

Intangible under development aging schedule

Rs. In thousands

Intangible under development	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,597	350	–	–	3,947
Projects temporarily on Hold	13	105	1,112	402	1,633

Intangible under development aging schedule

Rs. In thousands

Sr. No.	Intangible under development	Amount in CWIP for a period of: Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
1	Sub - Intangible under Development - 3 Way Ball Valve	157	265	–	–	422
2	Tangible under Development - Suction Filter Development	246	47	–	–	293
3	Tangible under Development - LID D455 Development	77	38	–	–	115
4	Intangible under Development - Blast V5	50	–	–	–	50
5	Sub - Intangible under Development - Kappa 55 Pump	50	–	–	–	50
6	Intangible under Development - ECO-LCS PP 45 550	14	–	–	–	14
7	Tangible under Development - Controller Development	191	–	–	–	191
8	Tangible under Development - Brass Nozzle Development	5	–	–	–	5
9	Tangible under Development - DF GB V2	129	–	–	–	129
10	Intangible under Development - Herbicide Boom	136	–	–	–	136
11	Intangible under Development - Electronic Controller	130	–	–	–	130
12	Intangible under Development - CROPMASTER 2000 REEL PP45 V2	173	–	–	–	173
13	Intangible under Development - AIROTEC TURBO 1500 V2 712 75	393	–	–	–	393
14	Intangible under Development - CROPMASTER BOOM 600 - PP-40FT TN	57	–	–	–	57
15	Intangible under Development - CROPMASTER REEL 600 DP	53	–	–	–	53
16	Intangible under Development - CROPMASTER REEL 600 PP	69	–	–	–	69
17	Tangible under Development - Axle Development	16	–	–	–	16
18	Intangible under Development - Anti Smog Sprayer	642	–	–	–	642
19	Intangible under Development - Drone Sprayer	343	–	–	–	343
20	Intangible under Development - BUTTERFLY BOOM SPRAYER 600	30	–	–	–	30
21	Intangible under Development - Bullet 3PL 400 DP75 712 SF	226	–	–	–	226
22	Tangible under Development- Airotec 1000 Tank mould development	38	–	–	–	38
23	Tangible under Development- Airotec 2000 Tank mould development	78	–	–	–	78
24	Tangible under Development- Airotec 1500 Tank mould development	131	–	–	–	131
25	Intangible under Development - BUTTERFLY BOOM SPRAYER 400	163	–	–	–	163
	Total	**3,597**	**350**	**–**	**–**	**3,947**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In thousands

Sr. No.	Intangible under development	Project on Hold Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Intangible under Development - Airotec 712 DF	–	–	626	266	892
2	Intangible under Development - Self Propelled	–	–	45	136	181
3	Intangible under Development - Smart Sprayer V2	–	61	441	–	502
4	Sub - Intangible under Development - Duster Gearbox	13	44	–	–	58
	Total	**13**	**105**	**1,112**	**402**	**1,633**

Note -

The above mentioned 4 projects were kept on hold due to other priority projects. These projects are expected to be taken up in F-25 and shall be completed.

4 a Other Assets (Non Financial)

Rs. In thousands

Particulars	As at 31st March 2024 Current	Non-Current	As at 31st March 2023 Current	Non-Current
Right to Use		**11,643**		18,289
Balance with government authorities	**301**		7,726	
Prepaid expenses	**2,019**		2,207	
Advances given to Employees	**274**		2,099	
Advance given to suppliers	**7,242**		11,798	
Others Assets	**8**		8	
Total Other Assets (Non Financial)	**9,844**	**11,643**	23,837	18,289

4 b Income Tax Assets

Rs. In thousands

Particulars	As at 31st March 2024 Current	Non-Current	As at 31st March 2023 Current	Non-Current
Advance Tax	**4,881**			1,749
Total Income Tax Assets	**4,881**	–	–	1,749

5 Other Financial Assets

Rs. In thousands

Particulars	As at 31st March 2024 Current	Non-Current	As at 31st March 2023 Current	Non-Current
Security Deposits*		**3,002**		3,387
Fixed Deposits with Bank#	**39,937**	**1,197**		74,982
Other Assets**	**2,357**		5,866	
Total Other Financial Assets	**42,293**	**4,199**	5,866	78,369

* It consist of Govt. Deposits of Rs.1460 Thousand and Security deposits given against Factory premises of Rs.1300 Thousand.

** Other Assets consist of Interest Accrued on Fixed Deposits

Includes Rs.3900 Thousands (Previous year Rs.2705 Thousands) issued against Bank Gurantees with different state government.

6 Inventories

Rs. In thousands

Particulars	As at 31st March 2024 Current	Non-Current	As at 31st March 2023 Current	Non-Current
Raw Materials	**1,20,032**		1,44,535	–
Work-in-Progress	–		–	–
Finished Products Produced	**3,888**		10,677	–
Stock-in-Trade	**1,126**		–	–
Stock in Transit	**10,154**		–	–
Total Inventories	**1,35,201**	–	1,55,212	–

Mode of valuation of inventories is : Lower of Cost or Net Realisable Value

7 Trade Receivables

Rs. In thousands

Particulars	As at 31st March 2024 Current	Non-Current	As at 31st March 2023 Current	Non-Current
Trade Receivables considered good – Secured	**72,379**		27,937	
Trade Receivables considered good – Unsecured	**–**		–	
Trade Receivables which have significant increase in Credit Risk	**(400)**		–	
Trade Receivables – credit impaired	**–**		–	
Total Trade Receivables	**71,979**		27,937	–

Trade Receivables ageing schedule

Rs. In thousands

Particulars	Outstanding for following periods from due date of payment Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years
(i) Undisputed Trade receivables – considered good	72,352	93	–	–	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–		
(iii) Undisputed Trade Receivables – credit impaired	(400)				
(iv) Disputed Trade Receivables– considered good					
(v) Disputed Trade Receivables – which have significant increase in credit risk					
(vi) Disputed Trade Receivables – credit impaired					

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

8 Cash and Bank Balances

Rs. In thousands

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
Cash and cash equivalents				
Balances with banks				
— In Current Accounts	**40,117**		15,836	
Cheques, drafts on hand				
Cash in hand	**26**		26	
Total Cash and Cash Equivalents as per Balance Sheet	**40,142**	–	14,964	–

9 Equity Share Capital

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised:		
300,000 (P.Y.: 300,000) Equity Shares of Rs.10/- each	**3,000**	3,000
	–	–
	3,000	3,000
Issued and Subscribed and Paid Up :		
a) 263126 Equity Shares of Rs.10/- each fully paid up. b) During the F.Y. 2022-23, the entire ESOP's vested 8,970 Nos were excercised by the option holders and company issued equity shares to them as per the ESOP Scheme. As on 31st March 2023 there are no outstanding options to be converted to equity shares.	**2,631**	2,631
Issued and Subscribed Share Capital	**2,631**	2,631

a) Reconciliation of number of Equity Shares and amount outstanding :

Rs. In thousands

Particulars	As at 31st March 2024 No. of Shares	As at 31st March 2024 Amount	As at 31st March 2023 No. of Shares	As at 31st March 2023 Amount
Equity Shares				
Issued and Subscribed :				
Balance as at the beginning of the year	**2,63,126**	**2,631**	2,63,126	2,631
ADD : Shares Issued During the Year	**–**	**–**	8,970	90
Balance as at the end of the year	**2,63,126**	**2,631**	2,63,126	2,631
Issued and Subscribed Share Capital	**2,63,126**	**2,631**	2,63,126	2,631

b) Details of rights, preferences and restrictions attached to equity shares:

The shareholders are entitled to receive dividend in proportion to the amount paid up on equity shares held by them. The company has not declared any dividend during the year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion of the number of shares held by the shareholders.

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share.

b) Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31st March 2024 No. of Shares	As at 31st March 2024 % Share-holding	As at 31st March 2023 No. of Shares	As at 31st March 2023 % Share-holding
Equity Shares				
Mahindra & Mahindra Ltd.*	**263,126**	**100.00%**	263,120	100.00%

Name of the Shareholder	No. of Shares	% of Total shares	% of Changes during the year
Mahindra & Mahindra Ltd.*	263,126	100.00%	100.00%

* Out of the above shares 6 nos of shares are jointly held by Mahindra & Mahindra Ltd along with 6 other Individuals.

Employee Stock Option Plan

Particulars	31st March 2024	31st March 2023
Outstanding at the Beginning of the Year	**–**	8,970
Granted	**–**	–
Forfeited	**–**	–
Exercised	**–**	8,970
Outstanding at the end of the Year	**–**	–
Exercisable at the end of the Year	**–**	–

a) The Company granted 3503 equity options on 6th june 2018 to one employee. Vesting period being 5 years with Nil in initial year and 25% distributed equally every year.

b) The Company further granted 5023 equity options on 25th Sept 2020 to Sixteen employees. Vesting period being 3 years with Nil in first year and 50% in next two consecutive years.

c) During the F.Y 2023, the entire ESOP's vested 8970 nos were excercised by the option holders and company issued equity shares to them as per the ESOP Scheme. As on 31st March 2023 there are no Outstanding options to be converted to equity shares.

10 Other Equity

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Securities Premium - Opening	**3,44,958**	3,24,982
Ind AS Adjustments		
– Premium on equity shares issued during the year	**–**	19,976
Closing	**3,44,958**	3,44,958
Surplus in Statement of Profit and Loss		
Opening Balance	**20,230**	(33,906)
Actuarial	**–**	2,951
Income Tax	**–**	–
Net Profit for the year as per the Statement of Profit and Loss	**(11,216)**	51,186

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Net Surplus in the Statement of Profit and Loss	**9,014**	20,230
Total Other Equity	**3,53,972**	3,65,188

Earnings Per Share

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Profit / Loss Attributable to Equity Shareholders	**(11,216)**	54,136
Number of Equity Shares	**2,63,126**	2,63,126
Basic Earning Per Share	**(43)**	119
Potential Number of Equity Shares	**2,63,126**	2,63,126
Diluted Earning Per Share (FV Rs 10 per share)	**(43)**	119

11 Trade Payable

Rs. In thousands

Particulars	As at 31st March 2024		As at 31st March 2023	
	Current	Non-Current	Current	Non-Current
– Total outstanding dues of micro and small enterprises	**3,466**		1,916	
– Total outstanding dues of creditors other than micro and small enterprises (including acceptances)	**33,813**	**188**	29,817	
Trade Receivables which have significant increase in credit Risk	**–**		–	
Less : Allowance for expected credit loss	**–**		–	
Total	**37,280**	**188**	31,733	–

Rs. In thousands

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,466	–	–	–	3,466
(ii) Others	33,813	188	–	–	34,002
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

12 Provisions

Rs. In thousands

Particulars	As at 31st March 2024		As at 31st March 2023	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits	**3,050**	**8,924**	3,279	6,216
Provision for Warranty	**3,300**	–	2,400	–
Provision for Expenses	**7,893**		7,186	–
Total Provisions	**14,243**	**8,924**	12,865	6,216

13 Other Financial Liabilities

Rs. In thousands

Particulars	As at 31st March 2024		As at 31st March 2023	
	Current	Non-Current	Current	Non-Current
Other Payables:				
Employee related liabilities	**2,271**	–	2,528	–
Other Liabilities	**479**		1,363	
Total Other Financial Liabilities	**2,750**	–	3,891	–

14 Other Non Financial Liabilities

Rs. In thousands

Particulars	As at 31st March 2024		As at 31st March 2023	
	Current	Non-Current	Current	Non-Current
Payable for capital expenditure	**1,200**	**–**	–	–
Advance received from customers	**2,240**	**–**	1,991	–
Other Payables:				
Lease Liability to Landlord	**5,668**	**7,643**	5,722	15,367
Statutory dues	**3,699**	**–**	1,233	–
Other Non Financial Liabilities	**–**	**90**	–	2,414
Total Other Non Financial Liabilities	**15,241**	**7,733**	8,946	17,781

Note No. 15 - Revenue from Operations

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Sale of products	**5,65,508**	5,28,462
Sale of Spare Parts	**19,739**	19,928
Sale of Services	**63,578**	245
Gross Revenue from Sale of Products and Services	**6,48,824**	5,48,636
Scrap Sales	**3,477**	5,850
Total Revenue from Operations	**6,52,301**	5,54,486

Note No. 16 - Other Income

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Interest Income	**3,260**	4,251
Sundry balances written back (net)	–	299
Other Income	**4,084**	1,566
Total Other Income	**7,344**	6,116

Note No. 17 - Cost of materials consumed

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Opening stock	**1,44,535**	110,308
Add: Purchases	**3,47,842**	3,17,352

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	As at 31st March 2024	As at 31st March 2023
Add: Duties, Taxes and Freight on Purchases	**24,012**	27,135
	5,16,388	4,54,796
Less: Closing stock	**1,30,187**	1,44,535
Total Cost of materials consumed	**3,86,201**	3,10,261

Note No. 18 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Stock :		
Finished goods produced	**10,677**	14,935
Work-in-progress	**–**	4,403
Stock-in-trade	**–**	947
	10,677	20,285
Less: Closing Stock :		
Finished goods Produced	**3,888**	10,677
Work-in-progress	**–**	–
Stock-in-trade	**1,126**	–
	5,014	10,677
Net (increase)/decrease in inventory	**5,663**	9,608

Note No. 19 - Employee Benefits Expense

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Salaries and wages, including bonus	**1,16,912**	62,754
Contribution to provident and other funds	**5,549**	4,321
Gratuity	**3,183**	2,321
Sales Incentive	**9,927**	9,450
Employee compensation expenses	**–**	18,141
Staff welfare expenses	**2,038**	1,783
Total Employee Benefits Expense	**1,37,609**	98,769

Note No. 20 - Finance Cost

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Other interest expense - RTU	**1,058**	1,574
Total Finance Cost	**1,058**	1,574

Note No. 21 - Depreciation and Amortisation Expense

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Depreciation on Property, Plant and Equipment	**5,281**	3,646
Amortisation on Other Intangible Assets	**15,156**	12,203
Depreciation on Right to Use Assets (AS 116)	**5,340**	5,775
Total Depreciation and Amortisation Expense	**25,777**	21,624

Note No. 22 - Other expenses

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Bank Charges	**138**	133
Travelling and conveyance	**25,943**	14,023
Freight charges	**17,281**	8,851
Rent	**795**	1,138
Power and fuel	**1,473**	1,728
Repairs and maintenance	**3,671**	2,682
Insurance	**1,726**	1,299
Rates and taxes	**1,272**	823
Communication Cost	**2,068**	1,386
Professional Fees & Consultation Expenses	**7,531**	5,134
Auditors remuneration [Refer note 22(a)]	**570**	570
Brokerage and commission	**105**	176
Advertisment Expenses	**8,295**	2,278
Sales Promotion Expenses	**4,978**	4,583
Loss on Sales of Fixed Assets	**1,838**	–
CSR Expenses	**1,153**	998
Postage & Courier Expenses	**190**	65
Provision for Slow / Moving	**2,771**	2,149
Printing & Stationery Expenses	**166**	230
Bad Debts	**82**	(35)
Provision for Doubtful Debts	**400**	–
Hire & Services Charges	**7,010**	10,719
Packing and Forwarded Expenses	**209**	203
General Warranty	**4,184**	4,392
Miscellaneous expenses	**1,010**	1,103
Total	**94,857**	64,628

Note No. 22 a) - Auditor's remuneration

Rs. In thousands

Particulars	31st March 2024	31st March 2023
Payment to auditors (Excluding Service Tax/GST)		
Statutory audit	**450**	450
Audit under Income Tax Act, 1961	**75**	75
Taxation matters	**45**	45
Total	**570**	570

Note No. 23 - Income Tax recognised in profit or loss

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Current Tax:		
In respect of current year	**2,434**	–
In respect of prior years	**8,539**	–
	10,972	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**8,724**	22,887
Others (In respect of prior years)		
	8,724	22,887
Total income tax expense	**19,697**	22,887

Note No. 24 - Capital Management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate Return to shareholders by pricing products commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Equity	**3,33,717**	3,44,932
Less: Cash and cash equivalents	**40,142**	15,862
	2,93,574	3,29,070

Note No. 25 - Financial Risk Management Framework

In the course of its business, the Company is exposed to a certain financial risks namely interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(a) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

(b) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow

Particulars	Currency	As at 31st March 2024	As at 31st March 2023
Trade Payable	**USD**	**12**	–
	INR	**992**	–
	EUR	**123**	171
	INR	**11,374**	15,280

the above foreign currency exposures are not hedged by a derivative.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency fluctuation in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities is as under.

Rs. In thousands

Particulars	Currency	Change in Rate	Effect on profit/(loss) before tax
As at March 31, 2024	**EUR**	**3.19%**	363
	USD	**0%**	–
As at March 31, 2023	**EUR**	**0%**	–
	USD	**0%**	–

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(c) Interest rate risk

Interest rate sensitivity

Considering the fact that the interest component is insignificant, the company do not consider the interest rate as risk at all.

(d) Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults.. The Company's exposure are continuously monitored.

Rs. In thousands

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
As at March 31, 2024				
Expected loss rate	**0%**	**0%**	**0%**	
Gross carrying amount	**26,478**	**45,873**	**93**	**72,445**
Loss allowance provision	**–**	**–**	**–**	
As at March 31, 2023				
Expected loss rate	0%	0%	0%	
Gross carrying amount	–	26,994	943	27,937
Loss allowance provision	–	–	–	–

Compared to the size, the credit risk is insignificant and that no significant loss has has arisen during these years.

(e) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company / Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In thousands

Particulars	Less than 1 Years	1 year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial Liabilities				
As at March 31, 2024				
Non-interest bearing	**5,184**	**–**	**–**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
As at March 31, 2023				
Non-interest bearing	4,334	–	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	–	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In thousands

Particulars	Less than 1 Years	1 year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial Assets				
As at March 31, 2024				
Non-interest bearing	**72,445**	**–**	**–**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
Total	**72,445**	**–**	**–**	**–**
As at March 31, 2023				
Non-interest bearing	12,316	273	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	12,316	273	–	–

(f) Fair Value Disclosures

Rs. In thousands

Particulars	Fair Value		
	As at March 31, 2024	As at March 31, 2023	Fair Value hierarchy
Financial assets			
a) Investments			
i) Mutual Fund investments	**–**	–	Level–1

Fair value of financial assets and financial liabilities that are not measured at fair value, are considered to be their Fair Value and are assessed as Level 3 valuation technique and the Carrying amount is the same as the Fair Value.

Rs. In thousands

Particulars	As at :- Level	March 31, 2024 Carrying Amount and Fair Value	March 31, 2023 Carrying Amount and Fair Value
Cash and cash equivalents	Level-1	**40,142**	15,862
Bank balances	Level-1	**–**	–
Other Financial Assets			
- Non Derivative Financial Asset	Level-3		
b) Financial liabilities			
Financial liabilities held at amortised cost			
Borrowings	Level-3	**–**	–
Trade Payables	Level-3	**37,280**	31,733
Other Financial Liabilities			
- Non Derivative Financial Liabilities	Level-3		

Note No. 26) - Employee Benefits

a) Defined Contribution Plan:

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

c) Liability Risks

a. Asset-Liability Mismatch Risk:

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuations wings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk:

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk:

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Details of defined benefit plans as per Actuarial Valuation are as below.

Rs. In thousands

	Particulars	Unfunded Plan as at March 31, Gratuity	
		As at March 31, 2024	As at March 31, 2023
I	**Change in the present value of defined benefit obligation**		
1	Present value of defined benefit obligation at the beginning of year	**9,018**	7,056
2	Current service cost	**2,393**	1,844
3	Interest cost/income	**633**	435
4	Remeasurements (gains)/ losses		
	(I) Actuarial (gains)/ losses arising from changes in demographic assumption	**114**	(21)
	(II) Actuarial (gains)/ losses arising from changes in financial assumption		
	(III) Actuarial (gains)/ losses arising from changes in experience adjustment		
5	Past Service cost		
6	Benefits paid	**(683)**	(296)
7	Liabilities assumed/(settled)		
8	Present value of defined benefit obligation at the end of the year	**11,476**	9,018
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	**–**	–
2	Interest income	**–**	–
3	Contribution by employer	**–**	–
4	Benefits paid	**–**	–
5	return on plan assets excluding interest income	**–**	–
6	Fair value of plan assets at the end of the year	**–**	–
III	**Net Asset/(Liability) recognised in the Balance Sheet as at**		
1	Present value of defined benefit obligation as at 31st March	**11,476**	9,018
2	Fair value of plan assets as at 31st March	**–**	–
3	Surplus/(Deficit)	**(11,476)**	(9,018)
4	Current portion of the above	**2,552**	2,802
5	Non-current portion of the above	**8,924**	6,216
IV	**Actuarial assumptions**		
1	Discount rate	**7.20%**	6.30%
2	Expected rate of return on plan assets	**–**	–
3	Attrition rate	**25.00%**	34.00%
4	Medical premium inflation		

	Particulars	Unfunded Plan as at March 31, Gratuity	
		As at March 31, 2024	As at March 31, 2023
V	**Quantitative sensitivity analysis for significant assumption is as below**		
1	One percentage point increase in discount rate	**7.20%**	6.30%
2	One percentage point decrease in discount rate	**7.20%**	6.30%
3	One percentage point increase in Salary growth rate	**8.00%**	10.00%
4	One percentage point decrease in Salary growth rate	**8.00%**	10.00%
5	One percentage point increase in attrition rate	**25.00%**	34.00%
6	One percentage point decrease attrition rate	**25.00%**	34.00%
7	One percentage point increase in medical inflation rate		
8	One percentage point decrease in medical inflation rate		
VI	**Maturity profile of defined benefit obligation**		
	Year Ending March 31,	**Expected Payment**	Expected Payment
1	2025	**2,552**	2,087
2	2026	**2,158**	1,837
3	2027	**2,028**	1,571
4	2028	**1,915**	1,367
5	2029	**2,120**	–
6	2030 - 2034	**9,318**	4,570
VII	**Expense recognised in the Statement of Profit and Loss for the year ended**		
1.	Current service cost	**2,393**	1,844
2.	Interest cost on benefit obligation (Net)	**–**	–
3.	Total expenses included in employee benefits expense	**2,393**	1,844
4.	Past Service Cost	**–**	–
5.	Net Interest (Income)/Expenses	**633**	435
	Net Periodic Benefit Cost Recognised in the statement of Profit & Loss at end of period	**2,279**	2,279
VIII	**Recognised in other comprehensive income for the year**		
1	Actuarial (gains)/ losses arising from changes in financial assumption		
2	Actuarial (gains)/ losses arising from changes in experience adjustment		
3	Return on plan asset		
4	Recognised in other comprehensive income	**–**	21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

27 Ratios

Rs. In thousands

		As at March 31, 2024	As at March 31, 2023	% change
(a)	Current Ratio, = Current Assets / Current Liabilities	**4.31**	3.98	8%
(b)	Debt-Equity Ratio, = (Short Term Debt + Long Term Debt + Other Fixed Payments)/ Share holders Equity	**–**	0%	0%
(c)	Debt Service Coverage Ratio, = EBITDA / Total Debt Outstanding	**–**	–	0%
(d)	Return on Equity Ratio, * = Net Income / Share holders Equity	**250.70**	213.05	18%
(e)	Inventory turnover ratio, = Cost of Goods Sold / Average Inventory	**5%**	22%	-79%
(f)	Trade Receivables turnover ratio, = Net Credit Sales / Average Accounts Receivable	**–**	–	0%
(g)	Trade payables turnover ratio, = Credit Purchases / Average Accounts Payable	**8.86**	8.81	1%
(h)	Net capital turnover ratio, = Net Sales / Average Total Assets	**1.55**	1.30	19%
(i)	Net profit ratio, = Net Profit / Net Sales	**1%**	10%	-87%
(j)	Return on Capital employed, = Earning before Interest & Tax / (Total Assets - Current Liabilities)	**2%**	15%	-84%
(k)	Return on investment = Net Profit / Cost of Investment	**19%**	57%	-67%

Note

* Increase in sales by 15%

Note No. 28 - Tax expense recognised in P&L

Rs. In thousands

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax	**2,434**	–
In respect of prior years	**8,539**	–
Deferred tax	**8,724**	22,887
	19,697	22,887

28.1 Tax reconciliation (for profit and loss)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit/(loss) before income tax expense	**8,481**	54,136
Tax at the rate of	**25.17%**	27.82%
Income tax expense calculated	**8,724**	22,887
Tax impact of not deductible expenses for tax purpose		
Tax impact of deduction allowed separately under Income Tax Act, 1961		
Income tax expense	**8,724**	22,887

28.2 Deferred tax assets (net)

Particulars	As at March 31st 2024	As at March 31st 2023
Deferred tax on account of :		
Depreciation Diff- FA	**–**	4,238
Gratuity Payable	**–**	390
Bonus payable	**–**	339
Incentive payable	**–**	2,283
Provision for doubtful debts	**–**	88
Provision for Warranty Provisions	**–**	587
Actuarial gains & losses on Defined Benefit Plans	**–**	(6)
Unabsorbed Depreciation	**–**	806
B/F Loss -	**–**	–
Net deferred tax Assets	**–**	8,724

Deferred tax related to the following:

Particulars	March 31, 2024	Recognised through profit & loss	Recognised through OCI	March 31, 2023	Recognised through profit & loss	Recognised through OCI
Preliminary Expenses	**–**	**4,238**	**–**	4,238	(4,238)	–
Provision for Gratuity Payable	**–**	**–**	**–**	390	–	–
Provision for Leave Encashment Payable	**–**	**339**	**–**	339	(339)	–
Financial assets measured at amortised cost	**–**	**2,283**	**–**	2,283	(2,283)	–
Impairment allowance on financial assets	**–**	**88**	**–**	88	(88)	–
Expenses disallowed for Income tax	**–**	**587**	**–**	587	(587)	–
Depreciation of property, plant and equipment	**–**	**(6)**	**–**	(6)	2,630	–
Total deferred tax Assets (net)	**–**	**7,528**	**–**	7,918	(4,904)	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 29 - Related Party Disclosures

A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
Mahindra & Mahindra Limited	Entity having significant Influence w.e.f.12.02.2018 & Entity has entire control w.e.f. 17.03.2023

B) Related Party Transactions:

Rs. In thousands

Name of Related Party	Nature of Transactions	As at 31st March 2024	As at 31st March 2023
Mahindra and Mahindra Ltd.	Purchase of Services by MITRA from M&M Ltd.	**2,066**	2,578
	Sales & Services provided by MITRA to M&M Ltd.	**103,288**	13,190
Mohit Malhotra (Key Management Person)	Directors remuneration	**7,000**	36,743
	Reimbursement of expenses	**247**	161

C) Related Party Balances:

Name of Related Party	Nature of Balance	As at 31st March 2024	As at 31st March 2023
Mohit Malhotra (Key Management Person)	Receivable against advance paid for expenses	**32**	25
Mahindra and Mahindra Ltd.	Payables	**–**	3,362
	Receivable	**11,298**	1,614

Notes:

1 Related Party Transactions for the period are at arm's length.

2 The amount outstanding is unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in current or prior years for bad and doubtful debts in respect of the amounts owed by the related party.

Note No. 30 - Contingent liabilities and commitments

1) Contingent Liabilities

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Claims against the company not acknowledged as debt :		
(i) TDS Liability (as per Traces)	**138**	11
(ii) Income U/s 148	**1,015**	1,015
(iii) Gurantees	**3780**	2705

2) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided:

Particulars	As at 31st March 2024	As at 31st March 2023
Estimated amount of contracts remaining to be executed on capital account & not provided	**–**	–
Advance paid	**–**	–

Particulars	As at 31st March 2024	As at 31st March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided (Net)	**–**	–
(ii) Other commitment:	**NIL**	NIL

Note No. 31 - Segment Reporting

The Company's business activity falls within a single business segment viz. manufacturing of different kinds of agricultural machines and related components. All other activities of the Company revolve around its main business. Hence there are no separate reportable primary segments.

Note No. 32 - Lease

(I) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024

Rs. In thousands

	Category of ROU Asset Office Premises and Factory Premises
Balance as at March 31, 2023	**18,289**
Additions during the year	**–**
Deletions during the year	**–**
Depreciation for the year	**5,340**
Cessation of lease liability	**1,306**
Balance as at March 31, 2024	**11,642**

(II) The following is the break-up of current and non-current lease liabilities as at March 31, 2024

Rs. In thousands

	As at 31st March 2024	As at 31st March 2023
Current lease liabilities	**5,668**	5,722
Non-current lease liabilities	**7,643**	15,367
	13,311	21,089

(III) The following is the movement in lease liabilities during the year ended March 31, 2024

Rs. In thousands

	As at 31st March 2024	As at 31st March 2023
Balance at the Beginning of the year	**21,089**	26,100
Additions on amalgamation	**–**	–
Additions during the year	**–**	–
Finance cost accrued during the year	**1,058**	1,655
Deletions during the year	**–**	–
Payment of lease liabilities	**8,835**	6,666
Translation difference		
Balance at the end of the year	**13,311**	21,089

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 33 - Disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006

Rs. In thousands

Particulars	As at 31st March 2024	As at 31st March 2023
Amounts remaining unpaid to micro and small suppliers as at the end of the year		
- principal	–	–
- Interest	–	–
The amount of interest (other than interest under section 16) paid along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
Interest paid under section 16 to suppliers registered under MSMED Act, beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the year.	–	–
The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
The amount of further interest due and payable even in the succeeding year, until such date when interest dues as above are actually paid.	Nil	Nil

Dues of the Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected y the Management. This has been relied upon by the auditors.

Note No. 34 - Employee Share-based Payment Plan - ESOP

Employee Stock Option Plan 2017 (ESOP 2017)

Pursuant to Members approval in Annual General Meeting held on 2nd February, 2017, the Board was authorised to grant up to 10,286 (Ten Thousand Two Hundred Eighty Six) Options to its employees exercisable at the face value of equity share and to be converted into equivalent number of equity shares of the company. In terms of the same, the Board during the year has granted following options under the ESOP 2017.

1. In terms of the above, the Board granted 1760 equity options on 18th April, 2017 and same has been vested one employee. Vesting period being one year , if they continue the service as on that date.
2. The Company further granted 3503 equity options on 6th june 2018 to one employee. Vesting period being 5 years with Nil in initial year and 25% distributed equally every year.
3. The Company further granted 5023 equity options on 25th Sept 2020 to Sixteen employees. Vesting period being 3 years with Nil in first year and 50% in next two consecutive years.
4. During the F.Y 2022-23, the entire ESOP's vested 8970 Nos were excercised by the option holders and company issued equity shares to them as per the ESOP Scheme. As on 31st March 2023 there are no Outstanding options to be converted to equity shares.
5. Further details of the ESOP 2017 is as follows :

Outstanding at the Beginning of the Year	–
Granted	–
Forfeited	NIL
Exercised	–
Outstanding at the end of the Year	–
Exercisable at the end of the Year	–

6. Other information regarding employee share-based payment plans is as below:

Particulars	As at 31st March 2024	As at 31st March 2023
Expense arising from employee share-based payment plans	NIL	NIL
Expense arising from share and stock option plans	NIL	18,141

35 Events Occurring after the date of balance sheet : No material events have occurred after the balance sheet date and up to the approval of the financial statements.

36 The financial statements were approved for issue by the Board of Directors on April 16, 2024

37 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 37

As per our report of even date

For B K Khare and Co.

Chartered Accountants
Firm's Registration No: 105102W

Aniruddha Joshi
Partner
Membership Number : 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of

M.I.T.R.A. Agro Equipments Private Limited

Kairas Jehangir Vakharia
Director
DIN: 00039113

Subandhu Shri Prakash Arya
Director
DIN: 08585533

Mohit Malhotra
Whole Time Director & CEO
DIN: 07821899

Ami Goda
Director
DIN: 09136149

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA SOLARIZE PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of **Mahindra Solarize Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2024, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. Information other than the Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2015, as amended.

e) On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2024;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements to the extend determinable / ascertainable - Refer note no. 34 to the Ind AS financial statements.

ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been declared or paid during the year by the company in compliance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No.: 111383

UDIN: 24111383BKBGMU4466
Mumbai, April 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA SOLARIZE PRIVATE LIMITED – STATEMENT ON THE MATTERS SPECIFIED IN PARAGRAPHS 3 AND 4 OF THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020.

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use Assets;

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under this Clause is not applicable.

(b) According to information and explanations given to us, Property, Plant and Equipment of the Company are being physically verified in every two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, during the year no material discrepancies to the extent reconciled with the records available in this respect were noticed on such verifications.

(c) According to information and explanations given to us, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As per the information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals. According to the information and explanation provided to us coverage and procedure of physical verification of inventories by the management is appropriate. As informed to us, the discrepancies noticed on verification to the extent reconciled with the records available in this respect between the physical stocks and the book records were not material and have been appropriately dealt with.

(b) Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company. Refer note no. 15 to the Ind AS financial statements.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans secured and unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly reporting under clause iii(a) (A and B) of the order are not appliable to the Company.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, investment made are not prejudicial to the company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(d) , 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to unsecured loans granted and Investments made.

(v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employees' State Insurance, Income Tax, Goods and Service Tax, Cess except for Provident Fund where certain delay was observed during the year. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess which were due for more than six months from the date they become payable as at the year end.

(b) According to the records examined by us and as per the information and explanations given to us, there are no statutory dues outstanding as at March 31, 2024 which have not been deposited on account of disputes.

(viii) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not defaulted in repayment of dues of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.

(d) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not utilised funds raised on short term basis for long term purposes.

(e) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.

(f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there were no whistle blower complaints received by the company during the year and up to the date of this report.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) (a) to (c) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

(xiv) According to the information and explanations given by the management, the provisions of Section 138 of the Act relating to Internal Audit is not applicable to the Company and accordingly, reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable for the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India At, 1934. Accordingly, provisions of Clause 3 (xvi) (a) and (b) of the Order are not applicable to the Company.

(b) The company has not conducted any Non- Banking Financial or Housing Finance activities and hence reporting under clause 3 (xvi)(b) is not applicable to the Company.

(c) In Our opinion and according to the information and explanation given to us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has four CIC as part of the group.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses during the financial year of Rs. 3,62,90,699 and Nil in previous financial year.

(xviii) There has been no resignation of the Statutory Auditors of the Company during the year.

(xix) According to the information and explanation given to us and on the basis of financial the ratios, aging and expected dates of realisation of financial assets and payment to financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Provision of Section 135 of the Companies Act, 2013 are not applicable. hence, reporting under clause (xx) (a) and (b) not applicable to the Company as on reporting date.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No.: 111383

UDIN: 24111383BKBGMU4466
Mumbai, April 15, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA SOLARIZE PRIVATE LIMITED

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Ind AS Financial Statements of Mahindra Solarize Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by "The Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

4. A company's internal financial control with reference to Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

5. Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS Financial Statements issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No.: 111383

UDIN: 24111383BKBGMU4466
Mumbai, April 15, 2024

BALANCE SHEET AS AT 31 MARCH 2024

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**188.67**	49.80
(b) Financial Assets			
(i) Investments	4	**738.52**	738.52
(c) Deferred Tax Assets (Net)	5	**131.49**	70.48
SUB-TOTAL		**1,058.68**	858.80
2 CURRENT ASSETS			
(a) Inventories	6	**1,887.58**	1,351.50
(b) Financial Assets			
(i) Trade Receivables	7	**9,180.96**	9,029.46
(ii) Cash and Cash Equivalents	8	**288.29**	0.25
(iii) Other Financial Assets	9	**79.98**	15.13
(c) Current Tax Assets (Net)	5	**173.21**	120.91
(d) Other Current Assets	10	**470.69**	941.69
SUB-TOTAL		**12,080.71**	11,458.94
TOTAL ASSETS		**13,139.39**	12,317.74
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	11	**3,538.52**	3,538.52
(b) Other Equity	12	**(403.47)**	486.48
SUB-TOTAL		**3,135.05**	4,025.00
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liabilities	13	**136.15**	33.86
(b) Provisions	14	**61.85**	42.65
SUB-TOTAL		**198.00**	76.51
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	15	**500.00**	3,746.88
(ia) Lease Liabilities	13	**46.80**	11.15
(ii) Trade Payables:			
(A) Total outstanding dues to Micro & small enterprises	16	**54.67**	417.16
(B) Total outstanding dues to creditors other than Micro & small enterprises	16	**8,497.83**	3,667.31
(iii) Other Financial Liability	17	**115.00**	90.00
(b) Other Current Liabilities	18	**122.74**	33.26
(c) Provisions	14	**469.30**	250.47
SUB-TOTAL		**9,806.34**	8,216.23
TOTAL EQUITY AND LIABILITIES		**13,139.39**	12,317.74

The accompanying notes 1 to 37 are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors
Mahindra Solarize Private Limited

Ami Goda
Director
DIN: 09136149

Sanjay Jain
Whole Time Director & CEO
DIN: 10222146

Sajjan Singh Girvardan
Chief Financial Officer
PAN: ANOPS3991F

Ms Parul Soni
Company Secretary
Mem. No.: ACS No. 73017

Place: Mumbai
Date: April 15, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I	Revenue from operations	19	**23,228.41**	17,571.31
II	Other Income	20	**70.52**	144.64
III	**Total Income (I + II)**		**23,298.93**	17,715.95
IV	**Expenses**			
	(a) Cost of materials consumed			
	(i) Purchase of stock in trade	21	**22,516.21**	16,837.87
	(ii) Changes in inventories of finished goods	22	**(536.08)**	(1,074.90)
	(b) Employee benefit expense	23	**1,148.29**	1,137.34
	(c) Finance costs	24	**230.50**	97.37
	(d) Depreciation and amortization expense	3A	**56.11**	18.66
	(e) Other expenses	25	**754.01**	520.53
	Total Expenses		**24,169.04**	17,536.87
V	**Profit/(loss) before exceptional (III-IV)**		**(870.11)**	179.09
VI	**Exceptional Items**		**–**	–
VII	**Profit/(loss) before tax (V-VI)**		**(870.11)**	179.09
VIII	**Tax Expense**	5		
	(1) Current tax		**–**	8.28
	(2) Deferred tax		**(58.10)**	3.33
	(3) Income Tax adjustment for earlier year		**69.27**	(50.52)
	Total tax expense		**11.17**	(38.91)
IX	**Profit/(loss) for the year of continuing operation (VII-VIII)**		**(881.28)**	218.00
X	**Profit/(loss) from discontinued operations (after tax)**		**–**	–
XI	**Profit/(loss) for the year (IX+X)**		**(881.28)**	218.00
XII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		**(11.58)**	1.18
	(ii) Income tax relating to items		**2.91**	(0.30)
XIII	**Total Comprehensive Income for the year (XI+XII) (Comprising Profit (Loss) and other comprehensive in-come for the year)**		**(889.95)**	218.88
XIV	**Earnings per equity share (for continuing operation):**			
	(1) Basic (in Rs.)	26	**(2.49)**	0.77
	(2) Diluted (in Rs.)	26	**(2.49)**	0.77

The accompanying notes 1 to 37 are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors
Mahindra Solarize Private Limited

Ami Goda
Director
DIN: 09136149

Sanjay Jain
Whole Time Director & CEO
DIN: 10222146

Sajjan Singh Girvardan
Chief Financial Officer
PAN: ANOPS3991F

Ms Parul Soni
Company Secretary
Mem. No.: ACS No. 73017

Place: Mumbai
Date: April 15, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
(Loss) / Profit before tax for the year	**(870.11)**	179.09
Adjustments for:		
Finance costs recognised in profit or loss	**230.50**	97.37
Provision for warranty (net of write back)	**220.58**	67.81
Provisions no longer required	**–**	(3.07)
Depreciation expense recognised in Profit & Loss	**56.11**	18.66
Cash flow from Operating activities before working capital changes	**(362.92)**	359.87
Movements in working capital:		
(Increase) in trade receivables	**(151.50)**	671.26
(Increase) in inventories	**(536.08)**	(1,074.90)
(Increase) in other current assets	**471.00**	(542.63)
(Increase) in other financial assets	**(64.85)**	(4.78)
(Decrease)/Increase in trade payables	**4,468.02**	(4,537.40)
(Decrease)/Increase in provisions	**17.42**	(76.30)
(Decrease)/increase in other current liabilities	**114.48**	(225.14)
Cash generated from operations	**3,955.59**	(5,430.04)
Income taxes paid	**(139.37)**	(226.68)
Net cash used in operating activities	**3,816.22**	(5,656.72)
Cash flows from investing activities		
Payments for property, plant and equipment	**(10.69)**	(10.21)
Investments in subsidiary	**–**	(738.52)
Fixed Deposits encashed	**–**	1,500.00
Net cash used in investing activities	**(10.69)**	751.27
Cash flows from financing activities		
Proceeds from Issue of share capital	**–**	738.52
Proceeds from Inter corporate deposit (ICD)	**–**	600.00
Repayment of Inter corporate deposit (ICD)	(600.00)	–
Borrowing (repaid) / received	**(2,646.88)**	3,146.88
Payment towards lease liabilities (net)	**(48.80)**	(15.04)
Interest paid	**(221.81)**	(92.45)
Net cash from financing activities	**(3,517.49)**	4,377.91
Net increase/(decrease) in cash and cash equivalents	**288.04**	(527.54)
Cash and cash equivalents at the beginning of the year	**0.25**	527.79
Cash and cash equivalents at the end of the year	**288.29**	0.25

The accompanying notes 1 to 37 are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors
Mahindra Solarize Private Limited

Ami Goda
Director
DIN: 09136149

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Ms Parul Soni
Company Secretary
Mem. No.: ACS No. 73017

Place: Mumbai
Date: April 15, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(A) Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
<u>Issued, Subscribed And Paid Up Capital</u>		
Balance as at the begining of the year	**3,538.52**	2,800.00
Changes in equity share capital during the year	**–**	**738.52**
Balance as at the end of the year	**3,538.52**	3,538.52

(B) Other Equity

(₹ in Lakh)

	Retained Earnings	Items of other comprehensive income	Total
Balance as at 1st April, 2022	267.60	–	267.60
Profit for the year	218.00	–	218.00
Other comprehensive income (net of tax)	–	0.88	0.88
Transfer to retained earnings	0.88	(0.88)	–
Balance as at 31st March, 2023	486.48	–	486.48

	Retained Earnings	Items of other comprehensive income	Total
Balance as at 1st April, 2023	486.48	–	486.48
Loss for the year	(881.28)	–	(881.28)
Other comprehensive income (net of tax)	–	(8.67)	(8.67)
Transfer to retained earnings	–	–	–
Balance as at 31st March, 2024	**(394.80)**	(8.67)	**(403.47)**

As per our report of even date
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors
Mahindra Solarize Private Limited

Ami Goda
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PAN: ANOPS3991F

Ms Parul Soni
Company Secretary
Mem. No.: ACS No. 73017

Place: Mumbai
Date: April 15, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Company Overview and Material Accounting Policies and Information

1. Company Overview

Mahindra Solarize Private Limited (the 'company') is domiciled in India and is a subsidiary of Mahindra Holdings Limited. The Company has been incorporated under the provisions of the Companies Act, 2013.

The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

2. Material Accounting Policies and Information

2.1. Basis of Preparation of financial statements

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under sections 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2017. The Company has investment in Subsidiary, however in view of the provisions of para 4 of the IND AS 110- Consolidated Financial Statements and Rule 9.1.6 Companies (Accounts) Rules, 2014, Company has not prepared Consolidated Financial Statements.

The financial statements of the Company for the year ended 31 March 2024 were approved for issue in accordance with the resolution of the Board of Directors on 15 April 2024.

2.2. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.3. Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.4. Current / Non-Current classification

An asset or liability is classified as 'current' when it satisfies any of the following criteria:

(i) it is expected to be realized or settled, or is intended for sale or consumption in, the company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized or settled within twelve months from the reporting date; or

(iv) an asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months from the reporting date

(v) in case of liability, the company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

<u>Operating Cycle</u>

Based on the nature of products and services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of material accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements in applying material accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its material accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment

Determination of the estimated useful lives of Property, Plant and Equipment (PPE) and the assessment as to which components of the cost may be capitalized. Useful lives of items of PPE are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

2.6. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.7. Property, plant and equipment and Depreciation

Property, Plant and Equipment is recognized when it is possible that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company. Advance given towards acquisition of Property, Plant and Equipment outstanding at the reporting date are disclosed as capital advances under Non-Current Assets.

Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Estimated useful lives as follows:

Office Equipment	4 to 5 years
Computer	3 years

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

2.8. Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition at cost comprising the purchase price and directly attributable costs to prepare the assets for its intended use.

Intangible Assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Intangible assets that have finite lives are amortised over their useful lives by the straight-line method.

2.9. Investments in Subsidiaries, Associates and Joint ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.10. Inventories

Construction material, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on weighted average method basis and comprise all cost of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition.

2.11. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:- i] Financial assets at fair value and ii] Financial assets at amortised cost. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss [i.e fair value through profit or loss], or recognised in other comprehensive income [i.e. fair value through other comprehensive income]. A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Impairment of financial asset

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

Financial liabilities

Initial recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.13. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.14. Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not provided for and are disclosed by way of notes unless the possibility of outflow of resources embodying economic benefits is remote

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

2.15. Revenue recognition

EPC Contract

Revenue from EPC contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity, hence revenue is recognized over the period of time. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Sale of Goods

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

2.16. Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.17. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to have been converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period.

2.18. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit or loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19. Employee Benefits

Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

2.20. Income Taxes

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.21. Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are measured at the lower of carrying amount at designation and fair value less costs to sell.

2.22. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Note No. 3 - Property, Plant and Equipment

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Property, plant and equipment (owned)	**14.37**	9.63
(b) Right of use assets	**174.30**	40.17
TOTAL	**188.67**	49.80

(₹ in Lakh)

	Description of Assets	Office Equipment	Computer	Right of use assets*	Total
I.	**Gross Carrying Amount**				
	Balance as at 1 April 2022		7.73	56.72	64.45
	Additions		10.21	–	10.21
	Balance as at 31st March 2023		17.94	56.72	74.66
I.	**Gross Carrying Amount**				
	Balance as at 1 April 2023	–	17.94	56.72	74.66
	Additions	4.27	6.42	219.74	230.43
	Deductions / adjustments	–	–	(56.72)	(56.72)
	Balance as at 31st March 2024	**4.27**	**24.36**	**219.74**	**248.37**
II.	**Accumulated Depreciation**				
	Balance as at 1 April 2022		3.83	2.36	6.20
	Depreciation expense for the year		4.48	14.18	18.66
	Balance as at 31st March 2023		8.32	16.54	24.86
II.	**Accumulated Depreciation**				
	Balance as at 1 April 2023	–	8.32	16.54	24.86
	Depreciation expense for the year	0.88	5.06	50.17	56.11
	Deductions / adjustments		–	(21.27)	(21.27)
	Balance as at 31st March 2024	**0.88**	**13.38**	**45.44**	**59.70**
III.	**Net carrying amount (I-II)**				
	Net carrying amount as at 31st March, 2023	–	9.63	40.17	49.80
	Net carrying amount as at 31st March, 2024	**3.39**	**10.98**	**174.30**	**188.67**

* Includes Office Premises and Vehicle on lease

Note No. 3A - Depreciation and amortization expense

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation on Computer	**5.06**	4.48
Depreciation on Office equipment	**0.88**	–
Depreciation on Right of use Assets (Note 29)	**50.17**	14.18
TOTAL	**56.11**	18.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 4 - Investment

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment Measured at amotised cost		
Unquoted fully paid		
Investment in subsidiary company		
Investment in Equity shares of Resurgence Solarize Urja Private Limited	**738.52**	738.52
73,85,200 Equity Shares of Rs. 10 each (Previous Year: 73,85,200)		
Total	**738.52**	738.52
Aggregate value of Quoted Investments	–	–
Aggregate Market value of Quoted Investments	–	–
Aggregate book value of Unquoted Investments	**738.52**	738.52
Total	**738.52**	738.52

Note No. 5 - Current Tax and Deferred Tax

(i) Current Tax Liabilities

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Taxes (Net of advance tax and TDS)	**–**	–
Total	**–**	–

(ii) Current Tax Assets

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax (Net of Provision for Taxes)	**173.21**	120.91
Total	**173.21**	120.91

(iii) Income Tax recognised in profit or loss

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Current Tax:		
In respect of current year	**–**	8.28
In respect of previous year	**69.27**	(50.52)
Deferred Tax:		
In respect of current year	**(58.10)**	3.33
Total income tax expense recognised in profit and loss	**11.17**	(38.91)

(iv) Income tax recognised in other Comprehensive income

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Remeasurement of defined benefit obligations not reclassified to profit and loss	**2.91**	(0.30)
Total Income tax recognised in other Comprehensive income	**2.91**	(0.30)

(v) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakh)

	Particulars	As at 31 March 2024	As at 31 March 2023
i)	**Profit before tax**	**(870.11)**	179.09
ii)	Corporate tax rate as per Income tax Act, 1961	**25.17%**	25.17%
iii)	Tax on accounting profit (iii) = (i) X (ii)	**(218.99)**	45.07
iv)	Total effect of Tax adjustment	**(218.99)**	45.07
v)	Adjustments recognised in the current year in relation to the current tax of prior years	**69.27**	(50.52)
vi)	other items	**160.89**	(33.46)
vii)	**Tax expense recognised during the year (vi)=(iv)+(v)**	**11.17**	(38.91)

(vi) Movement in deferred tax balances as at 31 March 2024

(₹ in Lakh)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	**(0.33)**	**0.08**	**–**	**(0.25)**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**12.17**	**0.73**	**2.91**	**15.81**
Provisions	**24.08**	**90.08**	**–**	**114.16**
Other Items	**34.55**	**(32.79)**	**–**	**1.76**
Net deferred tax Assets	**70.48**	**58.10**	**2.91**	**131.49**

Movement in deferred tax balances as at 31 March 2023

(₹ in Lakh)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities	–	–	–	–
Tax effect of items constituting deferred tax assets				
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	**0.33**	**(0.66)**	**–**	**(0.33)**
Employee Benefits	**4.27**	**8.20**	**(0.30)**	**12.17**
Provisions	**69.32**	**(45.24)**	**–**	**24.08**
Other Items	**0.19**	**34.36**	**–**	**34.55**
Net deferred tax Assets	**74.11**	**(3.33)**	**0.30**	**70.48**

Note No. 6 - Inventories

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Project Inventory (Finished Goods)	**1,887.58**	1,351.50
Total	**1,887.58**	1,351.50

Project inventory consists of various materials including solar PV Modules and other related materials required to install Solar power generating system. Inventories are hypothecated as security for the working capital/ cash credit facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 7 - Trade receivables

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Trade Receivables considered good - Secured	–	–
(b) Trade Receivables considered good - Unsecured*	9,180.96	9,029.46
(c) Trade Receivables which have significant increase in Credit Risk	–	–
(d) Trade Receivables - credit impaired	–	–
	9,180.96	9,029.46
Less:		
Allowance for Expected Credit Loss	–	–
Total	9,180.96	9,029.46

* Includes ₹ 342.54 lakhs (P.Y. - ₹ 3,554.18 lakhs) receivable from related parties

There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Trade Receivable Ageing Schedule as at 31 March 2024

(₹ in Lakh)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	5,763.33	3,044.19	163.72	209.73	–	–	9,180.96
(ii) Undisputed Trade receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade receivables — Credit Impaired	–	–	–	–	–	–	–
(iv) Disputed Trade receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade receivables — Credit Impaired	–	–	–	–	–	–	–
Total	5,763.33	3,044.19	163.72	209.73	–	–	9,180.96

Trade Receivable Ageing Schedule as at 31 March 2023

(₹ in Lakh)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	6,630.26	2,051.79	347.41	–	–	–	9,029.46
(ii) Undisputed Trade receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade receivables — Credit Impaired	–	–	–	–	–	–	–
(iv) Disputed Trade receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade receivables — Credit Impaired	–	–	–	–	–	–	–
Total	6,630.26	2,051.79	347.41	–	–	–	9,029.46

Note No. 8 - Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks	288.29	0.25
Total Cash and Cash Equivalant	288.29	0.25

Note No. 9 - Other Financial Assets

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	52.91	15.13
Other receivable	27.07	–
Total	79.98	15.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 10 - Other Current Assets

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Unbilled revenue	–	711.26
Advances to employees	**4.87**	1.85
Advances to Suppliers	**278.67**	4.06
Prepaid Expenses	**20.06**	31.46
Grauity fund (Note 28)	–	6.77
GST Input Credit	**167.09**	186.29
Total	**470.69**	941.69

Note No. 11 - Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised:		
Equity shares of Rs 10 each with voting rights		
4,20,00,000 Equity shares of Rs 10 each		
(4,20,00,000 Equity shares of Rs 10 each)	**4,200.00**	4,200.00
	4,200.00	4,200.00
Issued Capital		
Equity shares of Rs. 10 each with voting rights		
4,15,20,000 Equity shares of Rs 10 each		
(4,15,20,000 Equity shares of Rs 10 each)	**4,152.00**	4,152.00
Subscribed and Fully Paid up:		
Equity shares of Rs. 10 each with voting rights		
3,53,85,200 Equity shares of Rs 10 each		
(3,53,85,200 Equity shares of Rs 10 each)	**3,538.52**	3,538.52
Total Equity Share Capital	**3,538.52**	3,538.52

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

(₹ in Lakh)

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(Rs.)	No. of Shares	(Rs.)
At the beginning of the year	**3,53,85,200**	**3,538.52**	2,80,00,000	2,800.00
New Shares issued during the year	–	–	73,85,200	738.52
At the end of the year	**3,53,85,200**	**3,538.52**	**3,53,85,200**	**3,538.52**

(ii) Details of shares held by the holding company:

(₹ in Lakh)

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(Rs.)	No. of Shares	(Rs.)
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited)	**3,53,85,200**	**3,538.52**	3,53,85,200	3,538.52

(iii) Details of shares held by each shareholder holding more than 5% shares:

(₹ in Lakh)

Class of shares / Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held (In Lakhs)	% holding in that class of shares	Number of shares held (In Lakhs)	% holding in that class of shares
Equity shares with voting rights..				
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited)	**3,53,85,200**	**100%**	3,53,85,200	100%

(iv) Disclosure with respect to Shareholding of Promoters

Sr No	Promoter name	Shares held by prmoters at the end of year: No. of Shares	% of total shares	% Change during the year
1	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited)	3,53,85,194	100	Nil
2	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited), Jointly with Ms. Brijbala Batwal	1	0	Nil
3	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited), Jointly with Mr. Narayan Shankar	1	0	Nil
4	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited), Jointly with Mr. Feroze Baria	1	0	Nil
5	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited), Jointly with Mr. Jignesh Parikh	1	0	Nil
6	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited), Jointly with Mr. Sumeet Maheshwari	1	0	Nil
7	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited), Jointly with Ms. Anita Halbe	1	0	Nil
	Total	**3,53,85,200**		

Note No. 12 - Other Equity

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Retained Earnings		
Beginning of the year	**486.48**	267.60
Profit /(Loss) for the year	**(881.28)**	218.00
Add: Other Comprehensive Income	**(8.67)**	0.88
Closing Balance	**(403.47)**	486.48
Total	**(403.47)**	486.48

Other Comprehensive Income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Note No. 13 - Lease liabilities

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-Current		
Lease Liabilities (Note 29)	**136.15**	33.86
Total	**136.15**	33.86
Current		
Lease Liabilities (Note 29)	**46.80**	11.15
Total	**46.80**	11.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 14 - Provisions

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-Current		
Provision for employee benefits-Leave Encashment	**36.78**	42.65
Provision for employee benefits-Gratuity (Note 28)	**25.07**	–
Total	**61.85**	**42.65**
Current		
Provision for employee benefits-Leave Encashment	**8.07**	9.83
Provision For Warranties (Note 14.1)	**461.23**	240.65
Total	**469.30**	**250.47**

Note No. 14.1 Movement in Warranty provision

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Warranty provision	**240.65**	275.44
Additions during the year (Note 25)	**220.58**	95.69
Utilisation during the year	**–**	(102.60)
Provision written back (Note 20)	**–**	(27.87)
Closing Provision	**461.23**	**240.65**

Note No. 15 - Borrowings

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Non - Current	**–**	–
Current		
(A) Secured		
Loans Payable on Demand from Bank	**500.00**	3,146.88
(B) Unsecured		
From Related Parties	**–**	600.00
Total	**500.00**	3,746.88

* First Pari Passu charge on entire current assets of the company present and future with the existing lenders or new lenders if any

* The quarterly returns/statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

* The company has used the borrowings from banks and financials institutions for the specific purpose for which it was taken at the balance sheet date.

Note No. 16 - Trade Payables

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) total outstanding dues of micro enterprises and small enterprises	**54.67**	417.16
(B) total outstanding dues of creditors other than micro enterprises and small enterprises*	**8,497.83**	3,667.31
Total	**8,552.50**	4,084.47

* Includes ₹ 162.94 lakhs (P.Y. - ₹ 2.15 lakhs) payable to related parties

Trade Payable Ageing as at 31 March 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues					
(i) MSME	**54.67**	**–**	**–**	**–**	**54.67**
(ii) Others	**8,497.83**	**–**	**–**	**–**	**8,497.83**
Disputed dues					
(i) MSME	**–**	**–**	**–**	**–**	**–**
(ii) Others	**–**	**–**	**–**	**–**	**–**
Total	**8,552.50**	**–**	**–**	**–**	**8,552.50**

Trade Payable Ageing as at 31 March 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues					
(i) MSME	417.16	–	–	–	417.16
(ii) Others	3,667.31	–	–	–	3,667.31
Disputed dues					
(i) MSME	–	–	–	–	–
(ii) Others	–	–	–	–	–
Total	**4,084.47**	**–**	**–**	**–**	**4,084.47**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 17 – Other Financial Liability

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	**115.00**	90.00
Total	**115.00**	90.00

Note No. 18 – Other current liabilities

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Advances received from customers	**29.29**	–
Salary payable	**6.32**	0.54
Statutory dues	**87.13**	32.72
Total	**122.74**	33.26

Note No. 19 – Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Income from sale of Solar Power Generating Systems	**23,228.41**	17,396.40
Other Operating Revenue	**–**	174.91
Total	**23,228.41**	17,571.31

Note No. 19.1

A. Disaggregated Revenue Information:
The Company's revenue is from only one segment i.e Sale of Solar Power Generating Systems

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract Assets		
Unbilled Revenue (refer note no 10)		
At the beginning of the year	**711.26**	377.48
Less: Billed during the year	**23,939.67**	17,062.62
Add: Revenue recognised during the year	**23,228.41**	17,396.40
At the end of the year	**–**	711.26
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted prices	**23,228.41**	17,396.40
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**23,228.41**	17,396.40

Note No. 20 – Other Income

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on		
Fixed Deposit	**–**	0.79
Income Tax refund	**14.26**	0.66
Warranty provisions written back (Note 14.1)	**–**	27.87
Business Support Service Charges	**44.53**	105.68
Provisions no longer required	**–**	3.07
Other income	**2.62**	–
Scrap Sale	**9.11**	6.56
Total	**70.52**	144.64

Note No. 21 – Purchase of stock in trade

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases	**22,516.21**	16,837.87
Total	**22,516.21**	16,837.87

Note No. 22 – Cost of Material Consumed

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock of Materials	**1,351.50**	276.60
Less: Closing stock of Materials	**1,887.58**	1,351.50
Total	**(536.08)**	(1,074.90)

Note No. 23 – Employee benefit expense

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages, including bonus and Gratuity Expenses (Note 28)	**1,047.43**	940.45
Contribution to provident and other funds	**41.92**	40.82
Director's Remuneration	**–**	133.84
Staff welfare expenses	**58.94**	22.23
Total	**1,148.29**	1,137.34

Note No. 24 – Finance Costs

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense	**213.60**	88.72
Interest on lease liabilities (Note 29)	**8.69**	4.93
Interest on Bill discounting	**8.21**	3.72
Total	**230.50**	97.37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 25 – Other expenses

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Insurance	**41.93**	25.61
Rent (Note 29)	**87.28**	87.92
Auditors Remuneration (Note 25.1)	**3.92**	5.25
Rates and taxes	**1.79**	28.33
Repairs and maintenances	**1.91**	0.52
Advertisement	**60.04**	46.90
Travelling and Conveyance Expenses	**110.64**	76.13
Professional and legal expenses	**170.70**	98.04
Warranty expenses (Note 14.1)	**220.58**	95.69
IT Expense	**33.42**	30.09
Miscellaneous expenses	**21.79**	26.06
Total	**754.01**	520.53

Note No. 25.1 – Auditors Remuneration

(₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees	**2.75**	4.25
Tax audit fees	**0.55**	1.00
Other services	**0.25**	–
Out of pocket expense	**0.38**	–
Total	**3.92**	5.25

Note No. 26 – Earnings per Share (Disclosures under Ind AS 33)

Amount in lakh [except earning per share data]

Particulars	For the year ended March 31 2024	For the year ended March 31 2023
For the purpose of calculation of basic and diluted earning per share the following amount are considerd		
Profit attributable to equity share holder	**(881.28)**	218.00
Total	**(881.28)**	218.00
a] Weighted average no of equty share outstanding during the year		
– For basic earning per share	**353.85**	284.86
– For diluted per share	**353.85**	284.86
b] Earning per share		
– Basic earning per share	**(2.49)**	0.77
– Diluted per share	**(2.49)**	0.77
– Face value per share [in Rs.]	**10.00**	10.00

Note No. 27 – Related Party Transactions

Relationships:	**Name:**
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited)
Subsidiary Company	Resurgence Solarize Urja Private Limited
Fellow Subsidiaries	1. Bristlecone India Ltd.
	2. Mahindra Susten Private Limited
	3. Tech Mahindra Limited
	4. Mahindra Integrated Business Solution Limited
	5. Mahindra Teqo Private Limited
	6. Mahindra Holidays & Resorts India Ltd.
	7. Mahindra & Mahindra Financial Services Ltd.
	8. MARVEL SOLREN PRIVATE LIMITED
	9. Mahindra Accelo Limited
	10. Mahindra Steel Service Centre Limited
	11. Mahindra World City (Jaipur) Limited

Details of transaction between the Company and its related parties are disclosed below:

(₹ in Lakh)

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Subsidiary	Fellow Subsidiaries	Total
<u>Nature of transactions with Related Parties</u>						
Expenses						
Purchase of goods	31/03/2024	–	–	–	42.21	42.21
	31/03/2023	–	–	–	148.01	148.01
Interest Expenses	31/03/2024	–	10.68	–	–	10.68
	31/03/2023	–	53.52	–	–	53.52
Reimbursement from related parties	31/03/2024	18.21	–	59.65	421.13	498.99
	31/03/2023	–	–	–	–	–
Receiving of services	31/03/2024	211.20	–	–	44.19	255.39
	31/03/2023	99.19	–	–	82.73	181.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakh)

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Subsidiary	Fellow Subsidiaries	Total
Income						
Sale of Goods and services	31/03/2024	–	–	59.00	547.27	606.27
	31/03/2023	–	184.40	434.11	494.74	1,113.25
Asset						
Investment in Equity Shares	31/03/2024	–	–	738.52	–	738.52
	31/03/2023	–	–	738.52	–	738.52
Trade Receivable including reimbursement receivable	31/03/2024	18.21	–	113.65	210.68	342.54
	31/03/2023	–	3.46	126.85	3,423.87	3,554.18
Liability						
Trade payables	31/03/2024	151.07	–	–	11.87	162.94
	31/03/2023	–	2.15	–	–	2.15
Unsecured loan	31/03/2024	–	–	–	–	–
	31/03/2023	–	600.00	–	–	600.00
Equity Share Capital	31/03/2024	–	3,538.52	–	–	3,538.52
	31/03/2023	–	3,538.52	–	–	3,538.52
Transaction						
Loan repaid	31/03/2024	–	600.00	–	–	600.00
Loan Given	31/03/2023	–	3,500.00	–	–	3,500.00
Loan repayment received	31/03/2023	–	4,100.00	–	–	4,100.00
Proceeds from Issue of share capital	31/03/2023	–	738.52	–	–	738.52

Note No. 28 – Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating ₹ 41.92 lakhs (previous year 40.82) Lakhs has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

A defined benefit plan is a post–employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company. As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account. When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

NATURE OF BENEFITS

The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

GOVERNANCE OF THE PLAN

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid gratuity as per the terms of the plan.

INHERENT RISKS:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	31 March 2024	31 March 2023
Discount rate	**7.20%**	7.35%
Expected rate of salary increase	**9.00%**	9.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2024

(₹ in Lakh)

Particulars	Funded Plan	Funded Plan
	Gratuity	
	2024	2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Opening of defined benefit obligation	**75.15**	68.85
Service Cost:		
Current Service Cost	**15.05**	13.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakh)

Particulars	Funded Plan	Funded Plan
	Gratuity	
	2024	2023
Past service cost and (gains)/losses from settlements		
Interest on defined benefit obligation	5.06	4.01
Remeasurement on the net defined benefit liability		
Actuarial gains and loss arising form changes in financial assumptions	0.94	(3.85)
Actuarial gains and loss arising from changes in demographics	–	1.45
Actuarial gains and loss arising form experience adjustments	9.90	0.77
Benefits paid	(32.77)	(9.95)
Liabilities assumed/(settled)	12.60	–
Closing of defined benefit obligation	**85.93**	75.15
Net (Asset)/Liability recognised in the Balance Sheet		
1. Present value of funded defined benefit obligation as at 31st March	85.93	75.15
2. Fair value of plan assets as at 31st March	60.86	81.92
Net funded Obligation	25.07	(6.77)
Present value of unfunded defined benefit obligation as at 31st March		–
Net defined benefit liability / (asset) recognized in balance sheet	25.07	(6.77)
Current	–	–
Non current	25.07	(6.77)
Reconciliation of Net Liability/Asset		
Opening net defined benefit liabilty/ (Asset)	(6.77)	(17.95)
Expense charged to profit & loss account	14.18	12.36
Amount recognized outside profit & loss account	11.58	(1.18)
Employer contributions	(6.52)	–
Impact of liability assumed or (settled)	12.60	–
Closing net defined benefir liability / (asset)	25.07	(6.77)
Movement in plan assets		
Opening fair Value of plan assets	81.92	86.81
Employers Contribution	6.52	–
Interest on plan assets	5.93	5.52
Remeasurements due to		
Actuarial return on plan assets less interest on plan assets	(0.74)	(0.45)
Benefits Paid	(32.77)	(9.95)
Closing fair value of plan assets	60.86	81.92
Movement of liability		
Opening net defined benefit liability / (asset)	(6.77)	(17.95)
Expense charged to profit & loss account	14.18	12.36
Amount recognized outside profit & loss account	11.58	(1.18)
Employer contributions	(6.52)	–
Impact of liability assumed or (settled)	12.60	–
Closing net defined benefit liability / (asset)	25.07	(6.77)

PROFIT & LOSS ACCOUNT EXPENSE

Particulars	Year Ended	
	2024	2023
Current service cost	15.05	13.88
Past service cos	–	–
Administration expense	–	–
Interest on net defined benefit liability / (asset)	(0.87)	(1.51)
(Gains) / losses on settlement	–	–
Total expense charged to profit and loss account	14.18	12.36

AMOUNT RECORDED IN OTHER COMPREHENSIVE INCOME

Particulars	Year Ended	
	2024	2023
Opening amount recognized in OCI outside profit and loss account	15.40	16.59
Remeasurements during the period due to		
Changes in financial assumptions	0.94	(3.85)
Changes in demographic assumptions	–	1.45
Experience adjustment	9.90	0.77
Actual return on plan assets less interest on plan assets	0.74	0.45
Adjustment to recognize the effect of asset ceiling	–	–
Closing amount recognized in OCI outside profit and loss account	26.98	15.40

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Year Ended	
	2024	2023
Defined benefit obligation on increase in 100 bps	79.99	70.55
Impact of increase in 100 bps on DBO	-6.90%	-6.13%
Defined benefir obligation on decrease in 100 bps	92.69	80.37
Impact of decrease in 100 bps on DBO	7.88%	6.95%

Maturity profile of defined benefit obligation:

Particulars	2024	2023
Within 1 year	14.31	12.61
1 - 2 year	10.48	10.52
2 - 3 year	9.06	8.59
3 - 4 year	8.58	6.86
4 - 5 year	7.68	15.09
5 - 10 years	28.08	23.02
10 years & above	88.66	61.41

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 7.36 years (31 March 2023 is 6.51 Years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note No. 29 - Disclosures as per Ind AS 116 -Leases

A) The Company has lease contract for car, details of amount recognised in profit and loss:

(₹ in Lakh)

Amounts recognised in profit and loss	31 March 2024	31 March 2023
Depreciation expense on right-of-use assets (Note 3A)	50.17	14.18
Interest expense on lease liabilities (Note 24)	8.69	4.93
Expense relating to short-term leases (Note 25)	87.28	87.92
Total	146.14	107.03

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

(₹ in Lakh)

Maturity Analysis	31 March 2024	31 March 2023
- Less than 1 years	46.80	11.15
- 1 years - 3 years	127.53	25.82
- 3 years - 5 years	8.62	8.04
- 5 years and above	–	–

C) The total cash outflow for leases amount to Rs. 48.80 lakhs (Previous year Rs. 15.04 lakhs) during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

D) Below are the carrying amount of lease liabilities and the movement during the year:

(₹ in Lakh)

Particulars	31 March 2024	31 March 2023
Opening	**45.01**	55.12
Additions / deletions (net)	**178.05**	–
Accretion of interest	**8.69**	4.93
Payments	**48.80**	15.04
Closing	**182.95**	45.01

E) Below is the breakup of Current and Non current lease liabilities:

(₹ in Lakh)

Particulars	31 March 2024	31 March 2023
Current lease liabilities (Note 13)	**46.80**	11.15
Non current lease liabilities (Note 13)	**136.15**	33.86
Total	**182.95**	45.01

Note No. 30 Key Ratios

Particulars	Numerator	Denominator	2023-24	2022-23	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.23	1.39	12%	Not applicable
Debt Equity Ratio	Borrowings	Shareholder's Equity	0.16	0.93	83%	Repayment of Borrowings during the year
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	-2.73	3.33	182%	Due to loss during the year
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	-28.11%	5.42%	619%	Due to loss during the year
Inventory turnover ratio	Cost of goods sold	Average Inventory	13.57	19.36	30%	Increase in average inventory during the year
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	0.39	0.53	26%	Decrease in average trade receivables
Trade payables turnover ratio	Purchases and other expenses	Average Trade Payables	0.27	0.45	40%	Decrease in average trade payables
Net Captial turnover ratio	Revenue from operations	Total Assets	1.77	1.43	-24%	Not applicable
Net Profit ratio	Profit after taxes	Revenue from operations	-4%	1%	407%	Due to loss during the year
Return on Investment	Income from Investments	Average Investments	–	–	–	Not applicable
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	-19.28%	6.79%	384%	Due to loss during the year

Note No. 31 - Fair Value Measurement

Fair Value of Financial assets and financial laibilities.

(₹ in Lakh)

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Non Current Assets				
Investment	**738.52**	**738.52**	738.52	738.52
Current Assets				
Trade Receivables	**9,180.96**	**9,180.96**	9,029.46	9,029.46
Cash and cash equivalents	**288.29**	**288.29**	0.25	0.25
Other Financial Assets	**79.98**	**79.98**	15.13	15.13
Total	**10,287.75**	**10,287.75**	9,783.36	9,783.36

(₹ in Lakh)

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
Non-current Liabilities				
– Lease Liabilities	**136.15**	**136.15**	33.86	33.86
Current				
– Borrowings	**500.00**	**500.00**	3,746.88	3,746.88
– Lease Liabilities	**46.80**	**46.80**	11.15	11.15
– Trade payables	**8,552.50**	**8,552.50**	4,084.47	4,084.47
– Other financial Liability	**115.00**	**115.00**	90.00	90.00
Total	**9,350.45**	**9,350.45**	7,966.36	7,966.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 31A- Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The following methods and assumptions were used to estimate the fair values :

The Company has not disclosed the Fair values of cash and cash equivalents, trade payables and other financial assets and liabilities because their carrying amountsare reasonable approximation of fair values.

The fair values of trade receivables and current loans are calculated based on expected credit loss method and discounted cash flow using a current lending rate respectively. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current loan are approximate at their carrying amount due to interest bearing features of these instruments.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values of quoted financial instruments are derived from quoted market prices in active markets.

The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach.

The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted prices / published NAV [unadjusted] in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value [NAV] is published by mutual fund operators at the balance sheet date.

Level 2 : Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly [that is, as prices] or indirectly [that is, derived from prices]. It includes fair value of the financial instruments that are not traded in an active market [for example, over-the-counter derivatives] is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3 : Inputs for the asset or liability that are not based on observable market data [that is, unobservable inputs]. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Cash and Cash Equivalents, Other Financial Assets, Long Term and Short Term Borrowings, Trade Payables and Other financial liabilities are shown at amortised cost. The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 [Quoted prices in active markets], Level 2 [Significant observable inputs] and Level 3 [Significant unobservable inputs] as described below:

(₹ in Lakh)

Particulars		**March 31, 2024**	
	Level-1	**Level-2**	**Level-3**
Financial assets measured at amortised cost			
Investment		**738.52**	**–**
Other Financial Assets		**–**	**79.98**
Total	**–**	**738.52**	**79.98**
Financial liabilities measured at amortised cost			
– Lease Liabilities			**182.95**
– Borrowings			**500.00**
– Other financial Liability			**115.00**
Total	**–**	**–**	**797.95**

There were no transfers between level 1 and level 2 during the year

Particulars		March 31, 2023	
	Level-1	**Level-2**	**Level-3**
Financial assets measured at amortised cost			
Investment		738.52	
Other Financial Assets			15.13
Total	–	738.52	15.13
Financial liabilities measured at amortised cost			
– Lease Liabilities			45.01
– Borrowings			3,746.88
– Other financial Liability			90.00
Total	–	–	3,881.89

There were no transfers between level 1 and level 2 during the year

Financial Risk Management - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties [e.g. Audit committee, Board etc.]. The results of these activities ensure that risk management plan is effective in the long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. The sensitivity analysis is given relating to the position as at March 31, 2024 and March 31, 2023. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2024 and March 31, 2023.

Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions. There are no foreign currency receivables and payables outstanding as on 31 March 2024 and 31 March 2023.

Interest rate risk and sensitivity:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Commodity price risk:

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company has entered into contracts for procurement of material. However the Company is not exposed to significant risk.

Equity price risk:

The Company has decided to fair value its equity instruments through Other Comprehensive Income and carry investment in jointly controlled entities at Cost. Therefore neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on operating cash flows and short term borrowings in the form of Working Capital Loan & Export Packing Credit to meet its needs for funds. Company does not breach any covenants on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note 32- Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital [equity plus net debt]. Net debt are noncurrent and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

(₹ in Lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Debt	**500.00**	3,746.88
Less: Cash and Cash Equivalent	**288.29**	0.25
Net Debt	**211.71**	3,746.63
Total Equity [Equity Share Capital plus Other Equity]	**3,135.05**	4,025.00
Total Capital [Total Equity plus net debt]	**3,346.76**	7,771.63
Gearing ratio	**0.94**	0.52

Note 33. Segment Reporting

The Company has only one Operating Segment as per IND-AS 108 "Operating Segment" i.e. Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance. Hence, information in accordance with the Ind AS issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

Note 34. Contingent Liabilities

(₹ in Lakh)

Particulars	31-Mar-24	31-Mar-23
Bank Guarantees	**3,374.76**	3,470.07

Note 35. Sundry Creditors, Other Liabilities and Provisions

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(₹ in Lakh)

Sr.	Particulars	31-Mar-24	31-Mar-23
a)	i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	**54.67**	417.16
	ii) Interest on a) (i) above	**1.27**	–
b)	i) Amount of Principal paid beyond the appointed Date	**307.87**	–
	ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	**–**	–
c)	Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	**6.78**	–
d)	Amount of Interest accrued and due	**8.05**	–
e)	Amount of further interest remaining due and payable Even in succeeding years	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

36 Additional Regulatory Information

36.1 Undisclosed income

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

36.2 There are no Loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and Related Parties that are repayable on demand or whithout specifing any term or period of repayment.

36.3 Details of Benami Property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

36.4 Registration of Charges or Satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2024 and March 31, 2023. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period

36.5 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023

36.6 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2024 and March 31, 2023.

36.7 Borrowings from banks or financial institutions on the basis of security of current assets

Monthly statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

36.8 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2024 and March 31, 2023.

36.9 Fraud Reporting

The company has not reported any fraud during the year ended March 31, 2024 and March 31, 2023.

36.10 Relationship with Struck off companies

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

36.11 Compliance with approved Scheme(s) of Arrangements

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

36.12 CSR Expenses

The Provision of Section 135 of the Companies Act, 2013 are not applicable to the Company as on reporting date.

37 The figures for previous year have been regrouped, reclassified and rearranged wherever necessary to make them comparable with that of current year's figures.

The accompanying notes on account form an integral part of the Financial Statements

Signature to Notes on Accounts
For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No.: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors
Mahindra Solarize Private Limited

Ami Goda
Director
DIN: 09136149

Sanjay Jain
Whole Time Director & CEO
DIN: 10222146

Sajjan Singh Girvardan
Chief Financial Officer
PAN: ANOPS3991F

Ms Parul Soni
Company Secretary
Mem. No.: ACS No. 73017

Place: Mumbai
Date: April 15, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
RESURGENCE SOLARIZE URJA PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of **Resurgence Solarize Urja Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2024, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. Other Information (Information other than the Ind AS financial statements and Auditor's report thereon)

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. Management's responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. In making risk assessments, we consider internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

(ii) As required by section 143 (3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2015, as amended.

(e) On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.

(f) Reporting on adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls is not applicable as per the notification No. G.S.R 583 (E) issued by Ministry of Corporate Affairs, Government of India, dated June 13, 2017.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2023:

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2024;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would have an impact on its financial position;

ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been declared or paid during the year by the company in compliance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M Chitale)
Partner
M. No. 111383
UDIN: 24111383BKBGMV6128

Place: Mumbai
Date: April 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report of even date on the Ind AS financial statements of Resurgence Solarize Urja Private Limited – Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020.

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) (a) (A) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under Clause 3 (i) (a) (A) is not applicable.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under Clause 3 (i) (a) (B) is not applicable.

(b) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under Clause 3 (i) (b) is not applicable.

(c) According to information and explanations given to us, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under Clause 3(i)(d) of the order is not applicable.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As per the information and explanations given to us, the company does not have any inventory during the year. hence, reporting under Clause 3(ii)(a) of the order is not applicable.

(b) Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under this Clause 3(ii)(b) is not applicable.

(iii) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not provided loans or advances and guarantees or security to subsidiaries, joint ventures and associates, hence reporting under clause 3(iii)(a)(A and B) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not made any investment and provided guarantees prejudicial to the company's interest, hence reporting under clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(c), 3(iii)(c) and 3(iii)(c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loans and neither made any investments nor provided any guarantees and security as specified in Section 185 and 186 of the Companies Act, 2013 and accordingly provisions of clause (iv) of Order are not applicable.

(v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us by the management and in our opinion, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services provided by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Goods and Service Tax, Cess. There were no undisputed amounts of statutory dues including Income Tax, Goods and Service Tax, Cess which were due for more than six months from the date they become payable as at the year end.

b) According to the records examined by us and as per the information and explanations given to us, there are no statutory dues outstanding as at March 31, 2024 which have not been deposited on account of disputes.

(viii) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a) According to the information and explanations given to us by the management and in our opinion, the Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) (a) of the Order is not applicable.

b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.

d) According to the information and explanations given to us by the management and in our opinion, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable.

e) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.

(f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not made any preferential allotment of shares during the year and thus the provisions of this Clause are not applicable.

(xi) (a) Based on the audit procedure performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub section (12) of section 143 of the Companies Act has been filed in the form of ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the central government during the year and up to the date of this audit report.

(c) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there were no whistle blower complaints received by the company during the year and up to the date of this report.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) (a) to (c) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

(xiv) According to the information and explanations given by the management, the provisions of Section 138 of the Act relating to Internal Audit is not applicable to the Company and accordingly, reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable for the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence reporting under clause 3 (xvi)(a) is not applicable to the Company.

(b) According to the information and explanations given by the management and in our opinion, the Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act,1934 and has not conducted any Non- Banking Financial or Housing Finance activities. Accordingly, reporting under clause 3 (xvi) (b) of the Order is not applicable.

(c) According to the information and explanations given by the management and in our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3 (xvi)(c) is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has four CIC as part of the group.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses during the current financial year of Rs. 3,81,568/- and in the previous financial year of Rs.21,31,210/-.

(xviii) There has been no resignation of the Statutory Auditors of the Company during the year.

(xix) According to the information and explanation given to us and on the basis of financial the ratios, aging and expected dates of realisation of financial assets and payment to financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Provision of Section 135 of the Companies Act, 2013 are not applicable. hence, reporting under clause (xx) (a) and (b) not applicable to the Company as on reporting date.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN: 24111383BKBGMV6128

Place: Mumbai
Date: April 15, 2024

BALANCE SHEET AS AT MARCH 31, 2024

(Amount in Rs. Thousand)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 NON–CURRENT ASSETS			
(a) Capital Work-in-Progress	3	**67,180.94**	41,574.94
(b) Financial Assets			
(i) Financial Assets	4	**41,366.70**	5,010.00
SUB-TOTAL		**108,547.64**	46,584.94
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**103.20**	64,508.40
(b) Other Current Assets	6	**32.88**	–
SUB-TOTAL		**136.08**	64,508.40
TOTAL ASSETS		**108,683.72**	111,093.34
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	7	**99,800.00**	99,800.00
(b) Other Equity	8	**(2,512.78)**	(2,131.21)
SUB-TOTAL		**97,287.22**	97,668.79
LIABILITIES			
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables:	9		
- Total outstanding dues to Micro & small enterprises		**–**	–
- Total outstanding dues to creditors other than Micro & small enterprises		**31.50**	15.00
(iii) Other Financial Liability	10	**11,365.00**	12,685.15
(b) Other Current Liabilities	11	**–**	724.40
Sub-Total		**11,396.50**	13,424.55
Total Equity and Liabilites		**108,683.72**	111,093.34

The accompanying notes 1 to 22 are an integral part of the Financial Statements

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

For and on behalf of the Board of Directors of
Resurgence Solarize Urja Private Limited

(S. M. Chitale)
Partner
Membership No. 111383

Mr. Sanjay Jain
Director
DIN: 10222146

Mr. Ashutosh Vidwans
Director
DIN: 00699851

Place: Mumbai
Date: April 15, 2024

Place: Mumbai
Date: April 15, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Amount in Rs. Thousand)

Particulars		Note No.	For the year ended 31 March 2024	For the period from 29 August 2022 to 31 March 2023
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Income (I + II)**		**–**	–
IV	**EXPENSES**			
	Cost of materials consumed		–	–
	Purchase of stock in trade		–	–
	Changes in inventories of finished goods stock in trade and work in progress		–	–
	Employee benefit expense		–	–
	Finance costs		–	–
	Depreciation and amortization expense		–	–
	Other expenses	**12**	**381.57**	2,131.21
	Total Expenses		**381.57**	2,131.21
V	**Profit/(loss) before tax (III - IV)**		**(381.57)**	(2,131.21)
VI	**Tax Expense**			
	(1) Current tax		–	–
	(2) Deferred tax		–	–
	Total tax expense		**–**	–
VII	**Profit/(loss) for the period (V-VI)**		**(381.57)**	(2,131.21)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified toprofit or loss		–	–
	(ii) Income tax relating to items		–	–
IX	**Total Comprehensive Income for the year / period (VII+VIII) (Comprising Profit (Loss) and other comprehensive income for the year/period)**		**(381.57)**	(2,131.21)
XVI	**Earnings per equity share (for continuing operation):**			
	(1) Basic	**13**	**(0.04)**	(39.41)
	(2) Diluted	**13**	**(0.04)**	(39.41)

The accompanying notes 1 to 22 are an integral part of the Financial Statements

As per our Report of even date
For Mukund M. Chitale & Co.
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Director
DIN: 00699851

Place: Mumbai
Date: April 15, 2024

Place: Mumbai
Date: April 15, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Rs. Thousand)

Particulars	For the year ended 31 March 2024	For the period from 29 August 2022 to 31 March 2023
Cash flows from operating activities		
Profit /(loss) after tax for the year	**(381.57)**	(2,131.21)
Adjustments for:		
Finance costs recognised in profit or loss	**–**	–
Depreciation expense recognised in Profit & Loss	**–**	–
Cash flow from Operating activities before working capital changes	**(381.57)**	(2,131.21)
Movements in working capital:		
(Increase) in other current assets	**(32.87)**	(5,000.00)
(Increase) in Non-current Financial Assets	**(36,356.70)**	(10.00)
(Decrease)/Increase in trade payables	**16.50**	12,685.15
(Decrease)/increase in other current liabilities	**(724.40)**	739.40
Cash generated from operations	**(38,799.20)**	6,283.34
Income taxes paid	**–**	–
Net cash used in operating activities	**(38,799.20)**	6,283.34
Cash flows from investing activities		
Payments for property, plant and equipment	**(25,606.00)**	(41,574.94)
Net cash used in investing activities	**(25,606.00)**	(41,574.94)
Cash flows from financing activities		
Issue of share capital	**–**	99,800.00
Net cash from financing activities	**–**	99,800.00
Net increase/(decrease) in cash and cash equivalents	**(64,405.20)**	64,508.40
Cash and cash equivalents at the beginning of the year	**64,508.40**	–
Cash and cash equivalents at the end of the year	**103.20**	64,508.40

The accompanying notes 1 to 22 are an integral part of the Financial Statements

As per our Report of even date
For Mukund M. Chitale & Co.
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Firm reg. No: 106655W

For and on behalf of the Board of Directors of
Resurgence Solarize Urja Private Limited

(S. M. Chitale)
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Mr. Sanjay Jain
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Place: Mumbai
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Date: April 15, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2024

A - Equity Share Capital

(Amount in Rs. Thousand)

Particulars	As at 31 March 2024	As at 31 March 2023
Issued, Subscribed And Paid Up Capital		
Balance as at the begining of the year	**99,800.00**	–
Changes in equity share capital during the year	**–**	99,800.00
Balance as at the end of the year	**99,800.00**	99,800.00

B. Other Equity

As at March 31, 2023 (Amount in Rs. Thousand)

Particulars	Retained Earnings	Total
Balance as at 31 March 2022	**–**	**–**
Profit / (loss) for the period	(2,131.21)	(2,131.21)
Balance as at 31 March 2023	**(2,131.21)**	**(2,131.21)**
Profit / (loss) for the year	(381.57)	(381.57)
Balance as at 31st March 2024	**(2,512.78)**	**(2,512.78)**

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors of
Resurgence Solarize Urja Private Limited

Mr. Sanjay Jain
Director
DIN: 10222146

Mr. Ashutosh Vidwans
Director
DIN: 00699851

Place: Mumbai
Date: April 15, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Company Overview and Significant Accounting Policies

1. Company Overview

Resurgence Solarize Urja Private Limited (the 'company') is domiciled in India and is a subsidiary of Mahindra Solarize Private Limited. The Company has been incorporated under the provisions of the Companies Act, 2013 on August 29, 2022.

The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump. Currently the Company is engaged in setting up of a Solar Power Project at Tamil Nadu for generation and sale of electricity which is under construction at the year end.

2. Material Accounting Policies and Information

2.1 Basis of Preparation of financial statements

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under sections 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2017.

The financial statements of the Company for the year ended 31 March 2024 were approved for issue in accordance with the resolution of the Board of Directors on 15 April 2024.

2.2 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.3 Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.4 Current / Non-Current classification

An asset or liability is classified as 'current' when it satisfies any of the following criteria:

(i) it is expected to be realized or settled, or is intended for sale or consumption in, the company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized or settled within twelve months from the reporting date; or

(iv) an asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months from the reporting date

(v) in case of liability, the company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

Operating Cycle

Based on the nature of products and services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of material accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements in applying material accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its material accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment

Determination of the estimated useful lives of Property, Plant and Equipment (PPE) and the assessment as to which components of the cost may be capitalized. Useful lives of items of PPE are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

2.6 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

2.7 Property, plant and equipment and Depreciation

Property, Plant and Equipment is recognized when it is possible that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company. Advance given towards acquisition of Property, Plant and Equipment outstanding at the reporting date are disclosed as capital advances under Non-Current Assets.

Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

2.8 Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition at cost comprising the purchase price and directly attributable costs to prepare the assets for its intended use.

Intangible Assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the Statement of Profit and Loss in the same period.

Intangible assets that have finite lives are amortised over their useful lives by the straight-line method.

2.9 Investments in Subsidiaries, Associates and Joint ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.10. Inventories

Construction material, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on first in first out basis and comprise all cost of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition.

2.11. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:- i] Financial assets at fair value and ii] Financial assets at amortised cost. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss [i.e fair value through profit or loss], or recognised in other comprehensive income [i.e. fair value through other comprehensive income]. A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

Financial liabilities

Initial recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.13. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.14. Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not provided for and are disclosed by way of notes unless the possibility of outflow of resources embodying economic benefits is remote.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

2.15. Revenue recognition

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the company.

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

2.16. Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.17. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to have been converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period.

2.18. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19. Employee Benefits

Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

2.20. Income Taxes

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.21. Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are measured at the lower of carrying amount at designation and fair value less costs to sell.

2.22. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Note No. 3 - Capital Work-in-progress (CWIP)

(Amount in Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Project work in progress	41,218.36	41,218.36
Capital Work in Progress	25,962.58	356.58
Total	67,180.94	41,574.94

Ageing of CWIP as at 31 March 2024

(Amount in Thousand)

Particulars	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	–	41,218.36	–	–	41,218.36
Capital Work in Progress	25,606.00	356.58	–	–	25,962.58

Note: The project has been delayed due to land acquisition related matters.

Ageing of CWIP as at 31 March 2023

(Amount in Thousand)

Particulars	Amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	41,218.36	–	–	–	41,218.36
Capital Work in Progress	356.58	–	–	–	356.58

Note No. 4 - Other Financial Asset

(Amount in Rs. Thousand)

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current		
Advances to Suppliers	**10,010.00**	5,010.00
Security Deposit	**31,356.70**	–
Total Other Non Current Financial Asset	**41,366.70**	5,010.00
Current	**–**	–
Total Other Current Financial Assets	**–**	–
Total Other Financial Assets	**41,366.70**	**5,010.00**

Note No. 5 - Cash and Cash Equivalents

(Amount in Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in Current Account	**103.20**	64,508.40
Total	**103.20**	64,508.40

Note No. 6 - Other Assets

(Amount in Rs. Thousand)

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current	**–**	–
Total Other Non Current Assets	**–**	–
Current		
Prepaid Expenses	**7.81**	–
Balances with Government Authorities	**25.07**	–
Total Other Current Assets	**32.88**	–
Total	**32.88**	–

Note No. 7 - Equity Share Capital

(Amount in Rs. Thousand)

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**20,000,000**	**200,000**	20,000,000	200,000
Issued Capital:				
Equity shares of Rs. 10 each with voting rights	**14,980,000**	**149,800**	14,980,000	149,800
Subscribed and fully paid:				
Equity shares of Rs. 10 each with voting rights	**9,980,000**	**99,800**	9,980,000	99,800
Total	**9,980,000**	**99,800**	9,980,000	99,800

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(Amount in Rs. Thousand)

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount
Equity shares of Rs. 10 each with voting rights	**9,980,000**	**99,800.00**	–	–
Equity shares of Rs. 10 each with voting rights	**–**	**–**	9,980,000	99,800.00
At the end of year	**9,980,000**	**99,800.00**	9,980,000	99,800.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2024			As at March 31, 2023	
Class of shares / Name of shareholder	**Number of shares held**	**% holding in that class of shares**	**Amount**	% holding in that class of shares	Amount
Equity shares with voting rights					
Mahindra Solarize Private Limited - Holding Company	7,385,200	74%	73,852.00	74%	73,852.00
Mahindra and Mahindra Limited - Ultimate Holding Company	2,594,800	26%	25,948.00	26%	25,948.00

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	**Number of Shares As at 31 March 2024**	Number of Shares As at 31 March 2023
Mahindra and Mahindra Limited	2,594,800	2,594,800
Mahindra Solarize Private Limited	7,385,200	7,385,200

(v) Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	**No. of Shares**	**%of total shares**
Mahindra and Mahindra Limited	2,594,800	26%
Mahindra Solarize Private Limited	7,385,200	74%

Shares held by promoters as at 31 March 2023

Promoter name	**No. of Shares**	**%of total shares**
Mahindra and Mahindra Limited	2,594,800	26%
Mahindra Solarize Private Limited	7,385,200	74%

Note No. 8 - Other Equity

(Amount in Rs. Thousand)

Particulars	**As at 31 March 2024**	As at 31 March 2023
Retained Earnings		
Beginning of the year	**(2,131.21)**	–
Add: Loss for the year	**(381.57)**	(2,131.21)
Add: Other Comprehensive Income	**–**	–
Closing Balance	**(2,512.78)**	(2,131.21)
Balance at the end of the reporting year (A+B)	**(2,512.78)**	(2,131.21)

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Other Comprehensive Income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Note No. 9 - Trade Payables

(Amount in Rs. Thousand)

Particulars	**As at 31 March 2024**	As at 31 March 2023
Total outstanding dues to Micro & small enterprises	**–**	–
Total outstanding dues to creditors other than Micro & small enterprises	**31.50**	15.00
Total Trade Payables	**31.50**	15.00

Trade Payable Ageing Scheduleas at 31 March 2024

(Amount in Rs. Thousand)

Particulars	**Outstanding for following periods from date of transaction**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues					
- MSME	**–**	**–**	**–**	**–**	**–**
- Others	**31.50**	**–**	**–**	**–**	**31.50**
Disputed dues					
- MSME	**–**	**–**	**–**	**–**	**–**
- Others	**–**	**–**	**–**	**–**	**–**
Total	**31.50**	**–**	**–**	**–**	**31.50**

Trade Payable Ageing Scheduleas at 31 March 2023

(Amount in Rs. Thousand)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues					
- MSME	–	–	–	–	–
- Others	15.00	–	–	–	15.00
Disputed dues					
- MSME	–	–	–	–	–
- Others	–	–	–	–	–
Total	**15.00**	**–**	**–**	**–**	**15.00**

Note No. 10 - Other Current Liabilities

(Amount in Rs. Thousand)

Particulars	**As at 31 March 2024**	As at 31 March 2023
Creditor for Capital Goods*	**5,400.00**	12,685.15
Other Payable to Related Parties	**5,965.00**	–
Total	**11,365.00**	12,685.15

*payable to related parties

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 11- Other Current Liabilities

(Amount in Rs. Thousand)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory Dues	–	724.40
Total	**–**	724.40

Note No. 12 - Other Expenses

Amount in thousands

Particulars	For the year ended 31 March 2024	For the period from 29 August 2022 to 31 March 2023
Auditors remuneration (Note 12.1)	**35.00**	15.00
Legal and Professional Fees	**325.33**	43.73
Subscription Charges	**5.90**	1.48
Stamp Duty charges (for share capital)	**8.13**	2,058.02
Rent	**7.19**	12.98
Bank Charges	**0.02**	–
Total	**381.57**	2,131.21

Note No. 12.1 - Auditors remuneration

Amount in thousands

Particulars	For the year ended 31 March 2024	For the period from 29 August 2022 to 31 March 2023
Audit Fees	**25.00**	15.00
Fees for Taxation matters	**10.00**	–
Total	**35.00**	15.00

Note No. 13 - Disclosures under Ind AS 33

(Amount in Rs. Thousand)

Particulars	For the year ended 31 March 2024	For the period from 29 August 2022 to 31 March 2023
For the purpose of calculation of basic and diluted earning per share the following amount are considerd		
Profit / (loss) attributable to equity share holder (Rs in Thousand)	**(381.57)**	(2,131.21)
Total	**(381.57)**	(2,131.21)
a] Weighted average no of equty share outstanding during the year		
- For basic earning per share	**9,980,000**	54,076
- For diluted per share	**9,980,000**	54,076
b] Earning per share		
- Basic earning per share [in Rs.]	**(0.04)**	(39.41)
- Diluted per share [in Rs.]	**(0.04)**	(39.41)
- Face value per share [in Rs.]	**10.00**	10.00
c] Earning per share		
No of sharess used for calculating basic earning per share	**9,980,000**	54,076
Add : Potential equity shares	**–**	–
No of sharess used for calculating diluted earning per share	**9,980,000**	54,076

Note No. 14 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Solarize Private Limited

Details of transaction between the Company and its related parties are disclosed below:

(Amount in Rs. Thousand)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Solarize Private Limited	Total
Liabilities				
Eqity Share Capital	31/Mar/24	25,948.00	73,852.00	99,800.00
Creditor for Capital Goods	31/Mar/24	–	5,400.00	5,400.00
Reimbursement Payable	31/Mar/24	–	5,965.00	5,965.00
Eqity Share Capital	31/Mar/23	25,948.00	73,852.00	99,800.00
Creditor for Capital Goods	31/Mar/23	–	12,685.15	12,685.15
Transactions during the year				
Capital work in progress	31/Mar/24	–	5,900.00	5,900.00
Reimbursement of Expenditure	31/Mar/24	138.00	5,965.00	6,103.00
Eqity Share Capital	31/Mar/23	25,948.00	73,852.00	99,800.00
Project work in progress	31/Mar/23	–	36,220.00	36,220.00
Reimbursement of Expenditure	31/Mar/23	–	7,191.19	7,191.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 15 - Fair Value Measurement

Fair Value of Financial assets and financial liabilities.

Amount in thousands

Particulars	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Cash and cash equivalents	**103.20**	**103.20**	**64,508.40**	64,508.40
Other Financial Assets	**41,366.70**	**41,366.70**	**5,010.00**	5,010.00
Total	**41,469.90**	**41,469.90**	**69,518.40**	69,518.40
Financial assets				
Financial assets carried at Amortised Cost				
Cash and cash equivalents	**31.50**	**31.50**	**15.00**	15.00
Other Financial Assets	**11,365.00**	**11,365.00**	**12,685.15**	12,685.15
Total	**11,396.50**	**11,396.50**	**12,700.15**	12,700.15

Note No. 16 - Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values :

I) Fair value of cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments

II) The fair values of trade receivables and current loans are calculated based on expected credit loss method and discounted cash flow using a current lending rate respectively. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current loan are approximate at their carrying amount due to interest bearing features of these instruments

III) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

IV) Fair values of quoted financial instruments are derived from quoted market prices in active markets.

V) The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach

VI) The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted prices / published NAV [unadjusted] in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value [NAV] is published by mutual fund operators at the balance sheet date.

Level 2: Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly [that is, as prices] or indirectly [that is, derived from prices]. It includes fair value of the financial instruments that are not traded in an active market [for example, over-the-counter derivatives] is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data [that is, unobservable inputs]. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other financial liabilities are shown at amortised cost. The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 [Quoted prices in active markets], Level 2 [Significant observable inputs] and Level 3 [Significant unobservable inputs] as described below:

March 31, 2024 **(Amount in thousands)**

Particulars	**Level-1**	**Level-2**	**Level-3**
Financial Assets designated at amortised cost:			
Other Financial Assets	–	–	41,366.70
Financial Liabilities designated at amortised cost:			
Other Financial Liabilities	–	–	11,365.00

March 31, 2023 **(Amount in thousands)**

Particulars	**Level-1**	**Level-2**	**Level-3**
Financial Assets designated at amortised cost:			
Other Financial Assets	–	–	5,010.00
Financial Liabilities designated at amortised cost:			
Other Financial Liabilities	–	–	12,685.15

There were no transfers between level 1 and level 2 during the year

Financial Risk Management - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties [e.g. Audit committee, Board etc.].

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. The sensitivity analysis is given relating to the position as at March 31, 2024 and March 31, 2023. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2024 and March 31, 2023.

Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions. There are no foreign currency receivables and payables outstanding as on 31 March 2024 and 31 March 2023.

Interest rate risk and sensitivity:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Commodity price risk:

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company has entered into contracts for procurement of material. However the Company is not exposed to significant risk.

Equity price risk:

The Company has decided to fair value its equity instruments through Other Comprehensive Income and carry investment in jointly controlled entities at Cost. Therefore neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on operating cash flows and short term borrowings in the form of Working Capital Loan & Export Packing Credit to meet its needs for funds. Company does not breach any covenants [where applicable] on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note No. 17 - Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital [equity plus net debt]. Net debt are noncurrent and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

Particulars	**As at 31st March 2024**	As at 31st March 2023
Total Debt	**–**	–
Cash and Cash Equivalent	**103.20**	64,508.40
Net Debt	**–**	–
Total Equity [Equity Share Capital plus Other Equity]	**97,287.22**	97,668.79
Total Capital [Total Equity plus net debt]	**97,287.22**	97,668.79
Gearing ratio	**–**	–

Note No. 19- Sundry Creditors, Other Liabilities and Provisions

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

Particulars	31 March 2024	31 March 2023
i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	**–**	–
ii) Interest on a) (i) above	**–**	–
i) Amount of Principal paid beyond the appointed Date	**–**	–
ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	**–**	–
Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	**–**	–
Amount of Interest accrued and due	**–**	–
Amount of further interest remaining due and payable Even in succeeding years	**–**	–

Note 18 - Segment Reporting

The Company has only one Operating Segment as per IND-AS 108 "Operating Segment" i.e. Generation of Electricity. Hence, information in accordance with the Ind AS issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

Note 20- Additional Regulatory Information required under Schedule III

i) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

iii) All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2024 and March 31, 2023. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period.

iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

v) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2024 and March 31, 2023.

vi) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2024 and March 31, 2023.

vii) The Company does not have any transaction with srtuck off companies

viii) The Company has not given any Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or
(b) without specifying any terms or period of repayment”

ix) The company has not reported any fraud during the year/ period ended March 31 2024 and March 31 2023 .

x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xi) The Provision of Section 135 of the Companies Act, 2013 are not applicable to the Company as on reporting date.

Note No. 21- Disclosure of Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2021	Variance	Reason for variance if grater than 25%
Current ratio	Total current assets	Total current liabilities	**0.01**	4.81	-99%	Due to utilisation of funds for the project
Debt equity ratio	Total Debts	Total Equity	**–**	–	NA	
Debt Service coverage ratio	"Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments"	Debt Service= Interest +principal payments	**–**	–	NA	
Return on equity ratio	Profit for the year less preference dividend	Average total equity	**-0.00**	-0.02	-100%	Projectis under process due to which no other business activity
Inventory turnover ratio	Cost of goods sold	Average value of inventory	**–**	–	NA	
Trade receivable turnover ratio	Revenue from operation	average trade receivables	**–**	–	NA	
Trade payable turnover ratio	Total Net Purchases	average trade payables	**–**	–	NA	
Net capital turnover ratio	Revenue from operation	Average working capital (i.e. Total current assets less Total current liabilities)	**–**	–	NA	
Net profit ratio	Profit for the year	Revenue from operation	**–**	–	NA	
Return on capital employed	Profit before tax and finance cost	Capital Employed =Net worth	**-0.00**	-0.02	-100%	Projectis under process due to which no other business activity
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	**–**	–	NA	

Note 22: The figures for previous year have been regrouped, reclassified and rearranged wherever necessary to make them comparable with that of current year’s figures.

Signature to Notes to Accounts

As per our Report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

For and on behalf of the Board of Directors of
Resurgence Solarize Urja Private Limited

(S. M. Chitale)
Partner
Membership No. 111383

Mr. Sanjay Jain
Director
DIN: 10222146

Mr. Ashutosh Vidwans
Director
DIN: 00699851

Place: Mumbai
Date: April 15, 2024

Place: Mumbai
Date: April 15, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA AGRI SOLUTIONS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Mahindra Agri Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

MANAGEMENT'S AND BOARD OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
    c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
    f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 42 to the financial statements.
    b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

       (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 44 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN: 24137783BKIQIL1467

Place: Mumbai
Date: 19 April 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Agri Solutions Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other companies as below:

Particulars	Loans (Rs. in Lakhs)
Aggregate amount during the year	
– Joint ventures*	1,800
Balance outstanding as at balance sheet date	
– Joint ventures*	Nil

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in Lakhs)	Amount paid under dispute (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales and Value Added Tax	Value Added Tax	16.76	2.74	2016-17	Joint Commissioner Commercial Taxes, Kolkata South Circle
Gujarat Sales and Value Added Tax	Value Added Tax	19.76	3.95	2016-17, 2017-18	Assistant Commissioner of Stale Tax, Unit-13. Ahmedabad
Gujarat Sales and Value Added Tax	Central Sales Tax	56.15	11.23	2016-17 2017-18	Assistant Commissioner of Stale Tax, Unit-13. Ahmedabad
Madhya Pradesh Commercial Tax	Value Added Tax	10.93	2.75	2017-18	Madhya Pradesh Commercial Tax Appellate Board
Madhya Pradesh Commercial Tax	Central Sales Tax	5.54	1.4	2017-18	Madhya Pradesh Commercial Tax Appellate Board
The Finance Act, 1994	Service Tax	5.85	1.02	2015-16, 2016-17, 2017-18	Customs, Excise & Service tax Appellate Tribunal
Bihar Sales and Value Added Tax	Value Added Tax	15	15	2016-17	Office of Additional Commissioner of Sales tax (Appeal) Central Division, Patna
Uttar Pradesh Sales and Value Added Tax	Value Added Tax	55	55	2016-17, 2017-18	Deputy Commissioner (Assmt), Commercial Tax Dept, Lucknow, UP
Punjab Sales and Value Added Tax	Central Sales Tax	16.69	4.17	2016-17	Deputy Excise and Taxation Commissioner (Appeals), Mohali
GST Act, 2017	Goods and Service Tax	32.25	1.58	2017-18	Appellate Authority, Chattisgarh
GST Act, 2017	Goods and Service Tax	20.44	0.92	2017-18	Appellate Authority, Uttar Pradesh
GST Act, 2017	Goods and Service Tax	7.45	0.34	2017-18	Appellate Authority, Punjab

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures (as defined under the Act) as per details below:

Nature of fund taken	Name of lender	Amount involved (Rs. in Lakhs)	Name of the relevant subsidiary, joint venture, associate	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Long term funding	Mahindra and Mahindra Limited	1,800	Mahindra Summit Agriscience Limited	Joint Venture	To meet obligation of Joint Venture	

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs. 162.85 lakhs in the current financial year and Rs. 810.47 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN: 24137783BKIQIL1467

Place: Mumbai
Date: 19 April 2024

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Agri Solutions Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Agri Solutions Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN: 24137783BKIQIL1467

Place: Mumbai
Date: 19 April 2024

BALANCE SHEET AS AT 31 MARCH 2024

(Currency : Indian rupees in lakhs)

	Note No.	As at 31 March 2024	As at 31 March 2023
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	4	**3,199.02**	3,041.76
(b) Other intangible assets	5A	**174.69**	172.04
(c) Intangible assets under development	5B	**432.59**	351.74
(d) Financial assets			
(i) Investments	6	**3,916.92**	3,444.59
(ii) Other financial assets	7	**54.69**	546.69
(e) Deferred tax assets (net)	8	**–**	–
(f) Other tax assets (net)	9	**2.16**	2.57
(g) Other non-current assets	10	**7.58**	5.08
TOTAL NON-CURRENT ASSETS		**7,787.65**	7,564.47
CURRENT ASSETS			
(a) Inventories	11	**4,516.76**	5,658.43
(b) Financial assets			
(i) Trade receivables	12	**6,390.63**	7,345.61
(ii) Cash and cash equivalents	13	**66.33**	8.66
(iii) Bank balances other than cash and cash equivalents	14	**550.26**	93.35
(iv) Other financial assets	7	**721.64**	590.02
(c) Other current assets	10	**2,929.49**	1,266.59
		15,175.11	14,962.66
TOTAL CURRENT ASSETS		**15,175.11**	14,962.66
TOTAL ASSETS		**22,962.76**	22,527.13
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	15	**11,205.34**	9,417.31
(b) Other equity	16	**(11,308.17)**	(11,464.90)
TOTAL EQUITY		**(102.82)**	(2,047.59)
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	17A	**5,625.78**	7,639.38
(ii) Lease liabilities		**421.55**	74.08
(b) Provisions	18	**289.82**	287.22
TOTAL NON-CURRENT LIABILITIES		**6,337.15**	8,000.68
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	17B	**4,259.96**	4,468.68
(ii) Lease liabilities		**105.64**	15.56
(iii) Trade payables	19		
a.) Total outstanding dues of micro enterprises and small enterprises and		**603.44**	484.41
b.) Total outstanding dues of creditors other than micro enterprises and small enterprises		**7,785.92**	8,120.19
(iv) Other financial liabilities	20	**291.83**	287.08
(b) Other current liabilities	21	**2,860.72**	2,415.99
(c) Provisions	18	**820.92**	782.13
TOTAL CURRENT LIABILITIES		**16,728.43**	16,574.05
TOTAL EQUITY AND LIABILITIES		**22,962.76**	22,527.13

The accompanying notes 1 to 44 forms integral part of the financial statements

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
Date: 19 April 2024

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
19 April 2024

Ramesh Ramachandran
Managing Director and Chief Executive Officer
DIN: 09562621
Mumbai
19 April 2024

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 19 April 2024

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Mumbai
Date: 19 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

		Note No.	Year ended 31 March 2024	Year ended 31 March 2023
I	**Income**			
	Revenue from operations	22	**26,924.64**	25,338.83
	Other income	23	**96.66**	560.90
	Total Income (I)		**27,021.30**	25,899.73
II	**Expenses**			
	Purchases of stock-in-trade		**14,317.33**	13,679.62
	Changes in inventories of stock-in-trade and packing material	24	**1,187.78**	1,756.25
	Employee benefits expense	25	**2,849.21**	2,343.83
	Finance costs	26	**957.09**	893.96
	Depreciation and amortisation expense	27	**458.55**	424.52
	Other expenses	28	**7,968.18**	8,036.55
	Total Expenses (II)		**27,738.14**	27,134.73
III	**Loss before exceptional item and tax for the year (I-II)**		**(716.84)**	(1,235.00)
	Exceptional item	41		
	Impairment of certain investments		**(1,320.00)**	(5,872.00)
IV	**Tax expense**			
	Current tax	29	–	–
	Deferred tax	8	**–**	–
	Total tax expense		**–**	–
V	**Loss for the year**		**(2,036.84)**	(7,107.00)
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the employee defined benefit plans	30	**11.10**	30.90
	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	33	**10.81**	1.73
	Income tax relating to items that will not be reclassified to profit or loss	29	**–**	–
	Total other comprehensive income (net of taxes)		**21.91**	32.63
VII	**Total comprehensive loss for the year (V-VI)**		**(2,014.94)**	(7,074.38)
	Loss per equity share: (Face value of Rs. 10 each)			
	Basic and Diluted (in Rs.)	31	**(2.16)**	(7.55)

The accompanying notes 1 to 44 forms integral part of the financial statements

In terms of our report attached.

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Mumbai
Date: 19 April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Loss before tax for the year	**(2,036.84)**	(7,107.00)
Adjustments for:		
Finance costs	**957.09**	893.96
Interest income	**(25.85)**	(5.19)
Provision for doubtful debts	**95.45**	–
Impairment of certain investments	**1,320.00**	5,872.00
Depreciation and amortisation expense	**458.55**	424.52
Net foreign exchange losses / (gain)	**40.71**	–
Liabilities no longer required written back	**(34.53)**	–
Expenses recognised in respect of ESOP	**8.13**	21.57
Net proceeds on account of dissolution - Subsidiary Company	**(22.37)**	–
Dividend income	**–**	(516.27)
Gain on disposal of Property, plant and equipment (net)	**(11.94)**	(14.73)
	748.40	(431.15)
Movements in working capital:		
(Increase) / decrease in trade and other receivables	**859.53**	(1,662.13)
Decrease in inventories	**1,141.67**	1,756.26
(Increase) / decrease in other assets	**(1,756.72)**	384.00
Increase in trade and other payables	**315.41**	196.51
	559.89	674.63
Cash generated from operations	**1,308.29**	243.49
Income taxes refund	**0.41**	21.93
Net cash generated from operating activities	**1,308.70**	265.42
Cash flows from investing activities		
Interest received	**24.10**	8.39
Payment to acquire non-current investments - Joint Venture	**(1,800.00)**	–
Banks deposits placed during the year	**–**	(7.88)
Net proceeds on account of dissolution - Subsidiary Company	**30.04**	–
Dividend received from Subsidiary Company	**–**	516.27
Proceeds from sale of property, plant and equipment	**87.33**	50.55
Payments for purchase of property, plant and equipment	**(319.50)**	(331.36)
Net cash generated (used in) / from investing activities	**(1,978.03)**	235.98
Cash flows from financing activities		
Repayments of long-term borrowings	**(280.00)**	(280.00)
Proceeds from short-term borrowings	**17,700.00**	10,400.00
Repayments of short-term borrowings	**(21,292.61)**	(9,861.95)
Repayment of intercorporate deposit	**(3,400.00)**	(2,000.00)
Proceeds from issues of equity share	**3,951.56**	–
Proceeds from long-term intercorporate deposit	**1,800.00**	1,900.00
Proceeds from Short-term intercorporate deposit	**3,000.00**	–
Payments for principal portion of lease liability	**(36.05)**	(5.29)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONT...)

(Currency : Indian rupees in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Payments for interest portion of lease liability	**(32.62)**	(3.69)
Interest paid	**(683.28)**	(658.30)
Net cash flow generated from / (used in) financing activities	**727.00**	(509.23)
Net decrease in cash and cash equivalents	**57.67**	(7.84)
Cash and cash equivalents at the beginning of the year	**8.66**	16.50
Cash and cash equivalents at the end of the year (refer note 13)	**66.33**	8.66

Notes :

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

2 The Company has a lien on its fixed deposits aggregating Rs. 131.67 lakhs (31 March 2023: Rs. 122.35 lakhs) against the bank guarantees / performance guarantees issued by the Company in favour of various customers

3 **Components of cash and cash equivalents**

	As at 31 March 2024	As at 31 March 2023
Balance with banks		
- In current accounts	**66.33**	8.66
	66.33	8.66

4 IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

The movement of borrowings as per Ind AS 7 is as follows:

	31 March 2024	31 March 2023
Opening balances		
Long-term borrowings	**7,639.38**	6,681.57
Short-term borrowings	**4,468.68**	4,800.00
Movements		
Long-term borrowings	**(2,013.59)**	957.81
Short-term borrowings	**(208.72)**	(331.32)
Closing balances		
Long-term borrowings	**5,625.78**	7,639.38
Short-term borrowings	**4,259.96**	4,468.68

The accompanying notes 1 to 44 forms integral part of the financial statements

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Sushma Jaglan
Partner
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Mumbai
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Meghnad Mitra
Chief Financial Officer
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Mumbai
Date: 19 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

(a) Equity share capital

For the year ended 31 March 2024

Particulars	No. of shares	Amount
At 1 April 2023	94,173,080	9,417.31
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2023	94,173,080	9,417.31
Issue of share capital	17,880,350	1,788.04
At 31 March 2024	**112,053,430**	**11,205.34**

For the year ended 31 March 2023

Particulars	No. of shares	Amount
At 1 April 2022	94,173,080	9,417.31
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2022	94,173,080	9,417.31
Issue of share capital	–	–
At 31 March 2023	**94,173,080**	**9,417.31**

(b) Other equity

	Reserves and Surplus					Other comprehensive income	
Particulars	**Equity component of Optionally convertible redeemable preference shares**	**Securities premium**	**Capital reserve for bargain purchase business combination**	**Employee stock option outstanding**	**Retained earnings**	**Effective portion of cash flow hedges**	**Total other equity**
As at 31 March 2022	**2,134.45**	**27,387.49**	**(9,100.45)**	**823.21**	**(25,659.27)**	**2.47**	**(4,412.10)**
Loss for the year	–	–	–	–	(7,107.00)	–	(7,107.00)
Other comprehensive income/(loss)	–	–	–	–	30.90	1.73	32.63
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(7,076.10)**	**1.73**	**(7,074.37)**
Share issue (ESOP to employees)	–	–	–	21.57	–	–	21.57
As at 31 March 2023	**2,134.45**	**27,387.49**	**(9,100.45)**	**844.78**	**(32,735.37)**	**4.20**	**(11,464.90)**
Loss for the year	–	–	–	–	(2,036.84)	–	(2,036.84)
Other comprehensive income/(loss)	–	–	–	–	11.10	10.81	21.91
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(2,025.74)**	**10.81**	**(2,014.93)**
Security premium on right issue and preferential allotments	–	2,163.52	–	–	–	–	2,163.52
6% Optionally Convertible Redeemable Preference issue	–	–	–	–	–	–	–
Share issue (ESOP to employees)	–	–	–	8.13	–	–	8.13
As at 31 March 2024	**2,134.45**	**29,551.02**	**(9,100.45)**	**852.91**	**(34,761.11)**	**15.01**	**(11,308.17)**

Refer note 16 for nature and purpose

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

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Partner
Membership No: 137783

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Date: 19 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

1. Corporate information

Mahindra Agri Solutions Limited (Formerly Known as Mahindra Shubhlabh Services Limited) ("the Company") a Public Limited Company domiciled in India and incorporated on 11 April 2000 under the provisions of the Companies Act, 1956 (CIN : U01400MH2000PLC125781).

The Company is engaged in the business of Agri inputs products and Food businesses. Grapes, Banana Cultivation, Seeds, Dairy and Banana Export etc. businesses are in operations during the year.

The Company is the subsidiary of Mahindra and Mahindra Limited.

The financial statements for the year ended 31 March 2024 were approved by the Board of Directors and authorised for issue on 19 April 2024.

2. Statement of compliance and basis of preparation and presentation

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Going concern

During the year ended 31 March 2024, the Company has incurred loss after tax of Rs. 2,036.84 lakhs (31 March 2023 : Rs. 7,107.00 lakhs), which includes impairment of investment in Mahindra Summit Agriscience Limited of Rs. 1,320.00 lakhs (31 March 2013 : Rs. 5,872.00 lakhs) as exceptional item and as at 31 March 2024, the Company's current liabilities exceed current assets by Rs. 1,553.31 lakhs (31 March 2023: Rs. 1,611.39 lakhs). The Company has positive net worth of Rs. 8,997.63 lakhs as at 31 March 2024, excluding Goodwill arising on acquisition of Agri businesses from Holding Company of Rs. 9,100.45 lakhs) (31 March 2023 : positive net worth of Rs. 7,052.86 lakhs, excluding Goodwill arising on acquisition of Agri businesses from Holding Company of Rs. 9,100.45 lakhs).

The financial statements for the year ended 31 March 2024 are prepared on a going concern basis, the validity of which is premised on the continued availability of credit facilities from banks to the Company for the foreseeable future to meet its working capital requirements, in addition to the funds expected to be generated from the operating activities, to be achieved by bringing operational efficiencies and increase in sales volumes in the coming years The Company has received equity of Rs. 3,951.56 lakhs and borrowings of Rs. 4,800.00 lakhs as at 31 March 2024 from the Holding Company. Further, the Company has sanctioned limit for additional investment / financial assistance up to Rs. 4,000.00 lakhs by way of debt / equity infusion which will be decided by the Holding Company.

Based on aforesaid assessment, Management believes that as per the best estimates, the Company will continue as a going concern for a foreseeable future and will be able to discharge its liabilities and realise the carrying amount of its assets.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rs. lakhs, unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.5 Measurement of fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant the fair value measurement is unobservable

2.6 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

(Currency : Indian rupees in lakhs)

ii. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3.5, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

Impairment of investments

The Company assesses impairment of investments in subsidiaries and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the Statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

2.7 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. Material accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The accounting policies for specific revenues streams of the Company is summarised below:

Sale of goods:

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the control of promised products to customers;
- the Company has identified the contract with customer and performance obligation in the contract.
- the transaction price can be measured reliably;
- it is expected that the consideration associated with the transaction will flow to the Company; and revenue is recognised when the company satisfy the performance obligation

(Currency : Indian rupees in lakhs)

Export benefits and Incentive from state government

Export benefits and Incentive from state government for sale of goods are accounted for in the year of export based on eligibility and such other criteria specified and accrual basis, when there is a reasonable assurance that the same will be received and all attached conditions will be complied with.

3.2 Recognition of Interest income and Dividend Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income is recognised in profit and loss on the date on which the Company's right to receive payment is established.

3.3 Employee benefits

The Company's contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident fund

Contributions to Provident Fund are made to a Trust administered by the Company/Regional Provident Fund Commissioners and are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Post-employment benefit plans

Defined Contribution plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates a defined benefit plan – gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

Employee stock option scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

3.4 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(Currency : Indian rupees in lakhs)

3.5 Property, plant and equipment

Property, plant and equipment (other than bearer plant) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Bearer Plant cost includes cost of plant and land preparation upto the planting. Bearer plant are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment:

(a) Certain items of Plant and Equipment – 1 to 15 years

(b) Buildings (Roads) – 15 years

(c) Vehicles – 5 years

(d) Bearer Plant – 3 Years

3.6 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 years, 10 years
Non-compete fees	5 years
Trademarks	10 years
Technical knowhow	10 years

3.7 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3.8 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges.

Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

3.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(Currency : Indian rupees in lakhs)

3.10 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments.

All other investments are classified as long-term investments.

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

3.11 Government grants

Government grants related to property, plant and equipment's are recognised and presented by deducting the grant from the carrying amount of the assets at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

3.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

(Currency : Indian rupees in lakhs)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts to manage its exposure to foreign exchange. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.13 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments).

3.14 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, cost of hardware and software bought for reselling, communication costs and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight and octroi etc.

Finance costs

The Company's finance costs include:

(i) Interest expense on borrowings and overdrafts

(ii) Interest expense on inter corporate deposits

Interest expense is recognised using effective interest method based on interest rates specified/ implicit in the transactions.

3.15 Earnings per share

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year.

Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares except where the results would be anti-dilutive.

3.16 Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.17 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

(Currency : Indian rupees in lakhs)

3.19 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

3.20 Leases

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of- use asset reflects that the Company will exercise a purchase option. In that case the right-of- use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3.21 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and CEO of the Company.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.22 Accounting of Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.23 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.24 "Recent pronouncements"

Ministy of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024 MCA has not notified any standards or amendments to the existing standards applicability to the Company.

(Currency : Indian rupees in lakhs)

4. Property, plant and equipment and Capital work in-progress

Carrying Amount of:	As at 31 March 2024	As at 31 March 2023
Freehold land	**501.46**	501.46
Building	**1,280.03**	1,335.30
Plant and equipment	**524.89**	577.91
Computer equipment	**45.40**	35.75
Office equipment	**13.15**	21.58
Furniture and fixtures	**95.89**	116.43
Vehicles	**183.93**	303.46
Bearer plant	**53.81**	62.99
Right to use of assets- Vehicle	**432.88**	–
Right to use of assets- Building	**67.57**	86.88
Total	**3,199.02**	3,041.76

Description of assets	Freehold land	Buildings	Plant and equipment	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Bearer plant	Right to use of Assets- Vehicle	Right to use of Assets- Building	Total
I. Cost											
(a) Balance as at 1 April 2022	**501.46**	**1,602.47**	**977.68**	**162.68**	**55.82**	**229.32**	**732.33**	**96.63**	**–**	**–**	**4,358.39**
Additions	–	–	29.12	9.15	21.87	6.84	63.93	–	–	94.93	225.84
Disposals	–	–	–	(0.43)	–	–	(93.88)	–	–	–	(94.31)
(b) Balance as at 31 March 2023	**501.46**	**1,602.47**	**1,006.78**	**171.40**	**77.70**	**236.16**	**702.38**	**96.63**	**–**	**94.93**	**4,489.91**
Additions	–	–	13.32	47.04	2.15	1.03	–		475.35	–	538.89
Disposals	–	–	(7.92)	(60.12)	(9.00)	(4.13)	(150.16)	–	–	–	(231.33)
(c) Balance as at 31 March 2024	**501.46**	**1,602.47**	**1,012.19**	**158.32**	**70.84**	**233.06**	**552.21**	**96.63**	**475.35**	**94.93**	**4,797.48**
II. Accumulated depreciation and impairment											
(d) Balance as at 1 April 2022	**–**	**211.90**	**359.83**	**110.71**	**46.24**	**99.19**	**352.90**	**24.46**	**–**	**–**	**1,205.23**
Depreciation expense for the year	–	55.27	69.06	25.35	9.87	20.54	104.10	9.18	–	8.05	301.42
Disposals	–	–	–	(0.41)	–	–	(58.08)	–	–	–	(58.49)
(e) Balance as at 31 March 2023	**–**	**267.17**	**428.89**	**135.64**	**56.11**	**119.73**	**398.92**	**33.64**	**–**	**8.05**	**1,448.16**
Depreciation expense for the year	–	55.27	65.52	34.08	9.50	20.61	96.31	9.18	42.47	19.31	352.25
Disposals	–	–	(7.10)	(56.81)	(7.92)	(3.18)	(126.94)	–	–	–	(201.95)
(f) Balance as at 31 March 2024	**–**	**322.44**	**487.31**	**112.92**	**57.69**	**137.17**	**368.29**	**42.82**	**42.47**	**27.36**	**1,598.46**
III. Net carrying amount 31 March 2024 (c)-(f)	**501.46**	**1,280.03**	**524.89**	**45.40**	**13.15**	**95.89**	**183.93**	**53.81**	**432.88**	**67.57**	**3,199.02**
IV. Net carrying amount 31 March 2023 (b)-(e)	**501.46**	**1,335.30**	**577.91**	**35.75**	**21.58**	**116.43**	**303.46**	**62.99**	**–**	**86.88**	**3,041.76**

5A. Other intangible assets

Carrying amount of:-	As at 31 March 2024	As at 31 March 2023
Computer software	**27.33**	38.84
Non compete fees	**–**	–
Intangible development	**107.38**	53.19
Trademarks	**1.46**	8.59
Technical knowhow	**38.52**	71.42
Total	**174.69**	172.04

(Currency : Indian rupees in lakhs)

Description of assets			Computer software	Non compete fees	Intangible development	Trademarks	Technical knowhow	Total
Intangible Assets								
I.	**Cost**							
	(a)	**Balance as at 1 April 2022**	**90.13**	**32.00**	**319.27**	**70.87**	**326.88**	**870.34**
		Additions through internal development	5.66	–	50.04	–	–	55.69
		Deduction / Adjustments during the year	–	–	–	–	–	–
	(b)	**Balance as at 31 March 2023**	**95.80**	**32.00**	**369.31**	**70.87**	**326.88**	**894.85**
		Additions through internal development	–	–	108.96	–	–	108.96
		Deduction / Adjustments during the year	–	–	–	–	–	–
	(c)	**Balance as at 31 March 2024**	**95.79**	**32.00**	**478.27**	**70.87**	**326.88**	**1,003.81**
II.	**Accumulated amortisation and impairment**							
	(d)	**Balance as at 1 April 2022**	**43.16**	**32.00**	**246.85**	**55.13**	**222.55**	**599.70**
		Amortisation expense for the year	13.79	–	69.27	7.14	32.90	123.10
		Deduction / Adjustments during the year	–	–	–	–	–	–
	(e)	**Balance as at 31 March 2023**	**56.96**	**32.00**	**316.12**	**62.27**	**255.46**	**722.81**
		Amortisation expense for the year	11.51	–	54.77	7.14	32.90	106.32
		Deduction / Adjustments during the year	–	–	–	–	–	–
	(f)	**Balance as at 31 March 2024**	**68.46**	**32.00**	**370.89**	**69.41**	**288.36**	**829.12**
III.	**Net carrying amount 31 March 2024 (c)-(f)**		**27.33**	**–**	**107.38**	**1.46**	**38.52**	**174.69**
IV.	**Net carrying amount 31 March 2023 (b)-(e)**		**38.84**	**–**	**53.19**	**8.59**	**71.42**	**172.04**

5B. Intangible assets under development

Carrying amount of :-	**As at 31 March 2024**	As at 31 March 2023
Intangible assets under development	**351.74**	192.65
Additions through internal development	**238.82**	209.13
Deletions / Adjustments during the year	**(157.97)**	(50.04)
Total	**432.59**	351.74

Intangible assets under development Ageing Schedule

As at 31 March 2024	**Amount in Intangible assets under development for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	231.25	189.44	11.91	–	432.59
Projects temporarily suspended	–	–	–	–	–
Total	**231.25**	**189.44**	**11.91**	**–**	**432.59**

As at 31 March 2023	**Amount in Intangible assets under development for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	210.87	121.39	19.48	–	351.74
Projects temporarily suspended	–	–	–	–	–
Total	**210.87**	**121.39**	**19.48**	**–**	**351.74**

(Currency : Indian rupees in lakhs)

6. Investments

Particulars	Face value Per share (Rs)	As at 31 March 2024 Nos	As at 31 March 2024 Amount Non-current	As at 31 March 2023 Nos	As at 31 March 2023 Amount Non-current
At Cost					
A. In Subsidiary companies					
Equity shares- fully paid (Unquoted)					
Mahindra Fruits Private limited (formerly known as Mahindra Greenyard Private Limited)	10	**12,330,000**	**815.80**	12,330,000	815.80
Mahindra HZPC Private Limited	10	**29,759,125**	**2,975.91**	29,759,125	2,975.91
Mahindra Fresh Fruits Distribution Holding Company Europe BV Euro 10,000 - 10,000 shares @ 1 euro each (refer note i below)		**–**	**–**	10,000	7.67
B. In Joint venture company					
Equity shares- fully paid (Unquoted)					
Mahindra Summit Agriscience Limited	10	**94,866,000**	**9,486.60**	76,866,000	7,686.60
C. Fair value through other comprehensive income - FVTOCI					
Unquoted Investments (fully paid)					
Investments in Equity shares					
Equity shares of Rs. 10 each of Vayugrid Marketplace Services Private Limited	10	**2,121,000**	**58.75**	2,121,000	58.75
D. Fair value through profit and loss - FVTPL					
Unquoted Investments (fully paid)					
Investments in Equity shares					
Equity shares of Rs. 10 each of White Spread Foods Private Limited	10	**680,000**	**68.00**	680,000	68.00
E. Less: Aggregate amount of impairment in value of investments			**(9,488.14)**		(8,168.14)
TOTAL INVESTMENTS (A) + (B) + (C) + (D) - (E)			**3,916.92**		3,444.59
Total impairment loss on value of investments			**9,488.14**		8,168.14

Note :

(i) The Company has filed for dissolution with the Chamber of Commerce, Netherlands for Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V., a wholly owned subsidiary of the Company effective 28 February 2023. Approval from Chamber of Commerce, Netherlands has been received w.e.f 28 February 2023. The net proceeds received in current year has been adjusted against carrying value and the balance is recorded in Profit and Loss statement.

7. Other financial assets

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-current	As at 31 March 2023 Current	As at 31 March 2023 Non-current
Financial assets at amortised cost :				
Security deposits	**46.96**	**19.38**	20.05	57.93
Export incentive receivable	**497.59**	**–**	287.16	–
Interest accrued on bank deposits	**2.30**	**–**	0.54	–
Earmarked bank deposit with maturity more than 12 months *(refer note below)*	**–**	**35.31**	–	488.76
Insurance claim receivable	**3.18**	**–**	121.56	–
Accrual of incentive from State Government	**158.30**	**–**	158.30	–
Derivative financial instruments designated and effective as hedging instruments carried at fair value	**13.31**	**–**	2.41	–
Total	**721.64**	**54.69**	590.02	546.69

There is a lien marked on deposits with bank in favour of HDFC for an amount aggregating Rs. 453.89 lakhs for the year ended 31 March 2023 against credit facilities availed by the Company.

There is a lien marked on deposits with bank in favour of HDFC for an amount aggregating Rs. 35.31 lakhs (31 March, 2023: Rs. 34.87 lakhs) against government authorities.

(Currency : Indian rupees in lakhs)

8. Deferred tax assets

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	**63.95**	68.84
Deferred tax liabilities	**(63.95)**	(68.84)
Deferred tax assets (net)	**–**	–
Deferred tax assets (net) #	**–**	–

31 March 2024

Particulars	Net balance 1 April 2023	Recognised in profit or loss	Recognised in OCI	Net #	Deferred tax asset	Deferred tax liability
Tax effect of items constituting deferred tax assets						
Employee benefits	45.88	(6.72)	–	39.16	39.16	–
Income tax relating to defined benefit plans that will not be reclassified to profit or loss	7.50	–	2.79	10.29	10.29	
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	14.77	–	(2.72)	12.05	12.05	–
ROU Asset	0.69	1.76	–	2.45	2.45	–
Tax effect of items constituting deferred tax liabilities						
Difference between WDV as per books and income tax	(68.84)	4.89	–	(63.95)	–	(63.95)
Deferred tax assets (net)	**(0.00)**	**(0.07)**	**0.07**	**(0.00)**	**63.95**	**(63.95)**

31 March 2023

Particulars	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Net #	Deferred tax asset	Deferred tax liability
Tax effect of items constituting deferred tax assets						
Employee benefits	60.75	(14.87)	–	45.88	45.88	–
Income tax relating to defined benefit plans that will not be reclassified to profit or loss	(0.28)	–	7.77	7.50	7.50	–
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	15.21	–	(0.44)	14.77	14.77	–
ROU Asset	–	0.69	–	0.69	0.69	–
Tax effect of items constituting deferred tax liabilities						
Difference between WDV as per books and income tax	(75.68)	6.84	–	(68.84)	–	(68.84)
Deferred tax assets (net)	(0.00)	(7.34)	7.34	(0.00)	68.84	(68.84)

Amounts on which deferred tax asset has not been created and related expiry period

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

Particulars	As at 31 March 2024	As at 31 March 2023
Unused tax losses (revenue in nature) Expiry period upto five years	**1,148.52**	15,575.10
Unused tax losses (revenue in nature) Expiry period more than five years	**17,053.72**	2,611.73
Unused tax losses (capital in nature) Expiry period upto five years	**370.33**	1,452.48
Unused Depreciation losses (no expiry date)	**1,452.48**	8,610.03
Others (no expiry date)	**8,840.62**	1,166.32
Total	**28,865.67**	29,415.66

(Currency : Indian rupees in lakhs)

The unrecognised tax losses brought forward expire as follows

Financial years	As at 31 March 2024	As at 31 March 2023
2024-2025	**3,449.78**	3,449.78
2025-2026	**5,115.00**	5,145.00
2026-2027	**4,493.87**	4,493.87
2027-2028	**2,486.45**	2,486.45
2028-2029	**1,508.62**	1,508.62
2029-2030	**74.14**	496.34
2030-2031	**296.19**	606.77
Total	**17,424.05**	18,186.83

 # Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

9. Other tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current tax assets		
Tax refund receivables	**–**	–
TDS receivable	**42.39**	42.80
Total	**42.39**	42.80
Current tax liabilities		
Provision for tax	**40.23**	40.23
Total	**40.23**	40.23
Other tax assets (net)	**2.16**	2.57

10. Other current and Non-current assets

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-current	As at 31 March 2023 Current	As at 31 March 2023 Non-current
Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**840.32**	**2.50**	695.75	2.50
(ii) Advances to employees				
Considered good	**43.67**	**–**	23.85	–
(iii) Advances to vendors				
Considered good	**1,690.83**	**5.08**	136.23	2.58
(iv) Prepaid expenses	**65.42**	**–**	129.55	–
(v) Expected returns from customers *(refer note 18)*	**289.25**	**–**	281.22	–
Total	**2,929.49**	**7.58**	1,266.60	5.08

11. Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Stock-in-trade *(refer below note 3)*	**2,585.65**	3,623.69
Stock-in-transit *(Finished goods)*	**908.53**	1,152.51
Packing Materials, stores and spares	**1,022.58**	882.23
Total	**4,516.76**	5,658.43

Notes:

1 The cost of inventories recognised as an expense during the year was Rs. 15,486.23 lakhs (31 March 2023: Rs. 15,435.87 lakhs)

2 The carrying amount of inventories pledged as security for working capital loan from bank is secured by first paripassu charge on inventories (including Stock-in-trade, Packing Materials, stores and spares and Stock-in-transit), book debts and all other current assets (refer note 17B).

3 It includes inter-unit transfer of stock amounting to Rs. 13.59 lakhs (31 March 2023: Rs. 116.36 lakhs).

4 The mode of valuation of inventories has been stated in note 3.8

12. Trade receivables

(a) Particulars	As at 31 March 2024	As at 31 March 2023
Considered good - Secured	**–**	–
Considered good - Unsecured	**6,390.63**	7,345.61
Significant increase in credit risk	**–**	–
Credit impaired	**886.00**	790.55
Less :- Loss allowance for expected credit losses	**(886.00)**	(790.55)
Total	**6,390.63**	7,345.61

(Currency : Indian rupees in lakhs)

Trade receivables Ageing Schedule

As at 31 March 2024	**Outstanding for following periods from due date of payment**						
	Not due	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	**5,938.95**	**302.61**	**149.08**	**–**	**–**	**–**	**6,390.63**
Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**49.81**	**93.06**	**1.32**	**317.39**	**461.58**
Undisputed Trade Receivables – credit impaired	**–**	**–**	**(49.81)**	**(93.06)**	**(1.32)**	**(317.39)**	**(461.58)**
Disputed Trade Receivables – considered good							
Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**424.42**	**424.42**
Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**(424.42)**	**(424.42)**
Total	**5,938.95**	**302.61**	**149.08**	**–**	**–**	**–**	**6,390.63**

As at 31 March 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	6,548.25	729.34	68.02	–	–	–	7,345.61
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	44.21	62.10	15.97	668.27	790.55
Undisputed Trade Receivables – credit impaired	–	–	(44.21)	(62.10)	(15.97)	(668.27)	(790.55)
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	6,548.25	729.34	68.02	–	–	–	7,345.61

Notes:

1 Of the above, trade receivables from:

Particulars	**As at 31 March 2024**	As at 31 March 2023
– Related parties	**110.13**	280.61
– Others	**6,280.50**	7,065.00
	6,390.63	7,345.61

2 The Average credit period on sale of goods is as under :

– Agri Input businesses - Seeds 90 days each

– Food businesses - Grapes Export - As per agreement with Consignment agent / Customers, Grapes Domestic - 15 days;

3 The Company does not normally enforce interest on overdue debts. However, interest on overdue debts is charged on discretionary basis in respect of certain business / parties.

4 The carrying amount of inventories pledged as security for working capital loan from bank is secured by first paripassu charge on inventories (including Stock-in-trade, Packing Materials, stores and spares and Stock-in-transit), book debts and all other current assets (refer note 17B).

5 Movement in the expected credit loss allowance

Particulars	**As at 31 March 2024**	As at 31 March 2023
Balance at the beginning of the year	**790.55**	808.90
Add: provision made during the year	**95.45**	–
Less: balances written off during the year	**–**	(18.35)
Balance at the end of the year	**886.00**	790.55

(Currency : Indian rupees in lakhs)

13. Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and bank balance		
(a) Balances with banks		
In current accounts	**66.33**	8.66
(b) Cash on hand	**–**	–
Total	**66.33**	8.66

14. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Other bank balances		
(a) Earmarked balances with bank:		
Fixed deposits with original maturity less than 3 months	**93.81**	90.93
Fixed deposits with original maturity greater than 3 months but less 12 months	**456.45**	2.42
Total	**550.26**	**93.35**

Note:
There is a lien marked on deposits with bank in favour of HDFC Bank Limited for an amount aggregating Rs. 453.89 lakhs (31 March 2023 : Nil) against credit facilities availed by the Company.

There is a lien marked on deposits with bank in favour of HDFC Bank Limited for an amount aggregating Rs. 2.56 lakhs (31 March 2023: Rs. 2.42 lakhs) against government authorities.

15. Equity share capital

Equity share capital	Amount
As at 31 March 2022	9,417.31
Changes in equity share capital during the year	–
As at 31 March 2023	9,417.31
Changes in equity share capital during the year	1,788.03
As at 31 March 2024	**11,205.34**

Particulars	As at 31 March 2024 No. of shares	As at 31 March 2024 Amount	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount
Authorised share capital:				
Equity shares of Rs. 10 each with voting rights	**149,998,000**	**14,999.80**	95,600,000	9,560.00
6% Optionally Convertible Redeemable Preference Shares of Rs. 46 each	**10,870,000**	**5,000.20**	10,870,000	5,000.20
	160,868,000	**20,000.00**	106,470,000	14,560.20
Issued, subscribed and paid up capital comprises:				
Equity shares of Rs. 10 each with voting rights	**112,053,430**	**11,205.35**	94,173,080	9,417.31
Total	**112,053,430**	**11,205.35**	94,173,080	9,417.31

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Rights issue	Preferential allotment	Closing balance
Equity Shares with Voting rights				
As at 31 March 2024				
No. of Shares	**94,173,080**	**17,880,350**	**–**	**112,053,430**
Amount	**9,417.31**	**1,788.04**	**–**	**11,205.35**
As at 31 March 2023				
No. of Shares	94,173,080	–	–	94,173,080
Amount	9,417.31	–	–	9,417.31

Particulars	Opening balance	Rights issue	Preferential allotment	Closing balance
6% Optionally Convertible Redeemable Preference Shares with voting rights				
As at 31 March 2024				
No. of Shares	**10,754,230**	**–**	**–**	**10,754,230**
Amount	**4,946.95**	**–**	**–**	**4,946.95**
As at 31 March 2023				
No. of Shares	10,754,230	–	–	10,754,230
Amount	4,946.95	–	–	4,946.95

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

During the year, the Company has raised fund through right issue of equity shares 17,880,350 of Rs.10 each to existing equity shareholders in their shareholding ratio.

Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

Conversion:- The conversion ration shall be 1 equity share for every 1 OCPRS held by the shareholders in the Company. The minimum holding period will be 6 months. The conversion shall be at the discretion of the Option Holder at any time after the minimum holding period.

Redemption:- The maturity of the OCPRS shall be 20 years from the date of allotment. The OCPRS shall be redeemed at face value at maturity.

Transferability:- OCPRS shall be transferrable, subject to the prior consent of the Company.

Dividend:- The holders of the OCPRS shall carry a cumulative dividend at the fixed rate of 6% per year, out of the profits of the company and the payment of such dividend shall have priority over any dividend rights of the equity shares.

Voting and other rights:- (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholder shall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

(Currency : Indian rupees in lakhs)

c) Details of shares held by the Holding Company

Particulars	Equity shares	Preference shares
As at 31 March 2024		
Mahindra & Mahindra Limited	**110,912,942**	**10,696,170**
Total	**110,912,942**	**10,696,170**
As at 31 March 2023		
Mahindra & Mahindra Limited	93,032,592	10,696,170
Total	93,032,592	10,696,170

d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	**As at 31 March 2024** Number of shares held	**As at 31 March 2024** % holding in that class of shares	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**110,912,942**	**98.98%**	93,032,592	98.79%
6% Optionally Convertible Redeemable Preference Shares				
Mahindra & Mahindra Limited	**10,696,170**	**99.46%**	10,696,170	99.46%

e) Details of shares held by Promoters

As At 31 March 2024

Class of shares	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1. Equity Shares	Mahindra & Mahindra Limited	**93,032,592**	**17,880,350**	**110,912,942**	**98.98%**	**19.22%**
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra & Mahindra Limited	**10,696,170**	**–**	**10,696,170**	**99.46%**	**0.00%**
Total		**93,032,592**	**17,880,350**	**110,912,942**		

As At 31 March 2023

Class of shares	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1. Equity Shares	Mahindra & Mahindra Limited	93,032,592	–	93,032,592	83.03%	0.00%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra & Mahindra Limited	10,696,170	–	10,696,170	99.46%	0.00%
Total		93,032,592	–	93,032,592		

f) As per records of the Company as at 31 March 2024 and 31 March 2023, no calls remain unpaid by the directors and officers of the Company.

g) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

h) Equity shares reserves for issuance under ESOP Scheme. (refer note 36)

(Currency : Indian rupees in lakhs)

16. Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
- Capital reserve *(refer note (a) below)*	**(9,100.45)**	(9,100.45)
- Securities premium *(refer note (b) below)*	**29,551.02**	27,387.49
- Share option outstanding *(refer note (c) below)*	**852.91**	844.78
- *Retained earnings (refer note A(d) below)*	**(34,761.11)**	(32,735.37)
- Effective portion of cash flow hedges *(refer note (d) and A(e) below)*	**15.01**	4.20
- Equity component of 6% Optionally Convertible Redeemable Preference Shares *(refer note 15 (b) and A(f) below*	**2,134.45**	2,134.45
Total	**(11,308.17)**	(11,464.90)

Notes:

		As at 31 March 2024	As at 31 March 2023
a)	**Capital reserve**		
	Balance as at the beginning of the year	**(9,100.45)**	(9,100.45)
	Add: Additions during the year	**–**	–
	Balance as at the end of the year	**(9,100.45)**	(9,100.45)
b)	**Securities premium**		
	Balance as at the beginning of the year	**27,387.49**	27,387.49
	Add: Additions during the year	**2,163.52**	–
	Balance as at the end of the year	**29,551.02**	27,387.49
c)	**Share Option outstanding**		
	Balance as at the beginning of the year	**844.78**	823.21
	Add: Additions during the year	**8.13**	21.57
	Balance as at the end of the year	**852.91**	844.78
d)	**Effective portion of cash flow hedges**		
	Balance as at the beginning of the year	**4.20**	2.47
	Add: Additions during the year	**10.81**	1.73
	Balance as at the end of the year	**15.01**	4.20

The description of the nature and purpose of each reserve within equity is as follows:

a) Capital reserve is capital reserve for bargain purchase business combination.

b) Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

   i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;

   ii) for the purchase of its own shares or other securities;

   iii) in writing off the preliminary expenses of the Company;

   iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and

   v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

c) Share options outstanding account/ Employee stock option outstanding account represents the equity-settled shares and share options granted to employees (refer note 36). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

d) Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders

e) The Company has designated its hedging instruments obtained after 1 April 2017 as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of profit and loss.

f) **Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)**

Conversion:- The conversion ration shall be 1 equity share for every 1 OCPRS held by the shareholders in the company. The minimum holding period will be 6 months. The conversion shall be at the discretion of the Option Holder at any time after the minimum holding period.

Redemption:- The maturity of the OCPRS shall be 20 years from the date of allotment. The OCPRS shall be redeemed at face value at maturity.

Transferability:- OCPRS shall be transferrable, subject to the prior consent of the company.

Dividend:- The holders of the OCPRS shall carry a cumulative dividend at the fixed rate of 6% per year, out of the profits of the company and the payment of such dividend shall have priority over any dividend rights of the equity shares.

Voting and other rights:- (i) The preference shares shall carry rights as per the provision of section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares. (iii) The Preference shareholder shall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

17A. Long-term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Term loan from bank *(refer note (i) below)*	**–**	943.89
Less : Current maturities of long-term debt *(refer note 17b)*	**–**	280.00
Unsecured		
Inter corporate deposit from holding company *(refer below note (ii) below)*	**1,800.00**	3,400.00
Liability component of Optionally convertible redeemable preference shares *(refer note 15 (b))*	**3,825.78**	3,575.49
Total	**5,625.78**	7,639.38

Notes:

i) Term loan from HDFC bank is taken for setting up of a Packhouse, having interest rate of 7.05-9.20% p.a.

Term loan is secured by way of mortgage on Packhouse at Nashik.

Term loan is payable in 24 equated quarterly instillments, commencing at the end of 4th quarter from the date of disbursement.

ii) Inter corporate loan from Mahindra & Mahindra Limited of Rs. 1,800 lakhs carries interest rate ranging from @ 9% to 9.50% pa. This loan is repayable within a period of eighteen months along with interest and principal.

17B. Short-term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Working capital facility from banks (refer below note (i) below)	**–**	2,000.00
Current maturities of long-term debt	**663.89**	280.00
Bank overdrafts (refer below note (ii) and (iii) below)	**596.07**	2,188.68
Unsecured		
Inter corporate deposit (refer below note (iv) below)	**3,000.00**	–
Total	**4,259.96**	4,468.68

Details of the security and repayment terms:

i) Working capital demand loan from Kotak Mahindra Bank Ltd Rs. Nil (31 March 2023: Rs. 2,000 lakhs) carry interest rate @ 8.7 % p.a., computed on a monthly basis on the actual amount utilised, and repayable within a period of 6 months. This is secured by first pari passu charges on the entire current assets of the Company present and future.

ii) Borrowings from Kotak Mahindra Bank Ltd Rs. 267.97 lakhs (31 March 2023 Rs. 1,685.24 lakhs) are secured on First pari passu charge on the Company's present and future current assets. Borrowing facility are of Cash Credit (CC)/ Overdraft facility carries interest rate of 9.10% repayable on demand.

iii) Borrowings from HDFC Bank Limited Rs. 327.99 lakhs (31 March 2023 Rs. 503.44 lakhs) are secured on First pari passu charge on the Company's present and future current assets. Borrowing facility are of Cash Credit (CC)/ Overdraft facility carries interest rate of 9.15% repayable on demand.

iv) Inter corporate loan from Mahindra & Mahindra Limited of Rs. 3,000 lakhs carries interest rate ranging from @ 8% to 9% pa, which were obtained for the purpose of working capital. This loan is repayable within a period of twelve months along with interest and principal.

18. Provisions

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-current	As at 31 March 2023 Current	As at 31 March 2023 Non-current
Provision for employee benefits ##				
– Compensated absences	**37.74**	**91.19**	84.35	102.18
– Gratuity	**90.54**	**198.63**	99.44	185.04
Expected returns from Customers **	**692.63**	**–**	598.34	–
Total	**820.92**	**289.82**	782.13	287.22

(Currency : Indian rupees in lakhs)

Movement in Expected returns from customers	Balance as at 01 April 2023	Provisions made during the year	Provisions used during the year	Balance as at 31 March 2024
Current	**598.34**	**3,107.29**	**(3,013.00)**	**692.63**
Non current	**–**	**–**	**–**	**–**

Movement in Expected returns from customers	Balance as at 01 April 2022	Provisions made during the year	Provisions used during the year	Balance as at 31 March 2023
Current	376.82	2,847.68	(2,626.16)	598.34
Non current	–	–	–	–

The provision for employee benefits includes annual leaves and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosure refer note no 30 on employee benefits expense.

** The Company makes a provision on estimated sales return from customers based on historical experience. The sales returns are generally expected within a year.

19. Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	**603.44**	484.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,785.92**	8,120.19
Total	**8,389.36**	8,604.60
Out of the above trade payable amounts due to related parties are as below :		
Trade Payable due to related parties	**325.08**	666.67

Trade payables Ageing Schedule

As at 31 March 2024

	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	**603.44**	**–**	**–**	**–**	**603.44**
Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,820.32**	**18.54**	**89.67**	**25.82**	**2,954.34**
Disputed dues of micro enterprises and small enterprises	**–**	**–**	**–**	**–**	**–**
Disputed dues of creditors other than micro enterprises and small enterprises	**–**	**–**	**–**	**–**	**–**
Accrued Expenses	**–**	**–**	**–**	**–**	**4,831.59**
	3,423.75	**18.54**	**89.67**	**25.82**	**8,389.36**

As at 31 March 2023

	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	484.41	–	–	–	484.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,628.79	36.51	8.21	63.61	3,737.12
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Accrued Expenses	–	–	–	–	4,383.07
	4,113.20	36.51	8.21	63.61	8,604.60

20. Other financial liabilities

(Currency : Indian rupees in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Other Financial Liabilities Measured at Amortised Cost - Current		
Interest accrued on borrowings	**–**	8.96
Interest accrued on micro enterprises and small enterprises	**8.25**	–
Trade deposit	**281.79**	269.18
Creditors for capital supplies / services	**–**	7.66
Others	**1.79**	1.28
Total	**291.83**	287.08

21. Other Current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advances received from customers	**2,198.77**	1,924.53
Statutory dues payable		
– Tax deducted at source	**13.88**	72.75
– Employee recoveries and employer contributions	**22.64**	20.68
Employee benefits payables	**625.43**	398.03
Total	**2,860.72**	2,415.99

Notes:

There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

22. Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Sale of products		
– Traded goods	**26,714.20**	25,084.31
(b) Other operating revenue		
– Export incentive	**210.43**	226.17
– Incentive from state government	**–**	28.35
Total	**26,924.64**	25,338.83

Details of revenue from sale of products :-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Traded goods		
Grapes	**11,538.53**	12,966.98
Seeds	**15,175.68**	12,117.34
Total	**26,714.20**	25,084.31

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contract with customer as contract price	**34,365.83**	33,047.72
Less: Discounts and incentives	**2,245.40**	1,872.90
Less: Sales return / credit / reversals	**4,610.30**	6,090.51
Less: Other adjustments	**795.93**	–
Total	**26,714.20**	25,084.31

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening contract liability	**1,924.53**	2,097.24
Add : Addition to contract liability during the year	**4,545.74**	2,363.04
Less : Recognised as revenue during the year	**4,142.63**	2,457.06
Less : Other adjustments	**128.87**	78.69
Closing contract liability	**2,198.77**	1,924.53

23. Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on		
– Bank deposits	**5.76**	5.19
– Inter corporate deposit	**20.09**	–
– Income tax refund	**1.89**	3.20
Other gains and losses		
– Gain on disposal of property, plant and equipment (net)	**11.94**	14.73
Liabilities no longer required written back	**34.53**	–
Gain on account of dissolution of subsidiary company (net)	**22.37**	–
Dividend from subsidiary company	**–**	516.27
Reversal of provision for doubtful trade receivables	**–**	18.34
Other non-operating income	**0.08**	3.17
Total	**96.66**	560.90

24. Changes in inventories of stock-in-trade and packing material

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year:		
Stock-in-trade	**2,585.65**	3,623.69
Stock-in-transit	**862.42**	1,152.51
Packing materials and stores and spares	**1,022.58**	882.23
	4,470.65	5,658.43
Inventories at the beginning of the year:		
Stock-in-trade	**3,623.69**	4,065.95
Stock-in-transit	**1,152.51**	2,287.91
Packing materials and stores and spares	**882.23**	1,060.82
	5,658.43	7,414.68
Net decrease in inventories	**1,187.78**	1,756.25

25. Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages, including bonus *(Refer note below)*	**2,606.17**	2,097.57
Employee stock option cost *(refer note 36)*	**8.44**	22.65
Contribution to provident and other funds (refer note 30 and 42)	**192.97**	187.07
Staff welfare expenses	**41.63**	36.54
Total	**2,849.21**	2,343.83

Note :- This is net of recoveries in respect of employees working in other group companies of Rs. 255.52 lakhs for FY 23-24. (Rs. 245.05 lakhs for FY 22-23)

26. Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on financial liabilities measured at amortised cost		
Interest on term loan	**34.72**	50.59
Interest on bank overdrafts and loans (other than those from related parties)	**362.60**	449.02
Interest on loans from related parties	**512.75**	372.47
Delayed payment to micro enterprises and small enterprises (refer note 38)	**13.92**	12.26
Interest on lease liabilities	**32.62**	3.69
Others	**0.48**	5.93
Total	**957.09**	893.96

(Currency : Indian rupees in lakhs)

27. Depreciation and amortisation expenses

Particular	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4)	**352.23**	301.42
Amortisation of intangible assets (refer note 5A)	**106.32**	123.10
Total	**458.55**	424.52

28. Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Stores and tools consumed	**16.52**	69.05
Freight outward	**1,411.90**	2,032.24
Clearing and forwarding charges	**1,665.17**	1,602.78
Subcontracting, hire and service charges	**1,004.69**	817.09
Legal and professional expenses	**360.67**	328.67
Rent including lease rentals	**186.69**	211.37
Insurance	**119.07**	157.15
Rebate, claim and discount	**303.33**	379.05
Sales promotion expenses	**304.83**	310.90
Commission on sales / contracts	**211.19**	235.56
Stockyard expenses	**118.29**	124.52
Travelling and conveyance expenses	**393.56**	334.60
Research and development expenses	**347.09**	201.31
Power and fuel	**146.53**	93.82
Postage, telephone and subscription expenses	**200.32**	151.65
Provision for doubtful trade receivables	**95.45**	–
Loss on foreign currency transactions (net)	**4.79**	21.77
Bad debts	**–**	18.34
Rates and taxes	**95.24**	25.32
Business support charges	**706.11**	711.75
Directors sitting fees	**11.70**	11.00
Repairs and maintenance		
– Buildings	**1.84**	4.17
– Machinery	**31.51**	10.41
– Others	**12.61**	22.37
Auditors remuneration		
– Audit fees	**25.00**	25.00
– Other services	**0.50**	0.50
– Reimbursement of expenses	**1.04**	1.00
Others	**186.82**	135.16
Total	**7,968.18**	8,036.55

29 Income tax expenses

Income tax recognised in profit or loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax:		
In respect of current year	**–**	**–**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**–**	**–**
Total income tax expense on operations	**–**	**–**

(b) Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
Effective portion of gains and loss on designated portion of hedging instrument in a cash flow hedge	**–**	–
Total	**–**	–
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**–**	–
Total	**–**	–

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Loss before tax	**(2,036.84)**	(7,107.00)
Tax using the Company's domestic tax rate (*refer note 1*)	**25.17%**	25.17%
Expected income tax expenses	**(512.67)**	(1,788.83)
Tax effect of:		
Current year losses for which no deferred tax asset is created	**60.35**	248.08
Effect of expenses that is non-deductible in determining taxable profit	**422.81**	1,541.93
Any other reconciling items	**29.51**	(1.18)
Tax expenses as per Statement of profit and loss	**–**	–

Notes:

1. With Effect from Financial Year 2019-20 (Assessment Year 2020-21), the Company has opted for the concessional tax rate of 22% vide circular number 29/2019 dated 02 October 2019 of the Income Tax Act, 1961. Surcharge of 10% and cess of 4% is to be charged in addition to the base rate of 22%.

30. Employee benefits expenses

(i) Defined contribution plans:

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 114.12 lakhs for 31 March 2024 (31 March 2023 : Rs. 108.19 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee benefits expenses.

(ii) Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

(Currency : Indian rupees in lakhs)

Particulars	Funded Plan Gratuity Year ended 31 March 2024	Year ended 31 March 2023
Expense recognised in the Statement of Profit and Loss:		
Current service cost	**41.20**	45.80
Net interest expense	**19.98**	17.01
Components of defined benefit costs recognised in profit or loss	**61.18**	62.81
1. Changes in financial assumptions	**–**	(16.02)
2. Changes in demographic assumptions	**–**	–
3. Experience adjustments	**(6.67)**	(12.73)
4. Actual return on plan assets less interest on plan assets	**(4.43)**	(2.15)
Total	**50.08**	31.91
I. Net liability recognised in the Balance sheet		
1. Present value of defined benefit obligation	**326.95**	319.77
2. Fair value of plan assets as at 31 March	**(37.78)**	(35.29)
3. Surplus	**289.17**	284.48
4. Current portion of the above	**90.54**	99.44
5. Non current portion of the above	**198.63**	185.04
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**319.77**	336.46
2. Expenses recognised in Statement of Profit and Loss		
– Current service cost	**41.20**	45.80
– Past Service Cost		
– Interest expense (income)	**18.05**	17.20
3. Recognised in other comprehensive income	**–**	–
Remeasurement gains / (losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**–**	(16.02)
iii. Experience Adjustments	**(6.67)**	(12.73)
4. Benefit payments	**(42.61)**	(42.15)
5. Others (transfer of Cropcare buisness)	**(2.79)**	(8.79)
6. Present value of defined benefit obligation at the end of the year	**326.95**	319.77

Particulars	Funded Plan Gratuity Year ended 31 March 2024	Year ended 31 March 2023
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**35.29**	32.95
2. Expenses recognised in Profit and Loss Account		
– Expected return on plan assets	**–**	–
3. Recognised in other comprehensive income		
Remeasurement gains / (losses)	**–**	–
– Actual Return on plan assets in excess of the expected return	**4.43**	2.15
– Interest on plan assets	**(1.94)**	0.19
4. Contributions by employer (including benefit payments recoverable)	**42.61**	42.15
5. Benefit payments	**(42.61)**	(42.15)
6. Fair value of plan assets at the end of the year	**37.78**	35.29
IV. The major categories of plan assets		
Life insurance corporation fund	**37.78**	35.29
V. Actuarial assumptions		
1. Discount rate	**7.15%**	7.15%
2. Salary escalation	**8.50%**	8.50%
3. Attrition rate	**23%**	23%
4. Mortality rate	**The Indian Assured Lives Mortality (2012-14) Ult table**	The Indian Assured Lives Mortality (2012-14) Ult table

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March 2024**	**1.00%**	**(2.94%)**	**3.16%**
	31 March 2023	1.00%	(3.17%)	3.40%
Salary growth rate	**31 March 2024**	**1.00%**	**3.09%**	**(2.93%)**
	31 March 2023	1.00%	3.32%	(3.16%)

(Currency : Indian rupees in lakhs)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

Maturity profile of defined benefit obligation:

	As at 31 March 2024	As at 31 March 2023
Within 1 year	**128.32**	134.73
1 - 2 year	**50.54**	46.63
2 - 3 year	**41.14**	41.69
3 - 4 year	**51.34**	34.31
4 - 5 year	**27.00**	41.50
5 - 6 year	**27.32**	21.64
6 - 7 year	**25.95**	22.81
7 - 8 year	**13.68**	19.63
8 - 9 year	**10.67**	10.81
10 year and above	**46.22**	45.86

Plan assets

The fair value of Company's pension plan asset as of 31 March 2024 and 31 March 2023 by category are as follows:

Particulars	**As at 31 March 2024**	As at 31 March 2023
Asset category:		
Deposits with Insurance companies	**37.78**	35.29
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 3.77 years (31 March 2023- 3.28 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year 2024 an amount of Rs. 61.18 lakhs (31 March 2023 : Rs. 62.81 lakhs) has been included in statement of profit or loss under the head Employee benefit expenses.

Compensated absenses :

Compensated absences for the employee benefits of Rs. 128.93 lakhs (31 March, 2023 - Rs. 186.53 lakhs) expected to be paid in exchange for the services recognised as a expenses during the year. (refer note 25)

Note No. 31 - Earnings per Share

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
	Per Share	Per Share
Basic and Diluted loss per share (Rs.)	**(2.16)**	(7.55)

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
Loss for the year attributable to owners of the Company	**(2,036.84)**	(7,107.00)
Weighted average number of equity shares for the purpose of basic earnings per share	**94,369,029**	94,173,080
Basic loss per share (Rs.)	**(2.16)**	(7.55)
Weighted average number of equity shares for the purpose of dilutive earnings per share	**#**	#
Diluted loss per share (Rs.)	**#**	#

The effect of conversion of 6% Optionally Convertible Redeemable Preference Shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted loss per share being anti dilutive.

The effect of issuance of ESOP into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted loss per share being anti dilutive.

Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(Currency : Indian rupees in lakhs)

32. Fair value measurement

Fair valuation techniques and inputs used - recurring items

Financial assets/ financial liabilities measured at fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at 31 March 2024	As at 31 March 2023				
Financial assets						
Investments						
Investments in equity instruments at FVTOCI-unquoted	**12.87% per cent equity investment in Vayugrid Marketplace services Private Limited engaged in Pongamia Oil & Sapling - Rs. NIL**	12.87% per cent equity investment in Vayugrid Marketplace services Private Limited engaged in Pongamia Oil & Sapling - Rs. NIL	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees.	Short and long-term revenue generation outlook of the entity, based on management experience.	Revenue generation by the entity would result in increase in fair value.
Investments in equity instruments at FVTPL-unquoted	**19.83% per cent equity investment in White Spread Private Limited engaged in dairy business - Rs. NIL**	19.83% per cent equity investment in White Spread Private Limited engaged in dairy business - Rs. NIL	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees.	Short and long-term revenue generation outlook of the entity, based on management experience.	Revenue generation by the entity would result in increase in fair value.
Financial liabilities						
Other financial liabilities						
1) Foreign currency forward contracts	**–**	–	Level 2	Discounted cash Flow. Future cash flows are estimated based on forward exchange rates(from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	–	–

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	**As at 31 March 2024**	As at 31 March 2023
Opening balance (investment in Vayugrid Marketplace Services Private Limited) *	**–**	–
Purchase (Investments in White Spread Private limited)**	**–**	
Total gains or losses:		
– In other comprehensive income	**–**	–
– In profit & Loss Account	**–**	–
Closing balance	**–**	–

* The Investment in Vayugrid Market Place Services Private Limited fully provided for prior to date of transition. Accordingly there is no movement in fair value of this investment.

** The Investment in White spread Private Limited fully provided for from date of investment. Accordingly there is no movement in fair value of this investment.

(Currency : Indian rupees in lakhs)

Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)

Particulars	As at 31 March 2024 Carrying amount	As at 31 March 2024 Fair value (level 2)	As at 31 March 2023 Carrying amount	As at 31 March 2023 Fair value (level 2)
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	**6,390.63**	**6,390.63**	7,345.61	7,345.61
– Investments	**3,916.92**	**3,916.92**	3,444.59	3,444.59
– Deposits and similar assets	**776.33**	**776.33**	1,136.71	1,136.71
Financial liabilities				
Financial liabilities at Amortised Cost				
– Long-term borrowings	**5,625.78**	**5,625.78**	7,639.38	7,639.38
– Short-term Bank loans	**1,259.97**	**1,259.97**	4,468.68	4,468.68
– Loans from related parties	**3,000.00**	**3,000.00**	–	–
– Deposits and similar liabilities	**291.83**	**291.83**	287.08	287.08
– Trade and other payables	**8,389.36**	**8,389.36**	8,604.60	8,604.60
Total	**18,566.94**	**18,566.94**	20,999.73	20,999.73

The carrying values of financial assets and liabilities represent their approximate fair value.

There were no transfer between level 1 and level 2 during the year.

33. Financial risk management

A) Capital management

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' value by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses net debt equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Net debt-to-equity ratio as of 31 March 2024 and 31 March 2023

	As at 31 March 2024	As at 31 March 2023
Borrowing from banks	**596.07**	5,132.57
Borrowing from related party	**4,800.00**	3,400.00
Gross debt	**5,396.07**	8,532.57
Less :		
Cash and cash equivalents	**616.59**	102.02
Adjusted Net debt (A)	**4,779.48**	8,430.55
Equity share capital	**11,205.34**	9,417.31
Other equity	**(11,308.17)**	(11,464.90)
Goodwill created on business combination (Refer note 16(a))	**9,100.45**	9,100.45
Adjusted Equity (B)	**8,997.62**	7,052.86
Debt equity ratio (A / B)	**0.53**	1.20

B) Financial risk management framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk

i) CREDIT RISK

Credit risk management

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. Company also takes credit insurance for business specific customers The Company's exposure and categorisation of its customers are continuously monitored . Credit exposure is controlled by customer credit limits which are reviewed and approved. The Company also take security cheques from its domestic market customers

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

Ageing	For the year ended 31 March 2024 Expected credit loss (%)	For the year ended 31 March 2024 Expected credit loss (Rs. In lakhs)	For the year ended 31 March 2023 Expected credit loss (%)	For the year ended 31 March 2023 Expected credit loss (Rs. In lakhs)
Within the credit period	**0.32%**	**19.01**	0.21%	14.01
0-3 month past due	**3.24%**	**4.63**	2.73%	9.61
3-6 month past due	**12.40%**	**19.83**	3.85%	14.51
6 -12 month past due	**31.09%**	**61.83**	30.15%	33.84
>1 year	**93.36%**	**780.70**	96.28%	718.58
Total		**886.00**		790.55

(Currency : Indian rupees in lakhs)

Age of receivables	As at 31 March 2024	As at 31 March 2023
Within the credit period	**5,938.95**	6,548.25
0-3 month past due	**142.76**	352.52
3-6 month past due	**159.86**	376.82
6 -12 month past due	**198.89**	112.23
>1 year	**836.19**	746.34
Total	**7,276.64**	8,136.17

Reconciliation of provision for doubtful Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	**790.55**	808.90
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
Provision created during the year	**95.45**	–
Transferred on account of transfer of Business	**–**	–
Impairment losses reversed / written back	**–**	(18.35)
Balance at end of the year	**886.00**	790.55

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The Company has pledged an aggregated carrying amount of Rs. 7,278.94 lakhs (31 March 2023: Rs. 8,136.17 lakhs) for bank loans.

ii) LIQUIDITY RISK

(a) Liquidity risk management

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2024				
Borrowings	**4,259.96**	**1,800.00**	**–**	**3,825.78**
Trade payables	**8,389.36**	**–**	**–**	**–**
Other financial liabilities	**291.83**	**–**	**–**	**–**
Lease liabilities	**59.09**	**238.78**	**81.67**	**–**
Total	**13,000.24**	**2,038.78**	**81.67**	**3,825.78**
As at 31 March 2023				
Borrowings	4,468.68	4,063.89	–	3,575.49
Trade payables	8,604.60	–	–	–
Other financial liabilities	287.08	–	–	–
Lease liabilities	23.44	49.02	38.63	–
Total	13,383.80	4,112.91	38.63	3,575.49

(c) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2024				
Non-interest bearing	**7,178.60**	**54.69**	**–**	**3,916.92**
Fixed interest rate instruments	**550.26**	**–**	**–**	**–**
Total	**7,728.86**	**54.69**	**–**	**3,916.92**
As at 31 March 2023				
Non-interest bearing	7,944.29	546.69	–	3,444.59
Fixed interest rate instruments	93.35	–	–	–
Total	8,037.64	546.69	–	3,444.59

In the case of assets falling short of liabilities, banking facilities are available to honour the obligation through as cash credit, short-term borrowing / long-term borrowing and other necessary banking facilities.

The following table details the Company's / Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2024				
Net settled:				
– Foreign exchange forward contracts	**–**	**–**	**–**	**–**
Gross settled:				
– Foreign exchange forward contracts	**13.31**	**–**	**–**	**–**
Total	**13.31**	**–**	**–**	**–**
As at 31 March 2023				
Net settled:				
– Foreign exchange forward contracts	2.41	–	–	–
Total	2.41	–	–	–

(Currency : Indian rupees in lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Gross settled:				
– Foreign exchange forward contracts	2.41	–	–	–
Total	2.41	–	–	–

iii) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses permitted derivatives to manage market risks . Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Forex & investment Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by taking forward cover that are expected to occur within a maximum 12 month period for forecasted cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade receivables	USD	**687.45**	2,192.50
	EUR	**1,686.83**	1,413.33
	CAD	**1,519.41**	446.41
Trade payables	USD	**750.33**	482.47
	EUR	**19.64**	124.82
	NPR	**1.69**	–
Advances received	USD	**5.24**	260.70
	EUR	**14.76**	–

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade receivables	USD	**–**	–
	EUR	**–**	–
	CAD	**935.99**	–
	NPR	**–**	–
Trade payables	USD	**750.33**	482.47
	EUR	**19.64**	124.82
	NPR	**1.69**	–

Note :- Forward Cover in EURO 16.91 Lakhs (Rs. 1518.86 Lakhs), USD 1.08 Lakhs (Rs. 90.05 Lakhs) and CAD 6.07 Lakhs (Rs. 373.05 Lakhs) as at 31 March 2024; EURO 27.77 Lakhs (Rs. 2489.13 Lakhs), USD 27.53 Lakhs (Rs. 2262.97 Lakhs) and CAD 9.6 Lakhs (Rs. 583.42 Lakhs) as at 31 March 2023.

b) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts.

Period	Currency	Change in rate	Effect on profit/ (loss) before tax	Effect on pre-tax equity
As at 31 March 2024	**USD**	**5%**	**(37.52)**	**(37.52)**
	USD	**3%**	**(22.51)**	**(22.51)**
	EUR	**5%**	**(0.98)**	**(0.98)**
	EUR	**3%**	**(0.59)**	**(0.59)**
	CAD	**5%**	**46.80**	**46.80**
	CAD	**3%**	**28.08**	**28.08**
	NPR	**5%**	**(0.08)**	**–**
	NPR	**3%**	**(0.05)**	**–**
As at 31 March 2023	USD	5%	(24.12)	(24.12)
	USD	3%	(14.47)	(14.47)
	EUR	5%	(6.24)	(6.24)
	EUR	3%	(3.74)	(3.74)
	CAD	5%	–	–
	CAD	3%	–	–
	NPR	5%	–	–
	NPR	3%	–	–

c) Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Period	Currency	Increase/ decrease in basis points	Effect on profit/(loss) before tax
As at 31 March 2024	**INR**	**100**	**(5.96)**
As at 31 March 2023	INR	100	(51.33)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years

Hedge accounting - forwards

It is the policy of the Company to enter into forward foreign exchange contracts to cover maximum up to 80% of the expected foreign currency exposure based on estimated cash flow. Forex Committee decide the time & quantum of hedging based on outlook.

(Currency : Indian rupees in lakhs)

(i) Details of forward foreign currency contracts outstanding at the end of reporting period

Outstanding contracts	Average exchange rate	Notional value	Hedge ratio	Carrying amount included in Other Financial Assets / (Liabilities)	Change in the fair value of hedging instrument for the period	Change in the value of hedged item used to determine hedge effectiveness
31 March 2024						
Cash flow hedges						
Sell currency						
Maturing less than 1 year						
– USD/INR	**83.11**	**90.19**	**1 : 1**	**(0.52)**	**(0.52)**	**(0.52)**
– EUR/INR	**89.31**	**1,524.84**	**1 : 1**	**13.61**	**13.61**	**13.61**
– CAD/INR	**60.76**	**372.47**	**1 : 1**	**0.21**	**0.21**	**0.21**
				13.30	**13.30**	**13.30**
31 March 2023						
Cash flow hedges						
Sell currency						
Maturing less than 1 year						
– USD/INR	83.11	2,288.19	1 : 1	11.62	11.62	11.62
– EUR/INR	89.31	2,480.43	–	(8.50)	(8.50)	(8.50)
– CAD/INR	60.76	583.27	1 : 1	(0.71)	(0.71)	(0.71)
				2.41	2.41	2.41

(ii) Details of hedge ineffectiveness in respect of outstanding contracts

Outstanding contracts	Ineffectiveness recognisned in Profit or Loss		Effective portion recognisned in OCI	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Cash flow hedges	**20.42**	–	–	5.17

(iii) The movement in Cash flow hedge reserve for instruments designated in a cash flow hedge is as follows:

Particulars	Exchange Rate Risk hedges	
	31 March 2024	31 March 2023
Balance as the beginning of the year		
– Gross	**4.20**	2.47
– Deferred tax	**–**	–
– Net	**4.20**	2.47
(Gains) / losses transferred to Profit or loss on occurrence of the forecast transaction	**(8.44)**	3.02
(Gains) / losses transferred to Profit or Loss due to cash flows no longer expected to occur	**(1.17)**	(6.46)
Change in fair value of effective portion of cash flow hedges	**20.42**	5.17
Total	**10.81**	1.73

Particulars	Exchange Rate Risk hedges	
	31 March 2024	31 March 2023
Balance as the end of the year		
– Gross	**15.01**	4.20
– Deferred tax	**–**	–
– Net	**15.01**	4.20
Of the above:		
Balance relating to continuing hedges	**15.01**	4.20
Balance relating to hedge accounting is no longer applied	**–**	–
Total	**15.01**	4.20

(Currency : Indian rupees in lakhs)

34. Segment information

A. Product and services from which reportable segments derive their revenue

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Company reportable segments under IND AS 108 are as follows:

1) Input Business (Seeds)

2) Food Business (Grapes)

The Company is in the business of agricultural related products, Input business segment comprises of trading of Crop inputs. Food business comprises of trading of agricultural related outputs.

B. Segment revenue and results

The following is an analysis of the Company's revenue and results

Particulars	Segment revenue		Segment profit (loss)	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
Input Business	**15,175.68**	12,117.33	**600.17**	(191.77)
Food Business	**11,748.96**	13,221.50	**278.65**	(177.13)
Total	**26,924.64**	25,338.83	**878.81**	(368.90)
Other income	–	–	**96.66**	560.90
Administration cost and directors' salary	–	–	**(735.23)**	(533.06)
Finance cost	–	–	**(957.08)**	(893.94)
Exceptional items	–	–	**(1,320.00)**	(5,872.00)
Loss before tax			**(2,036.84)**	(7,107.00)

Segment revenue reported above represents revenue generated from external customers There were no intersegment sales.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs, director salary, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

There is one customer contributed 10% or more to the Company's revenue in current year Rs. 3,988.52 lakhs (31 March 2023- Rs. 4,126.68 lakhs)

C. Segment assets and liabilities

Particulars	**As at 31 March 2024**	As at 31 March 2023
Segment assets		
Input Business	**9,228.19**	8,857.11
Food Business	**8,644.43**	8,595.90
Total segment assets	**17,874.10**	17,453.01
Unallocated	**5,088.63**	5,074.10
Total assets	**22,962.73**	22,527.11
Segment liabilities		
Input Business	**4,846.14**	4,610.26
Food Business	**5,712.05**	5,984.96
Total segment liabilities	**10,558.19**	10,595.23
Unallocated	**12,507.35**	13,979.47
Total liabilities	**23,065.55**	24,574.69

For the purpose of monitoring segment performance:

(i) Unallocated asset includes investment in subsidiaries, current and deferred taxes, loan , cash and bank balances etc.

(ii) Unallocated liability includes borrowings, current and deferred taxes, other statutory dues etc.

D. Segment depreciation and amortisation

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
Input Business	**299.14**	254.51
Food Business	**137.45**	143.49
Unallocated	**21.97**	26.54
Total	**458.55**	424.52

E. Geographical Information:

Particulars	**Year ended 31 March 2024**		Year ended 31 March 2023	
	Domestic	**Overseas**	Domestic	Overseas
Revenue from external Customers comprising of:				
– Revenue from contract with customers	**15,175.68**	**11,538.53**	12,183.01	12,901.30
– Revenue from other sources	**210.43**	**–**	254.52	–
	15,386.11	**11,538.53**	12,437.53	12,901.30

*All assets are based in the domestic segment. Hence, separate disclosure not required.

(Currency : Indian rupees in lakhs)

35. Related party disclosures

List of related parties and relationships:

Name of the Related Parties where control exists	**Relation**
Mahindra & Mahindra Limited	Holding Company
Mahindra Fruits Private Limited	Subsidiary Company
Mahindra HZPC Private Limited	Subsidiary Company
Mahindra Fresh Fruits Distribution Holding company (Europe) BV	Subsidiary Company (Till 28 February 2023)
Mera Kisan Private Limited	Subsidiary Company (Till 12 July 2022)
Mahindra Summit Agriscience Limited	Joint Venture
Mahindra Defence Systems Limited	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Bristlecone India Limited	Fellow Subsidiary Company
EPC Industries Limited	Fellow Subsidiary Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company (Till 28 April 2022)
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company (Till 28 April 2022)
Dr. Pawan Goenka	Chairman (Till 27 July 2022)
Mr. Shriprakash Shukla	Chairman (From 27 July 2022)
Mr. Hardeep Singh	Director
Mr. Aruna Bhinge	Director
Mr. Ramesh Iyer	Non Executive Director
Mr. S. Durgashankar	Non Executive Director
Mr. Ashok Sharma	Key Managerial Personnel (Till 31 August 2023)
Mr. Ramesh Ramachandran	Key Managerial Personnel (From 31 August 2023)
Mr. Meghnad Mitra	Key Managerial Personnel
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel

35. Related party disclosures (Continued)

(Currency : Indian rupees in lakhs)

			Transaction during the year																
Name of the Related Parties where control exists	**Relationship**	**Year**	**Purchase of property and other assets**	**Rendering of services**	**Receiving of services**	**Reimbursement of expenses charged to the Company**	**Reimbursement of expenses charged by the Company**	**Gain on account of dissolution of subsidiary company (net)**	**Dividend income**	**Interest on unsecured Loan / OCRPS**	**Rent**	**Inter company loan taken**	**Inter company loan repaid**	**Inter company loan given**	**Inter company loan given repaid**	**Investment during the period**	**Issue of equity share capital**	**Director Sitting Fees**	**Remuner-ation**
Mahindra & Mahindra Limited	Holding Company	**31-Mar-24**	**–**	**–**	**25.89**	**933.96**	**–**			**512.52**	**–**	**4,800.00**	**3,400.00**			**–**	**3,951.56**	**–**	**–**
		31-Mar-23	34.51	–	35.63	801.20	1.47			370.86	0.51	1,900.00	–			–	–	–	–
Mahindra Fruits Private Limited	Subsidiary Company	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	–	–	–			–	–	–	–			140.00	–	–	–
Mahindra HZPC Private Limited	Subsidiary Company	**31-Mar-24**	**–**	**–**	**–**	**–**	**77.20**			**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	–	–	76.92			–	–	–	–			–	–	–	–
Mahindra Fresh Fruits Distribution Holding company	Subsidiary Company	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**22.37**	**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	–	–	–	–	516.27	–	–	–	–			–	–	–	–
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company	**31-Mar-24**	**–**	**–**	**122.82**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	111.64	–	–			–	–	–	–			–	–	–	–
NBS International Limited	Fellow Subsidiary Company	**31-Mar-24**	**–**	**–**	**1.69**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	2.24	–	–			–	–	–	–			–	–	–	–
Mahindra Summit Agriscience Limited	Joint Venture (w.e.f. 12 April 2019)	**31-Mar-24**	**–**	**–**	**–**	**–**	**291.06**		**–**	**–**	**–**			**1,800.00**	**1,800.00**	**1,800.00**	**–**	**–**	**–**
		31-Mar-23	–	–	–	–	246.67			–	–	–	–	–	–	–	–	–	–
Bristlecone India Limited	Fellow Subsidiary Company	**31-Mar-24**	**–**	**–**	**9.75**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	7.48	–	–			–	–	–	–			–	–	–	–
EPC Industries Limited	Fellow Subsidiary Company	**31-Mar-24**	**–**	**25.00**	**–**	**0.13**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	36.00	–	0.89	–			–	–	–	–			–	–	–	–
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company	**31-Mar-24**	**–**	**–**	**53.16**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–	–	–	–

35. Related party disclosures (Continued)

(Currency : Indian rupees in lakhs)

			Transaction during the year																
Name of the Related Parties where control exists	Relationship	Year	Purchase of property and other assets	Rendering of services	Receiving of services	Reimbursement of expenses charged to the Company	Reimbursement of expenses charged by the Company	Gain on account of dissolution of subsidiary company (net)	Dividend income	Interest on unsecured Loan / OCRPS	Rent	Inter company loan taken	Inter company loan repaid	Inter company loan given	Inter company loan given repaid	Investment during the period	Issue of equity share capital	Director Sitting Fees	Remuner-ation
Dr. Pawan Goenka	Chairman	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–	–	1.80	–
Mr. Hardeep Singh	Director	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**6.00**	**–**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–	–	4.90	–
Mr. Aruna Bhinge	Director	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**5.70**	**–**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–	–	4.30	–
Mr. Ashok Sharma	Key Managerial Personnel	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**223.33**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–	–	–	248.83
Mr. Meghnad Mitra	Key Managerial Personnel	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**163.49**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–	–	–	157.51
Mr. Ramesh Ramchandran	Key Managerial Personnel	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**1.35**
		31-Mar-23	–	–	–	–	–		–	–	–	–	–			–	–	–	–
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**			**–**	**–**	**–**	**–**			**–**	**–**	**–**	**6.69**
		31-Mar-23	–	–	–	–	–			–	–	–	–			–		–	5.73

* Managerial remuneration excludes provision for gratuity and compensated absences since these are provided on the basis of an actuarial valuation for the Company as a whole.

Transactions with related parties are at arm's length.

35. Related party disclosures (Continued)

(Currency : Indian rupees in lakhs)

			Balances as at year end				
Name of the Related Parties where control exists	**Relation**	**Year**	**Trade payables**	**Trade receivables**	**Loans & advances taken**	**Other Receivables**	**Interest accrued on OCRPS**
Mahindra & Mahindra Limited	Holding Company	31-Mar-24	**317.91**	–	**4,800.00**	–	1,007.86
		31-Mar-23	661.42	–	3,400.00	–	758.93
Mahindra Fruits Private Limited	Subsidiary Company	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	0.50	–
Mahindra HZPC Private Limited	Subsidiary Company	31-Mar-24	–	**9.55**	–	–	–
		31-Mar-23	–	9.91	–	–	–
Mahindra Fresh Fruits Distribution Holding company (Europe) BV	Subsidiary Company	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company	31-Mar-24	–	–	–	–	–
		31-Mar-23	1.06	–	–	–	–
NBS International Limited	Fellow Subsidiary Company	31-Mar-24	**1.41**	–	–	–	–
		31-Mar-23	0.73	–	–	–	–
Mahindra Summit Agriscience Limited	Subsidiary Company	31-Mar-24	–	**96.26**	–	–	–
		31-Mar-23	–	263.92	–	–	–
Bristlecone India Limited	Fellow Subsidiary Company	31-Mar-24	**3.78**	–	–	–	–
		31-Mar-23	3.46	–	–	–	–
EPC Industries Limited	Fellow Subsidiary Company	31-Mar-24	–	**4.32**	–	–	–
		31-Mar-23	–	6.78	–	–	–
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company	31-Mar-24	**1.98**	–	–	–	–
		31-Mar-23	–	–	–	–	–
Dr. Pawan Goenka	Chairman	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–
Mr. Hardeep Singh	Director	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–
Mr. Aruna Bhinge	Director	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–
Mr. Ashok Sharma	Key Managerial Personnel	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–
Mr. Meghnad Mitra	Key Managerial Personnel	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	0.25	–
Mr. Ramesh Ramchandran	Key Managerial Personnel	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel	31-Mar-24	–	–	–	–	–
		31-Mar-23	–	–	–	–	–

(Currency : Indian rupees in lakhs)

36. Employee benefits expenses - ESOP

Share based payment

A. Employees Stock Option Scheme - 2016:

This Plan shall be termed as the MASL Employees Stock Option Scheme - 2016 ("Plan"). The Plan has been approved by a Special Resolution at a General Meeting of the Shareholders held on 24 November 2016. The Plan has been approved for Eligible Employees of Mahindra Agri Solutions Limited. The Plan has also been approved to reward eligible employees whether they are working in India or abroad or Directors of the Company (including Managing Director/Whole Time Director(s) but excluding Independent Directors) or Directors and Employees of the Holding Company or of the Subsidiary Company(ies) or of the Subsidiaries of its Holding Company.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Fair Value Method.

Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction, is recognised and amortised on straight line basis over the vesting period.

Eligibility:

Based on the criteria as may be decided by the Committee at its own discretion, including, but not limited to the date of joining of the Eligible Employee with the Company or the Group, performance evaluation, current compensation, criticality or any other criteria, KRA, future potential, such Eligible Employees, as determined by the Committee, may participate in the Plan. Employees joining the Company after the date of implementation of the Plan will be entitled to participate in the Plan, on a case to case basis and subject to such criteria as may be decided solely by the Committee.

The objective of the Plan is:

- To retain the best talent in the Industry
- To infuse a sense of entrepreneurship and ownership.

This purpose is sought to be achieved through the grant of Options to the Eligible Employees, to subscribe to the Equity Shares of the Company.

Details of the ESOP granted as per the above scheme

Particulars	Number of options	Grant date	Exercise price	Fair value of the option at Grant date
Cycle-I Equity Settled MASL Employees Stock Option Scheme - 2016	1,536,605	1 Feb 2017	47.5	24.15
Cycle-II Equity Settled MASL Employees Stock Option Scheme - 2016	159,213	1 May 2018	47.5	18.1
MASL RSU Scheme 2020	547,176	31–Jan–20	10	22.87

Cycle-I Options granted under MASL Employees Stock Option Scheme - 2016 vest in 4 instalments bifurcated as 25% on the expiry of 14 months, 25% on the expiry of 26 months, 25% on the expiry of 38 months and 25% on the expiry of 50 months from the date of grant date.

Cycle-II Options granted under MASL Employees Stock Option Scheme - 2016 vest in 4 instalments bifurcated as 25% on the expiry of 23 months, 25% on the expiry of 35 months, 25% on the expiry of 47 months and 25% on the expiry of 59 months from the date of grant date.

The options may be exercised on any day over a period of 3 years from the date of vesting. Number of vested options exercisable is subject to a minimum of 250 or number of options vested whichever is lower.

MASL RSU Scheme 2020 under MASL Employees Stock Option Scheme - 2020, vest in 3 instalments from the date of grant date.

Movement in share options

	Particulars	Equity-settled share-based payments: Number of options	Weighted average exercise price
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	2,242,994	47.50
2	Granted during the year	–	–
3	Forfeited during the year	–	–
4	Exercised during the year	–	–
5	Expired during the year	–	–
6	Outstanding at the end of the year	2,242,994	47.50
7	Exercisable at the end of the year	–	–

The share options outstanding at the end of the year had a weighted average exercise price of Rs. 47.50, and a weighted average remaining contractual life of 2.9 years

The fair value of the equity instruments is calculated based on Black Scholes model. The Black Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share option programmes

Particulars	MASL Employees Stock Option Scheme - 2016		MASL RSU Scheme 2020	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Share price at grant date	**21.12**	21.12	**22.87**	22.87
Exercise price	**47.50**	47.50	**10.00**	10.00
Expected volatility (weighted-average)	**58.3**	58.3	**45.8**	45.8
Expected life / option life (weighted-average)	**2.66**	2.66	**3**	3
Expected dividends yield	**0.00%**	0.00%	**0.00%**	0.00%
Risk-free interest rate (based on government bonds)	**6.25%**	6.25%	**4.70%**	4.70%

(Currency : Indian rupees in lakhs)

Employee share based payment	For the Year 31 March 2024	For the Year 31 March 2023
MASL ESOP Plan	**8.14**	21.57
Total	**8.14**	21.57

ESOP scheme of parent company:

Certain employees of the Company are also covered by share option schemes offered by Parent Company, Mahindra & Mahindra Limited. The Company treats such share based payment as an equity settled share based payments arrangement. Options granted under Parent's ESOP scheme vests in 4 or 5 equal instalments on expiry of 12 months, 24 months, 36 months, 48 months and where applicable 60 months from the date of grant. The options may be exercised subject to condition of minimum number of option vesting, on any day over a period of four or five years, as the case may be from the date of vesting. The parent Company charges the subsidiary for the equity it provides to the employees of the subsidiary over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge in FY 2023-24 Rs. 0.3 lakhs (FY 22-23 of Rs. 1.08 lakhs) is recognised as share based payment expenses under Employee Benefit Expenses.

37. Capital commitments

Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2024 is Rs. NIL (31 March 2023 is Rs. Nil).

38. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
I	Principal amount remaining unpaid to any supplier at the end of the accounting year	**603.44**	472.15
	Interest due thereon remaining unpaid to any supplier at the end of the accounting year	**13.92**	12.26
II	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	**12.26**	12.26
III	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**13.92**	12.26
IV	Amount of interest accrued and remaining unpaid as at the year end	**13.92**	12.26
V	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**NIL**	NIL

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

39. Research and development expenditure:

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
	In recognised Research and development units		
(i)	Debited to the Statement of profit and loss other than depreciation and amortisation	**960.94**	871.52
(ii)	Depreciation and amortisation	**89.64**	105.10
(iii)	Capital expenditure	**190.58**	209.13
	Total	**1,241.16**	1,185.75

40. Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2023	Investment made during the year	Investment sold / adjustments during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2024
1	Mahindra Fruits Private Limited	**31-Mar-24**	**815.80**	**–**	**–**	**–**	**815.80**
		31-Mar-23	815.80	–	–	–	815.80
2	Mahindra HZPC Private Limited	**31-Mar-24**	**2,975.91**	**–**	**–**	**–**	**2,975.91**
		31-Mar-23	2,975.91	–	–	–	2,975.91
3	Mahindra Fresh Fruits Distribution Holding Company Europe BV	**31-Mar-24**	**7.67**	**–**	**7.67**	**–**	**–**
		31-Mar-23	7.67	–	–	–	7.67
4	Mera Kisan Private Limited	**31-Mar-24**	**–**	**–**	**–**		**–**
		31-Mar-23	1,160.50	–	1,160.50		–

(Currency : Indian rupees in lakhs)

Investments in Joint Ventures

Sr. No.	Name of the entity	Year	As at 1 April 2023	Investment made during the year	Investment sold during the year	As at 31 March 2024
1	Mahindra Summit Agriscience Limited	**31-Mar-24**	**7,686.60**	**1,800.00**	**–**	**9,486.60**
		31-Mar-23	7,686.60	–	–	7,686.60

Inter corporate deposit

Sr. No.	Name of the entity	Year	As at 1 April 2023	Inter corporate deposit given during the year	Inter corporate deposit given repaid during the year	As at 31 March 2024
1	Mahindra Summit Agriscience Limited	**31-Mar-24**	**–**	**1,800.00**	**1,800.00**	**–**
		31-Mar-23	–	–	–	–

41. Exceptional items

The Company classifies items of income and expense within profit or loss from ordinary activities as exceptional items when they are of such size, nature or incidence that their disclosure is relevant to explain the performance for the period.

Exceptional Items (net) recognised in profit or loss

Particulars	31 March 2024	31 March 2023
Impairment of certain investments (Refer note i)	**1,320.00**	5,872.00

(i) The Company has long-term investments in subsidiaries, associates and joint ventures which are measured at cost less impairment or at fair value through profit or loss.

The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and

(ii) 'value-in-use' estimates determined using discounted cash flow projections, where available. The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

During the year ended 31 March 2024, the performance of joint ventures along with the relevant economic and market indicators, resulted in indicators of impairment. Accordingly, the Company determined the recoverable amounts of these investments and recorded a provision of Rs. 1320 lakhs (31 March 2023 : Rs. 5,872 lakhs) for the year ended 31 March 2024. The value-in-use calculation use discount rates ranging from 16% - 20% and the terminal growth rates ranging from 4% - 5%.

42. Contingent liabilities

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

A. Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of Tax	31 March 2024	31 March 2023
Value added tax	**180.83**	282.27
Sales tax	**60.13**	69.42
Central Excise and service tax	**5.85**	5.85
Total	**246.81**	357.54

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

B. In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

(Currency : Indian rupees in lakhs)

43. Ratio Analysis and its elements

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	**0.91**	0.90	0%	–
Debt Equity ratio	Total Debt	Shareholder Equity	**0.53**	1.20	(56%)	Reduction in ratio is mainly on account of reduction in losses
Debt Service coverage ratio	Earning for Debt service	Debt Service	**0.63**	0.07	862%	Unfavourable increase in ratio is on account of increase in borrowings
Return on Equity	Net profit after taxes	Total Shareholder Equity	**19.81**	3.47	471%	Equity infusion combined with reduction in losses has led to favourable increase on return on equity
Inventory Turnover ratio	Cost of goods sold	Average inventory	**3.05**	2.36	29%	Unfavourable increase in ratio is mainly on account of increase in purchase price of raw material.
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	**3.89**	3.85	1%	–
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	**1.68**	1.62	4%	–
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	**(17.20)**	(15.57)	10%	Favourable increase is mainly on account of increase in turnover as compared to previous
Net profit ratio	Net profit	Net sales = Total sales - sales return	**(0.08)**	(0.28)	(73%)	Favourable reduction in net profit ratio is on account of reduction in impairment of investments and increase in net sales
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	**(0.11)**	(0.62)	(82%)	Favourable reduction in losses and infusion of equity has led to change in capital employed
Return on Investment	Interest (Finance Income)	Investment (Fixed Deposit)	**0.01**	0.01	10%	–

(Currency : Indian rupees in lakhs)

44. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off during the year.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) Details of further investments made or Inter corporate deposits given by Holding Company

Name of Company	Nature of transaction	Date of transaction	Amount (in lacs)
Mahindra Summit Agriscience Limited	Equity share capital	28-Mar-24	1,800.00
Mahindra Summit Agriscience Limited	Inter corporate deposit	15-Feb-24	1,800.00

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(viii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
Date: 19 April 2024

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
19 April 2024

Ramesh Ramachandran
Managing Director and Chief Executive Officer
DIN: 09562621
Mumbai
19 April 2024

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 19 April 2024

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Mumbai
Date: 19 April 2024

FORM AOC-1

(PURSUANT TO FIRST PROVISO TO SUBSECTION (3) OF SECTION 129 READ
WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

PART "A": SUBSIDIARIES

Rs. in lakhs

Sr No	Particulars	Details	Details	Details
1.	Name of Subsidiary	Mahindra Fruits Private Limited	MHZPC Private Limited	Mahindra Summit Agriscience Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2024 Same as Holding Company	31st March, 2024 Same as Holding Company	31st March, 2024 Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR in Lacs. Not Applicable	INR in Lacs. Not Applicable	INR in Lacs. Not Applicable
4.	Share capital	Rs.1233.00	Rs.4964.00	Rs.15811
5.	Reserves & Surplus	(-) Rs.1221.13	(-) Rs.3977.54	(-) Rs.13145.90
6.	Total Assets	Rs.15.82	Rs.8013.35	Rs.10924.68
7.	Total Liabilities	Rs.3.95	Rs.7026.89	Rs.8259.58
8.	Investment	Nil	Nil	Nil
9.	Turnover	Nil	Rs.7240.91	Rs.13553.38
10.	Profit before taxation	Rs.1.07	Rs.641.90	(-) Rs.2783.47
11.	Provision for taxation	Nil	Nil	Nil
12.	Profit after taxation	Rs.1.07	Rs.641.90	(-) Rs.2783.47
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100%	59.95%	60%

Additional Information

1) Names of subsidiaries which are yet to commence operations: **Nil**

2) Names of subsidiaries which have been liquidated or sold during the year: **None**

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
19 April 2024

Ramesh Ramachandran
Managing Director and Chief Executive Officer
DIN: 09562621
Mumbai
19 April 2024

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
Date: 19 April 2024

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Mumbai
Date: 19 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA SUMMIT AGRISCIENCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Summit Agriscience Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIK1467

Place: Mumbai
Date: 18 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA SUMMIT AGRISCIENCE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant and equipment were verified during the year ended 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third party, has been physically verified by the management during the year.For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded (Rs. in Lakhs)	Amount paid under Dispute (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5.21	5.21	AY 2021-22	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investments in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) of the Order in so far as it related to Section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of 2,326.79 lakhs in the current financial year and Rs 2,061.13 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIK1467

Place: Mumbai
Date: 18 April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA SUMMIT AGRISCIENCE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Summit Agriscience Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIK1467

Place: Mumbai
Date: 18 April 2024

BALANCE SHEET AS AT 31 MARCH 2024

(Currency: Indian Rupees in lakhs)

	Note No.	As at 31 March 24	As at 31 March 23
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	*4*	**2,057.63**	1,947.47
(b) Capital work-in-progress	*4*	**–**	5.25
(c) Intangible assets under development	*5*	**461.69**	135.54
(d) Financial assets			
(i) Other financial assets	*6*	**1.74**	22.74
TOTAL NON-CURRENT ASSETS		**2,521.06**	2,111.00
CURRENT ASSETS			
(a) Inventories	*8*	**3,002.90**	5,406.79
(b) Financial assets			
(i) Trade receivables	*9*	**3,821.50**	6,948.75
(ii) Cash and cash equivalents	*10A*	**156.47**	–
(iii) Bank balances other than (ii) above	*10B*	**0.06**	–
(iv) Other financial assets	*6*	**50.14**	6.64
(c) Current tax assets (net)	*12A*	**3.94**	4.10
(d) Other current assets	*7*	**1,368.61**	1,079.80
TOTAL CURRENT ASSETS		**8,403.62**	13,446.08
TOTAL ASSETS		**10,924.68**	15,557.08
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	*17A*	**15,811.00**	12,811.00
(b) Other equity	*17B*	**(13,145.90)**	(10,362.00)
TOTAL EQUITY		**2,665.10**	2,449.00
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Lease liabilities	*28*	**447.99**	196.03
(b) Provisions	*11*	**123.64**	126.24
TOTAL NON-CURRENT LIABILITIES		**571.63**	322.27
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	*13*	**2,753.91**	3,283.15
(ii) Lease liabilities	*28*	**116.20**	34.69
(iii) Trade payables	*14*		
Total outstanding dues of micro enterprises and small enterprises		**40.42**	42.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,709.39**	7,190.44
(iv) Other financial liabilities	*15*	**413.53**	320.94
(b) Provisions	*11*	**644.88**	217.11
(c) Other current liabilities	*16*	**2,009.62**	1,697.03
TOTAL CURRENT LIABILITIES		**7,687.95**	12,785.81
TOTAL EQUITY AND LIABILITIES		**10,924.68**	15,557.08

The accompanying notes 1 to 35 forms integral part of the financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Sushma Jaglan	**Sandeep Gadre**	**Ramesh Ramachandran**	**Nilesh Totla**	**Anwaya Kadu**
Partner	Whole Time Director & CEO	Non Executive Director	Chief Financial Officer	Company Secretary
Membership No.137783	DIN : 06685790	DIN : 09562621	Membership No. 410733	Membership No. A26392
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in lakhs)

		Note No.	**Year ended 31 March 2024**	Year ended 31 March 2023
I	**Income**			
	Revenue from operations	*18*	**13,553.38**	19,070.37
	Other income	*19*	**116.11**	210.70
	Total Income (I)		**13,669.49**	19,281.07
II	**Expenses**			
	Cost of materials consumed	*19A*	**5,362.10**	9,909.29
	Purchases of stock-in-trade		**3,457.38**	5,219.80
	Changes in stock of finished goods	*19B*	**1,378.41**	490.24
	Employee benefits expense	*20*	**2,413.83**	2,258.82
	Finance costs	*21*	**552.84**	276.65
	Depreciation and amortisation expense	*22*	**335.51**	231.57
	Other expenses	*23*	**2,952.89**	3,265.72
	Total Expenses (II)		**16,452.96**	21,652.09
III	**Loss before exceptional items and tax (I-II)**		**(2,783.47)**	(2,371.02)
	Exceptional items	*31*	**–**	5,156.00
IV	**Loss before tax**		**(2,783.47)**	(7,527.02)
V	**Tax expenses**	*24*		
	Current tax		**–**	–
	Deferred tax		**–**	–
	Total tax expenses		**–**	–
VI	**Loss for the year**		**(2,783.47)**	(7,527.02)
VII	**Other comprehensive loss**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**(0.43)**	(5.40)
	(ii) Income tax relating to defined benefit plans that will not be reclassified to profit or loss		**–**	–
	Total other comprehensive loss		**(0.43)**	(5.40)
VIII	**Total comprehensive loss for the year (V-VI)**		**(2,783.90)**	(7,532.42)
	Earnings / (loss) per equity share: Basic / Diluted (in Rs.)	*25*	**(2.17)**	(5.88)

The accompanying notes 1 to 35 forms integral part of the financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Sushma Jaglan	**Sandeep Gadre**	**Ramesh Ramachandran**	**Nilesh Totla**	**Anwaya Kadu**
Partner	Whole Time Director & CEO	Non Executive Director	Chief Financial Officer	Company Secretary
Membership No.137783	DIN : 06685790	DIN : 09562621	Membership No. 410733	Membership No. A26392
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Loss before exceptional items and tax	**(2,783.47)**	(2,371.02)
Adjustments for:		
Finance costs	**552.84**	276.65
Provision / (reversal) for credit loss allowance	**121.17**	78.32
Bad debts	**–**	–
Write back of advance from customers	**(40.58)**	(95.28)
Depreciation and amortisation expense	**335.51**	231.57
Unrealised (gain) / loss on foreign exchange transactions and translations	**(0.02)**	(0.21)
Gain on sale of property, plant and equipment (net)	**(4.83)**	(4.52)
Intangible assets under development written off during the year	**16.42**	33.56
	(1,802.96)	(1,850.93)
Movements in working capital:		
(Increase) / decrease in trade receivables	**3,006.09**	(1,374.78)
(Increase) / decrease in inventories	**2,403.90**	684.12
(Increase) / decrease in other assets	**(311.31)**	(153.45)
Increase / (decrease) in trade and other payables	**(4,821.71)**	2,507.38
	276.97	1,663.26
Cash used in operating activities	**(1,525.99)**	(187.66)
Income taxes received / (paid)	**(0.16)**	3.98
Net cash used in operating activities (A)	**(1,526.15)**	(183.68)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**43.31**	10.99
Payments for acquisition of property, plant and equipment (including ITUD)	**(490.79)**	(349.39)
Net cash used in investing activities (B)	**(447.48)**	(338.40)
Cash flows from financing activities		
Proceeds from issue of equity shares	**3,000.00**	–
Proceeds from Short-term borrowings	**9,024.99**	10,503.88
Repayment of Short-term borrowings	**(9,554.23)**	(9,190.00)
Proceeds from Intercompany borrowings	**1,800.00**	–
Repayment of Intercompany borrowings	**(1,800.00)**	(500.00)
Interest paid	**(552.84)**	(277.12)
Payments for the principal portion of the lease liability	**130.90**	(7.45)
Payments for the interest portion of the lease liability	**81.28**	(7.23)
Net cash flow generated from financing activities (C)	**2,130.10**	522.08
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**156.47**	–
Cash and cash equivalents at the beginning of the year	**–**	–
Cash and cash equivalents at the end of the year (refer note 10A)	**156.47**	–
Components of Cash and cash equivalents		
Balance with bank		
In Current account	**156.47**	–
	156.47	–

Notes :

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows"

(Currency: Indian Rupees in lakhs)

		Year ended 31 March 2024	Year ended 31 March 2023
2	IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including non-cash changes, suggesting inclusing of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosur is made below :		
	Opening balances		
	Short-term borrowing	**3,283.15**	2,469.27
	Cash flow movements		
	Procees of short-term borrowings	**9,024.99**	
	Repayment of short-term borrowings	**(9,554.23)**	813.88
	Closing balances		
	Short-term borrowing	**2,753.90**	3,283.15

The accompanying notes 1 to 35 forms integral part of the financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Sushma Jaglan	**Sandeep Gadre**	**Ramesh Ramachandran**	**Nilesh Totla**	**Anwaya Kadu**
Partner	Whole Time Director & CEO	Non Executive Director	Chief Financial Officer	Company Secretary
Membership No.137783	DIN : 06685790	DIN : 09562621	Membership No. 410733	Membership No. A26392
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

(a) Equity share capital

(Currency: Indian Rupees in lakhs)

Equity share capital	**Amount**
As at 31 March 2022	12,811.00
Issued equity share capital during the year	–
As at 31 March 2023	12,811.00
Issued equity share capital during the year	3,000.00
As at 31 March 2024	**15,811.00**

(b) Other equity

Particulars	**Retained earnings**	**Total**
As at 31 March 2022	(2,829.58)	(2,829.58)
Loss for the year	(7,527.02)	(7,527.02)
Other comprehensive loss	(5.40)	(5.40)
As at 31 March 2023	(10,362.01)	(10,362.01)
Loss for the year	(2,783.47)	(2,783.47)
Other comprehensive loss	(0.43)	(0.43)
As at 31 March 2024	**(13,145.91)**	**(13,145.91)**

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Sushma Jaglan
Partner
Membership No.137783
Place : Mumbai
Date : 18 April 2024

Sandeep Gadre
Whole Time Director & CEO
DIN : 06685790
Place : Mumbai
Date : 18 April 2024

Ramesh Ramachandran
Non Executive Director
DIN : 09562621
Place : Mumbai
Date : 18 April 2024

Nilesh Totla
Chief Financial Officer
Membership No. 410733
Place : Mumbai
Date : 18 April 2024

Anwaya Kadu
Company Secretary
Membership No. A26392
Place : Mumbai
Date : 18 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CURRENCY: INDIAN RUPEES IN LAKHS)

1. Corporate information

Mahindra Summit Agriscience Limited ("the Company") a Public Limited Company domiciled in India and incorporated on 9 October 2018 under the provisions of the Companies Act, 1956 (CIN : U01400MH2018PLC315558).

The Company is primarily engaged in the business of manufacture and marketing of Agri Inputs. The Company has its manufacturing facilities in India and sells in India.

The financial statements for the year ended 31 March 2024 were approved by the Board of Directors and authorised for issue on 18 April 2024.

2. Statement of compliance and basis of preparation and presentation

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lakhs.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments and agricultural produce that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.3 Measurement of fair value

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

ii. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Goodwill impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

3. Material accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The accounting policies for specific revenues streams of the Company is summarised below:

Sale of goods:

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the control of promised products to customers;
- the Company has identified the contract with customer and performance obligation in the contract.
- the transaction price can be measured reliably;
- it is expected that the consideration associated with the transaction will flow to the Company; and revenue is recognised when the company satisfy the performance obligation

Sale of services:

Income recognition for services takes place as and when the services are performed in accordance with IND AS 115

3.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts.

3.3 Employee benefits expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences, supplemental pay and director pension liability

Post-employment benefit plans

Defined Contribution plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans:

The Company operates a defined benefit plan – gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3.4 Employee benefits expenses

Short-term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Taxation

Income tax expense represents the sum of the current tax in respect of taxable income for the year and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.7 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(a) Plant and Equipment –15 years

(b) Computer equipment – 5 years

(c) Office equipment – 5 years

(d) Furniture & fixtures – 5 years

(e) Buildings – 15 years

(f) Vehicles – 5 years

3.8 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Goodwill arising on acquisition of business represents excess of purchase consideration over the book value of net assets acquired based on a valuation conducted by an independent firm of Chartered Accountants and will be tested for Impairment annually as per Ind AS 36.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset. Intangible assets under development are carried at cost, comprising direct cost and related incidental expenses less impairment losses if any.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 years and 5 years
Non-compete fees	5 years

3.9 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3.10 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Accounting of Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at :

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.13 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments).

3.14 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, communication costs and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight etc.

3.15 Earnings per share

The basic earnings per share ('EPS ') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

3.16 Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3.17 Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.18 "Recent pronouncements"

Ministy of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024 MCA has not notified any standards or amendments to the existing standards applicability to the Company.

4 Property, plant and equipment and Capital work in-progress

(Currency: Indian Rupees in lakhs)

Carrying Amount of:	As at 31 March 2024	As at 31 March 2023
Freehold land	352.00	352.00
Building	616.24	641.44
Plant and equipment	467.55	579.16
Computer equipment	20.58	22.66
Office equipment	3.74	6.39
Furniture and fixtures	10.01	11.82
Vehicles	49.83	107.33
Right to Use Assets - Vehicles	537.68	58.08
Right to Use Assets - Buildings	–	168.59
	2,057.63	1,947.47
Capital work-in-progress	**–**	5.25

Description of assets	Freehold land	Buildings	Plant and equipment	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Right to Use Assets - Vehicles	Right to Use Assets - Buildings	Capital work in Progress	Total
I. Gross block											
Balance as at 31 March 2022	352.00	737.88	794.41	32.56	15.76	24.45	218.57	–	–	75.98	2,251.61
Additions for the year	–	4.21	65.41	10.01	0.15	–	22.45	65.26	172.91	5.25	345.65
Disposal for the year	–	–	–	–	–	–	(15.09)	–	–	(75.98)	(91.07)
Balance as at 31 March 2023	352.00	742.09	859.82	42.57	15.91	24.45	225.93	65.26	172.91	5.25	2,506.19
Additions for the year	–	–	10.74	10.26	0.09	1.28	–	598.38	–	–	620.75
Disposal for the year	–	–	(55.45)	–	(0.20)	–	(29.91)	–	(172.91)	(5.25)	(263.71)
Balance as at 31 March 2024	**352.00**	**742.09**	**815.11**	**52.83**	**15.80**	**25.73**	**196.02**	**663.64**	**–**	**–**	**2,863.23**
II. Accumulated depreciation and impairment											
Balance as at 31 March 2022	**–**	**75.54**	**187.22**	**9.33**	**6.77**	**9.75**	**85.29**	**–**	**–**	**–**	**373.90**
Depreciation expense for the year	–	25.11	93.44	10.58	2.75	2.88	41.94	7.18	4.32	–	188.20
Disposal for the year	–	–	–	–	–	–	(8.62)	–	–	–	(8.62)
Balance as at 31 March 2023	**–**	**100.65**	**280.66**	**19.91**	**9.52**	**12.63**	**118.61**	**7.18**	**4.32**	**–**	**553.48**
Additions for the year	–	25.20	99.17	12.34	2.68	3.09	39.66	118.78	34.59	–	335.51
Disposal for the year	–	–	(32.27)	–	(0.14)	–	(12.08)	–	(38.91)	–	(83.41)
Balance as at 31 March 2024	**–**	**125.85**	**347.56**	**32.25**	**12.06**	**15.72**	**146.19**	**125.96**	**–**	**–**	**805.59**
III. Net block 31 March 2024	**352.00**	**616.24**	**467.55**	**20.58**	**3.74**	**10.01**	**49.83**	**537.68**	**–**	**–**	**2,057.63**
IV. Net block 31 March 2023	**352.00**	**641.44**	**579.16**	**22.66**	**6.39**	**11.82**	**107.33**	**58.08**	**168.59**	**5.25**	**1,952.72**

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2024	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**

As at 31 March 2023

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	5.25	–	–	–	5.25
Total	**5.25**	**–**	**–**	**–**	**5.25**

5 Intangible assets under development

Carrying amount of:-	**As at 31 March 2024**	As at 31 March 2023
Intangible assets under development	**454.69**	135.54
Computer software	**7.00**	–
Total	**461.69**	135.54

Intangible assets under development	**As at 31 March 2024**	As at 31 March 2023
Opening Intangible assets under development	**135.54**	454.32
Additions during the year	**342.57**	317.88
Capitalised during the year	**–**	–
Deduction during the year	**16.42**	33.56
Impairment during the year (refer note no 31)	**–**	603.10
Closing Intangible assets under development	**461.69**	135.54

Ageing of Intangible assets under development
As at 31 March 2024

	Amount in Intangible assets under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	337.18	133.93	–	–	471.11
Computer Software	7.00	–	–	–	7.00
Less : Suspended	–	16.42	–	–	16.42
Total	**344.18**	**117.51**	**–**	**–**	**461.69**

As at 31 March 2023

	Amount in Intangible assets under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	169.10	–	–	–	169.10
Less : Suspended	33.56	–	–	–	33.56
Total	**135.54**	**–**	**–**	**–**	**135.54**

6 Other financial assets

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**		As at 31 March 2023	
	Current	**Non-current**	Current	Non-current
Financial assets at amortised cost :				
Security deposits	**50.14**	1.74	6.64	22.74
	50.14	**1.74**	6.64	22.74

7 Other current assets

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Balances with Government authorities (other than income taxes)	**876.72**	974.84
Advances to employees		
Considered doubtful	**59.55**	29.56
Provision for doubtful advances	**(59.55)**	(29.56)
Sub total of advances to employees	**–**	–
Advances to vendors		
Considered good	**61.36**	77.02
Sub total of advances to vendors	**61.36**	77.02
Prepaid expenses	**27.74**	27.94
Expected sales return from customers	**402.79**	–
	1,368.61	1,079.80

8 Inventories (at lower of cost and net realisable value)

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**	At 31 March 2023
Raw materials	**317.91**	1,306.35
Finished goods	**1,315.65**	2,041.13
Stock-in-trade	**1,210.53**	1,819.62
Packing materials	**156.61**	193.65
Stock-in-transit *	**2.20**	46.04
	3,002.90	5,406.79

Notes:

(i) * It represents inter unit transfer of stock inventories.

(ii) The cost of inventories recognised as an expense includes Rs. 216.46 lakhs (31 March 2023 : Rs. 606.68 lakhs) in respect of adjustment of inventories to net realisable value/slow moving.

(iii) The carrying amount of inventories pledged as security for Working capital demand loan / Cash credit facility from bank is secured by first paripassu charge on inventories (including Raw Materials, Finished goods, Stock-in-trade and Stock-in-transit), and book debts.

(iv) The mode of valuation of inventories has been stated in note 3.10

9 Trade receivables

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**	At 31 March 2023
Unsecured - considered good	**3,821.50**	6,948.75
Credit impaired	**2,170.13**	2,048.97
Less :- Loss allowance for expected credit losses	**(2,170.13)**	(2,048.97)
	3,821.50	6,948.75

Trade receivables Ageing Schedule

Particulars	**Outstanding for following periods from due date of payment**						
As at 31 March 2024	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	1,700.82	1,704.85	141.69	86.60	187.54	–	3,821.50
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade receivables – credit impaired	17.94	135.95	71.71	204.56	864.83	875.16	2,170.13
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Less : Loss allowances	(17.94)	(135.95)	(71.71)	(204.56)	(864.83)	(875.16)	(2,170.13)
Total	**1,700.82**	**1,704.85**	**141.69**	**86.60**	**187.54**	**–**	**3,821.50**

Particulars	**Outstanding for following periods from due date of payment**						
As at 31 March 2023	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	4,207.89	2,325.31	196.25	219.30	–	–	6,948.75
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade receivables – credit impaired	30.09	156.88	19.45	92.96	145.61	1,603.98	2,048.97
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Less : Loss allowances	(30.09)	(156.88)	(19.45)	(92.96)	(145.61)	(1,603.98)	(2,048.97)
Total	**4,207.89**	**2,325.31**	**196.25**	**219.30**	**–**	**–**	**6,948.75**

(i) Notes:

Particulars	As at 31 March 2024	At 31 March 2023
Of the above, trade receivables from:		
- Related parties	**39.15**	–
- Others	**3,782.35**	6,948.75
	3,821.50	6,948.75

(ii) Movement in the expected credit loss allowance

Particulars	As at 31 March 2024	At 31 March 2023
Balance at the beginning of the year	**2,048.97**	1,970.65
Less: Reversal of provision	**–**	–
Add: provision made during the year	**121.17**	78.32
Balance at the end of the year	**2,170.13**	2,048.97

(iii) The carrying amount of inventories pledged as security for Working capital demand loan / Cash credit facility from bank is secured by first paripassu charge on inventories (including Raw Material, Finished goods, Stock-in-trade, Packing Materials and Stock-in-transit), and book debts (refer note no. 13).

(iv) The Company does not normally enforce interest on overdue debts. However, interest on overdue debts is charged on discretionary basis in respect of certain parties.

(v) The credit period ranges from 90 days to 120 days.

10A Cash and cash equivalents

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and bank balances		
Cash and cash equivalents		
Balances with banks in current accounts	**156.47**	–
Total cash and cash equivalents	**156.47**	–

10B Other Bank balance

Particulars	As at 31 March 2024	As at 31 March 2023
Other bank balances		
Earmarked balances with banks :		
Fixed deposits *	**0.06**	–
Total other bank balances	**0.06**	–

* Fixed deposits are on lien against solvent licence

Reconciliation of cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Total cash and cash equivalents as per Balance Sheet	**156.47**	–
Total cash and cash equivalents as per Balance Sheet	**156.47**	–

11 Provisions

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024		At 31 March 2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 30)				
- Compensated absences	**24.16**	**37.68**	29.10	45.46
- Gratuity	**39.22**	**85.96**	28.24	80.78
Expected sales return from customers**	**581.50**	**–**	159.77	–
Total	**644.88**	**123.64**	217.11	126.24

** The Company makes a provision on estimated sales return from customers based on historical experience. The sales returns are generally expected within a year.

Movement in provision - expected returns from Customers

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year*	**873.08**	1,164.85
Add : Provision made during the year	**2,717.08**	4,001.61
Less: Provision used during the year	**3,008.66**	4,293.39
Less : Cost of goods sold	**–**	713.30
Balance at the end of the year	**581.50**	159.77

* The opening balance for the current year has been considered at gross expected returns from customers.

The opening balance of previous year is net off cost of goods sold aggreegating to Rs. 887.86 lakhs.

Note:

The provision for employee benefits includes annual leaves and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosure refer note 30 on Defined benefit and contribution.

12A Non-current tax assets & Current tax assets (net)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
Non-current tax assets				
Tax refund receivables	**2.33**	**–**	3.43	–
TCS receivables	**1.61**	**–**	0.67	–
	3.94	**–**	4.10	–

12B Deferred tax assets (net)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	**21.97**	58.16
Deferred tax liability	**(21.97)**	(58.16)
Deferred tax assets (net) #	**–**	–

31 March 2024

Particulars	**Net balance 1 April 2023**	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax assets/ (liabilities) Business losses							
Property, plant and equipment	(58.16)	**36.18**	–	–	**(21.97)**	**–**	**(21.97)**
Employee benefits	46.21	**(34.12)**	–	–	**12.08**	**12.08**	**–**
Provision for doubtful debts	10.93	**(10.93)**	–	–	**–**	**–**	**–**
Right to use Assets	1.02	**8.87**			**9.89**	**9.89**	**–**
Deferred tax assets (net) #	**–**	**–**	**–**	**–**	**–**	**–**	**(21.97)**

31 March 2023

Particulars	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities) Business losses							
Property, plant and equipment	(111.08)	52.92	–	–	(58.16)	–	(58.16)
Employee benefits	46.41	(0.20)	–	–	46.21	46.21	–
Provision for doubtful debts	64.67	(53.75)	–	–	10.93	10.93	–
Right to use Assets	–	1.02	–	–	1.02	1.02	–
Deferred tax assets (net) #	–	–	–	–	–	58.16	(58.16)

Amounts on which deferred tax asset has not been created and related expiry period

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**	As at 31 March 2023
Unused business losses (revenue in nature) Expiry period upto five years	**2,260.84**	2,005.54
Unused business losses (revenue in nature) Expiry period more than five years	**932.12**	932.12
Unused Depreciation losses (no expiry date)	**5,463.77**	2,455.51
Others	**2,492.97**	2,305.76
Total	**11,149.70**	7,698.93

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

 # Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

13 Borrowings

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**	As 31 March 2023
Secured		
Cash credit facility from bank (refer note i below)	**1,653.91**	1,483.15
Working capital Facility from banks (refer note i and iii below)	**–**	1,800.00
Unsecured		
Intercorporate loan (refer note iv below)	**–**	–
Working capital facility from bank (refer note ii and iii below)	**1,100.00**	–
	2,753.91	3,283.15

Notes:

i) Working capital demand loan and Cash credit facility from Kotak Mahindra Bank Limited and HDFC Bank Limited are secured by first paripassu charge on inventories (including raw material, finished goods and stock in trade) and book debts.

ii) Working capital demand loan from MUFG Bank Limited are back by the corporate guarantee by the Summit Agro International Limited.

iii) Loan carried interest rate of 8% to 9.3% p.a. for working capital demand loan and 8.80% for Cash credit.

iv) Intercorporate loan from Mahindra Agri Solutions Limited of Rs 1,800 lakhs carries interest rate @ 9.50% pa. This loan was taken in the current year and repaid along with interest during the year.

14 Trade payables

(Currency: Indian Rupees in lakhs)

Particulars	**As at 31 March 2024**	As 31 March 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 29)	**40.42**	42.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,709.40**	7,190.44
	1,749.81	7,232.89
Out of the above trade payable amounts due to related parties are as below :		
Trade Payable due to related parties	**161.55**	552.66

Trade payables Ageing Schedule

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
As at 31 March 2024						
Total outstanding dues of micro enterprises and small enterprises	40.41	0.01	–	–	–	40.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	523.10	175.46	4.18	3.38	10.65	716.77
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises		–	–	–	–	–
Accrued Expenses						992.62
Total	**563.51**	**175.47**	**4.18**	**3.38**	**10.65**	**1,749.81**

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
As at 31 March 2023						
Total outstanding dues of micro enterprises and small enterprises	42.00	0.45	–	–	–	42.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,476.22	3,637.76	19.62	11.37	0.74	6,145.71
Disputed dues of micro enterprises and small enterprises						–
Disputed dues of creditors other than micro enterprises and small enterprises						–
Accrued Expenses	–	–	–	–	–	1,044.73
Total	**2,518.22**	**3,638.20**	**19.62**	**11.37**	**0.74**	**7,232.89**

15 Other financial liabilities

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As 31 March 2023
Other financial liabilities measured at amortised cost - Current		
Interest accrued on dues to micro enterprises and small enterprises	**5.51**	3.15
Interest accured on borrowings	**3.03**	5.35
Trade deposit	**404.99**	312.44
	413.53	320.94

16 Other current liabilities

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As 31 March 2023
Advances received from customers	**1,591.45**	1,313.63
Payable to employees	**288.45**	282.64
Statutory remittances		
- Tax deducted at source	**36.18**	41.14
- Goods and service tax	**51.07**	45.30
- Provident fund	**14.61**	14.10

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As 31 March 2023
- Professional Tax	**0.33**	0.21
Insurance claim recoveries	**27.52**	–
	2,009.62	1,697.03

17A Equity share capital

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024 No. of shares	As at 31 March 2024 Amount	At 31 March 2023 No. of shares	At 31 March 2023 Amount
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	**190,000,000**	**19,000.00**	130,000,000	13,000.00
Issued, subscribed and fully paid:				
Equity shares of Rs 10 each with voting rights	**158,110,000**	**15,811.00**	128,110,000	12,811.00
	158,110,000	**15,811.00**	128,110,000	12,811.00

A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Opening balance	Rights issue	Fresh issues	Closing balance
Equity Shares				
As at 31 March 2024				
No. of Shares	**128,110,000**	**30,000,000**	**–**	**15,81,10,000**
Amount	**12,811.00**	**3,000.00**	**–**	**15,811.00**
As at 31 March 2023				
No. of Shares	128,110,000	–	–	128,110,000
Amount	12,811.00	–	–	12,811

B) Rights, preferences and restrictions attached to equity shares

The Company has issued one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year, the Company has raised fund through right issue of equity shares 30,000,000 of Rs.10 each to existing equity shareholders in their shareholding ratio.

C) Details of shares held by the Holding Company

(Currency: Indian Rupees in lakhs)

Particulars	No. of shares
As at 31 March 2024	
the Holding Company	94,866,000
Others	63,244,000
Total	158,110,000
As at 31 March 2023	
the Holding Company	**76,866,000**
Others	**51,244,000**
Total	**128,110,000**

D) Details of shares held by each shareholder holding more than 5% shares:

(Currency: Indian Rupees in lakhs)

Class of shares / Name of shareholder	As at 31 March 2024		At 31 March 2023	
	Number of fully paid equity shares	% holding in that class of shares	Number of fully paid equity shares	% holding in that class of shares
Equity shares with voting rights	–	–	–	–
Mahindra Agri Solutions Limited	**94,866,000**	**60.00%**	76,866,000	60.00%
Summit Agro International Limited	**63,244,000**	**40.00%**	51,244,000	40.00%

E) Details of shares held by promoters at the end of the year:

As at 31 March 2024

Promoter Name	No. of Shares (Equity Shares)	% of total shares	% change during the year
Mahindra Agri Solutions Limited	94,866,000	60%	–

As at 31 March 2023

Promoter Name	No. of Shares (Equity Shares)	% of total shares	% change during the year
Mahindra Agri Solutions Limited	76,866,000	60%	–

F) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

17B Other equity

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	At 31 March 2023
Balance at the beginning of the year	**(10,362.00)**	(2,829.58)
Loss for the year	**(2,783.47)**	(7,527.02)
Other comprehensive income / (loss)	**(0.43)**	(5.40)
Balance at the end of the year	**(13,145.90)**	(10,362.00)

The description of the nature and purpose of each reserve within equity is as follows:

a) Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

18 Revenue from operations

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of Products		
Sale of Finished goods	**7,762.07**	11,246.81
Sale of Traded goods	**5,758.14**	7,823.56
Sale of Services	**33.16**	–
	13,553.38	19,070.37

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss :

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contract with customer as per contract price	**15,047.88**	20,887.23
Less : Scheme discounts	**1,786.08**	2,108.64
Add : Sales returns	**291.58**	291.78
	13,553.38	19,070.37

b) Reconciliation of revenue recognised from contract liability (advance from customers)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening contract liability	**1,313.64**	1,037.46
Add : Addition to contract liability during the year	**1,591.45**	1,313.64
Less: Recognised as revenue during the year	**1,223.32**	974.50
Less: Other adjustments	**90.33**	62.96
	1,591.44	1,313.64

19 Other income

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on amortised cost:-		
Delayed payment from customers	**63.29**	110.90
Gain on disposal of property, plant and equipment (Net)	**4.83**	4.52
Write back of advance from customers	**40.58**	95.28
Other income	**7.41**	–
	116.11	210.70

19A Cost of materials consumed

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the beginning of the year	**1,500.00**	806.03
Add:- Purchases	**4,336.62**	10,603.26
	5,836.63	11,409.29
Less: Inventories at end of year	**474.52**	1,500.00
Cost of materials consumed	**5,362.10**	9,909.29

19B Changes in inventories of finished goods and stock-in-trade

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year:		
Finished goods	**1,315.65**	2,041.13
Stock-in-trade	**1,210.53**	1,819.62
Goods in transit	**2.20**	46.04
	2,528.38	3,906.79
Inventories at the beginning of the year:		
Finished goods	**2,041.13**	2,077.53
Stock-in-trade	**1,819.62**	2,301.84
Goods in transit	**46.04**	17.66
	3,906.79	4,397.03
Net increase / (decrease)	**1,378.41**	490.24

20 Employee benefits expense *

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages, including bonus	**2,212.00**	2,076.93
Gross Salaries and wages, including bonus	**2,488.51**	2,345.50
Less : Transferred to intangible assets under development	**276.51**	268.57
Contribution to provident and other funds (refer note 30)	**142.29**	125.57
Staff welfare expenses	**59.54**	56.32
	2,413.83	2,258.82

* This includes payments of Rs 193.14 lakhs as at 31 March 2024 (31 March 2023 : Rs 189.81 lakhs) in respect of employees charged by other group company.

21 Finance cost

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on amortised cost:-		
- Cash credit	**121.92**	86.64
- Working capital demand loan	**317.64**	179.10
- Inter company loan	**20.09**	3.50
- Delayed payment to micro enterprises and small enterprises (refer note 29)	**2.36**	0.18
- Interest on lease liabilities	**81.28**	7.23
- Interest on others	**9.56**	–
	552.84	276.65

22 Depreciation and amortisation expense

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4)	**335.47**	188.20
Amortisation of intangible assets (refer note 5)	**0.04**	43.37
	335.51	231.57

23 Other expenses

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rent including lease rentals	**86.79**	109.40
Freight charges	**541.62**	691.39
Sales promotion expenses	**591.10**	609.59
Commission on sales	**19.48**	34.16
Travelling and conveyance expenses	**529.38**	539.54
Business support charges from group companies	**236.93**	178.27
Legal and other professional costs	**102.03**	187.36
Subcontracting, hire and service charges	**113.39**	204.71
Clearing and forwarding charges	**119.59**	164.35
Insurance	**89.86**	100.63
Printing and stationary *	**-**	4.55
Rates and taxes	**80.93**	7.85
Repairs and maintenance		
Plant and machinery	**13.93**	27.32
Others	**22.97**	21.90
Net loss on foreign currency transactions and translation	**4.34**	29.77
Provision for doubtful debts	**121.17**	78.32
Telephone charges	**17.00**	9.18
Power and fuel	**29.02**	29.64
Auditors remuneration		
As Auditors		
Audit fees	**15.00**	15.00
Miscellaneous expenses *	**218.36**	222.79
	2,952.89	3,265.72

* In the current year, printing and stationary is reclassified under miscellaneous expenses.

24 Tax expenses

(a) Income tax recognised in profit or loss

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax:		
In respect of current year	**–**	–
Deferred tax:		
Attributable to the origination and reversal of temporary differences	**–**	–
Total income tax recognised in profit or loss	**–**	–

(b) Income tax recognised in other comprehensive income

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
	–	–

Reconciliation of effective tax rate

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit /(loss) before tax	**(2,784.09)**	(7,527.02)
Tax using the Company's domestic tax rate	**25.17%**	25.17%
Expected income tax expenses	**(700.76)**	(1,894.54)
Tax effect of:		
Current year losses for which no deferred tax asset is created	**641.55**	571.17
Non deductibe expenses	**69.10**	1,317.79
Others	**(9.90)**	5.58
Tax expenses as per Statement of profit and loss	**–**	–

Notes:

With Effect from Financial Year 2019-20 (Assessment Year 2020-21), the Company has opted for the concessional tax rate of 22% vide circular number 29/2019 dated 02 October 2019 of the Income Tax Act, 1961. Surcharge of 10% and cess of 4% is to be charged in addition to the base rate of 22%.

25 Earnings per share

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Earnings / (loss) per share (basic / diluted) (Rs)	**(2.17)**	(5.88)

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

A. Basic / diluted earnings per share

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Loss for the year attributable to owners of the Company	**(2,783.47)**	(7,527.02)
Weighted average number of equity shares for the purpose of basic earnings per share	**128,438,767**	128,110,000
Earnings / (loss) per share (basic / diluted) (Rs)	**(2.17)**	(5.88)

Note:

Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

26 Related party disclosures

A. List of related parties and relationships:

Name of the Related Parties	Relationship
Name of the Related Parties where control exists	
Smas Auto Leasing India Private Limited	Ultimate Holding Company of Mahindra Agri Solutions Limited
Mahindra Agri Solutions Limited	Co-Venturer
Sumitomo Corporation	Ultimate Holding Company of Sumitomo Corporation
Summit Agro International Limited	Co-Venturer
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Sumisho Agro India Private Limited	Fellow Subsidiary Company
NBS Interanational Limited	Fellow Subsidiary Company
Swaraj Engines Limited	Fellow Subsidiary Company
Bristlecone India Limited	Fellow Subsidiary Company
Mahindra Defense System Limited	Fellow subsidiary company (w.e.f. 01.07.2023)
Mahindra Engineering & Chemical Limited	Fellow Subsidiary Company
Mahindra First Choice Wheels Limited	Fellow Subsidiary Company
Mahindra EPC Irrigaton Limited	Fellow Subsidiary Company
Mahindra EMarket Limited	Fellow Subsidiary Company
Mahindra Waste to Energy Solution	Fellow Subsidiary Company
Smas Auto Leasing India Private Limited	Fellow Subsidiary Company
Smas Auto Leasing India Private Limited	Fellow Subsidiary Company
Key Managerial Personnel	
Mr. Ramesh Ramachandran	Non Executive Director (from 01.11.2023)
Mr. Ashok Hiralal Sharma	Non Executive Director (upto 31.10.2023)
Mr. Sandeep Bhargav Gadre	Whole Time Director
MS. Manaswini Goel	Non Executive Director
Mr. Kiyotaka Masuda	Non Executive Director
Mr. Hiromichi Maruyama	Non Executive Director
Ms.Anwaya Sachin Kadu	Company Secretary
Mr. Kuldeep Singh	Chief Financial Officer (upto 10.11.2023)
Mr. Nilesh Totla	Chief Financial Officer (from 19.02.2024)

B. Related party transactions and balances

			Transaction during the year													Closing balances	
Name of the related parties where control exists	Relation	Year	Purchase of goods	Sale of property and other assets	Receiving of services	Reimbursement of expenses charged to the company	Sale of services	Inter-company loan taken	Inter-company loan repaid	Interest on unsecured loan	Issue of share capital	Corporate guarantee received	Rent	Managerial remuneration	Corporate guarantee outstanding	Trade payables	Trade receivables
Mahindra Agri Solutions Limited	Co-venturer	**31-Mar-24**	–	–	–	**291.06**	**–**	**1,800.00**	1,800.00	**20.09**	1,800.00	–	–	–	**–**	**96.26**	**–**
		31-Mar-23	–	–	–	246.67	–	–	–	–	–	–	–	–	–	263.92	–
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary company	**31-Mar-24**	–	–	101.43	15.39	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-23	–	–	6.85	0.79	–	–	–	–	–	–	–	–	–	2.54	–

			Transaction during the year												Closing balances		
Name of the related parties where control exists	Relation	Year	Purchase of goods	Sale of property and other assets	Receiving of services	Reimbursement of expenses charged to the company	Sale of services	Inter-company loan taken	Inter-company loan repaid	Interest on unsecured loan	Issue of share capital	Corporate guarantee received	Rent	Managerial remuneration	Corporate guarantee outstanding	Trade payables	Trade receivables
Mahindra & Mahindra Limited	Ultimate Holding Company	31-Mar-24	2.79	–	0.59	161.37	–	–	–	–	–	–	–	–	–	30.56	–
		31-Mar-23	12.09	–	–	148.60	–	–	–	–	–	–	–	–	–	177.86	–
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary company	31-Mar-24	–	–	–	110.35	–	–	–	–	–	–	–	–	–	0.18	–
		31-Mar-23	–	–	–	204.33	–	–	–	–	–	–	–	–	–	18.64	–
Sumisho Agro India Private Limited	Fellow subsidiary company	31-Mar-24	161.72	–	–	–	–	–	–	–	–	–	–	–	–	32.82	–
		31-Mar-23	516.77	–	–	–	–	–	–	–	–	–	–	–	–	87.01	–
Sumitomo Corporation	Ultimate Holding Company of Sumitomo Corporation	31-Mar-24	–	–	–	–	33.16	–	–	–	–	–	–	–	–	–	39.15
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Summit Agro International Limited	Co-venturer	31-Mar-24	–	–	–	1.69	–	–	–	–	1,200.00	2,400.00	–	–	2,400.00	1.18	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Carnot Technologies Pvt Ltd	Fellow subsidiary company	31-Mar-24	–	–	–	0.17	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Swaraj Enginees Limited	Fellow subsidiary company	31-Mar-24	–	–	–	1.41	–	–	–	–	–	–	–	–	–	0.12	–
		31-Mar-23	–	–	–	0.29	–	–	–	–	–	–	1.03	–	–	0.22	–
Mahindra Defense Systems Limited	Fellow subsidiary company	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-23	–	–	–	–	–	–	500.00	7.95	–	–	–	–	–	–	–
Mahindra First Choice Wheels Limited	Fellow subsidiary company	31-Mar-24	–	1.20	–	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-23	–	4.62	–	–	–	–	–	–	–	–	–	–	–	–	–
Mahindra Emarket Limited	Fellow subsidiary company	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Smas Auto Leasing India Pvt Ltd	Fellow subsidiary company	31-Mar-24	–	–	5.54	–	–	–	–	–	–	–	–	–	–	–	–
		31-Mar-23	–	–	6.10	–	–	–	–	–	–	–	–	–	–	–	–
Mahindra Waste to Energy Solutions	Fellow subsidiary company	31-Mar-24	27.20	–	–	–	–	–	–	–	–	–	–	–	–	0.42	–
		31-Mar-23	13.73	–	–	–	–	–	–	–	–	–	–	–	–	2.48	–
Mr. Sandeep Gadre	Director	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	206.71	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	221.32	–	–	–
Mr. Kiyotaka Masuda	Director	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	118.28	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	112.61	–	–	–
Mr. Kuldeep Singh	Key Managerial Person *	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	39.32	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	38.20	–	–	–
Mr. Nilesh Totla	Key Managerial Person *	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	3.76	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Ms. Anwaya Kadu	Key Managerial Person *	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	1.14	–	–	–
		31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	1.95	–	–	–

* Managerial remuneration excludes provision for gratuity and compensated absences since these are provided on the basis of an actuarial valuation for the Company as a whole.

Transactions with related parties are at arm's length.

27 Fair value

The management assessed that loans, cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair Valuation measurement hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

(Currency: Indian Rupees in lakhs)

		As at 31 March 2024			
Particulars	**Level of hierarchy**	**fair value through profit and loss (FVTPL)**	**Fair value through other comprehensive income (FVOCI)**	**Assets/ liabilities at amortised cost method**	**Carrying amount**
Financial assets					
Non-current					
Other financial assets	**2**	–	–	**1.74**	1.74
Current					
Trade receivables	**2**	–	–	**3,821.50**	3,821.50
Cash and cash equivalents	**2**	–	–	**156.47**	156.47
Bank balances other than above	**2**	–	–	**0.06**	0.06
Other financial assets	**2**	–	–	**50.14**	50.14
Total		–	–	**4,029.91**	**4,029.91**
Financial liabilities					
Non-current					
Lease liabilities		–	–	**447.99**	447.99
Current					
Borrowings	**2**	–	–	**2,753.91**	2,753.91
Lease liabilities				**116.20**	116.20
Trade payables	**2**	–	–	**1,749.81**	1,749.81
Other financial liabilities	**2**	–	–	**413.53**	413.53
Total		–	–	**5,481.44**	**5,481.44**

(Currency: Indian Rupees in lakhs)

		As at 31 March 2023			
Particulars	Level of hierarchy	fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Carrying amount
Financial assets					
Non-current					
Other financial assets	2	–	–	22.74	22.74
Current					
Trade receivables	2	–	–	6,948.75	6,948.75
Cash and cash equivalents	2	–	–	–	–
Bank balances other than above	2	–	–	–	–
Other financial assets	2	–	–	6.64	6.64
		–	–	6,978.13	6,978.13
Financial liabilities					
Non-current					
Lease liabilities		–	–	196.03	196.03
Current					
Borrowings	2	–	–	3,283.15	3,283.15
Lease liabilities				34.69	34.69
Trade payables	2	–	–	7,232.90	7,232.90
Other financial liabilities	2	–	–	320.94	320.94
Total		–	–	11,067.71	11,067.71

Note:

There are no transfer between level 1 and level 2 during the year.

28 Financial risk management

A. Capital management

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' value by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses net debt equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

The Company's Net debt-to-equity ratio as at 31 March 2024 and 31 March 2023 is as follows:

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowing from bank	**2,753.91**	3,283.15
Gross debt (A)	**2,753.91**	3,283.15
Equity share capital	**15,811.00**	12,811.00
Other equity	**(13,145.90)**	(10,362.00)
Equity (B)	**2,665.10**	2,449.00
Debt to Equity ratio (A / B)	**1.03**	1.34

B. Financial risk management framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

i) CREDIT RISK

Credit risk management

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. Company also takes credit insurance for business specific customers. The Company's exposure and categorisation of its customers are continuously monitored . Credit exposure is controlled by customer credit limits which are reviewed and approved. The company also take security cheques from its domestic market customers.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

(Currency: Indian Rupees in lakhs)

Ageing	As at 31 March 2024 Expected credit loss (%)	As at 31 March 2024 Expected credit loss	As at 31 March 2023 Expected credit loss (%)	As at 31 March 2023 Expected credit loss
Within the credit period	**1.04%**	**17.94**	1.17%	49.41
0-3 month past due	**4.05%**	**43.41**	4.45%	74.07
3-6 month past due	**12.03%**	**92.54**	13.22%	108.14
6 -12 month past due	**33.60%**	**71.70**	36.88%	79.56
>1 year	**87.64%**	**1,944.54**	84.27%	1,737.78
Total		**2,170.13**		2,048.97

Age of receivables	As at 31 March 2024	As at 31 March 2023
Within the credit period	**1,718.74**	4,237.98
0-3 month past due	**1,071.84**	1,664.33
3-6 month past due	**768.96**	817.86
6 -12 month past due	**213.40**	215.70
>1 year	**2,218.69**	2,062.16
Total	**5,991.63**	8,998.03

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

ii) LIQUIDITY RISK

(a) Liquidity risk management

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency: Indian Rupees in lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2024				
Short-term borrowings	**2,753.91**	**–**	**–**	**–**
Lease liability	**116.20**	**386.79**	**61.20**	**–**
Trade payables	**1,749.81**	**–**	**–**	**–**
Other financial liabilities	**413.53**	**–**	**–**	**–**
Total	**5,033.45**	**386.79**	**61.20**	**–**
As at 31 March 2023				
Short-term borrowings	3,283.15	–	–	–
Lease liability	34.69	149.98	46.05	–
Trade Payables	7,232.90	–	–	–
Other Financial Liabilities	320.94	–	–	–
Total	**10,871.68**	149.98	46.05	–

(c) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Currency: Indian Rupees in lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2024				
Non-interest bearing	**4,028.11**	**–**	**–**	**–**
Fixed interest rate instruments	**0.06**	**–**	**–**	**–**
Total	**4,028.17**	**–**	**–**	**–**
As at 31 March 2023				
Non-interest bearing	6,955.39	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	6,955.39	–	–	–

In the case of assets falling short of liabilities, banking facilities are available to honor the obligation through as cash credit, short term borrowing / long term borrowing and other necessary banking facilities.

iii) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses permitted derivatives to manage market risks . Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Forex and investment Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by taking forward cover that are expected to occur within a maximum 12 month period for forecasted cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Currency: Indian Rupees in lakhs)

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade payables	USD	**0.01**	8.63
Trade receivable	USD	**0.47**	0.45

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Currency: Indian Rupees in lakhs)

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade payables	USD	**0.01**	8.63
Trade receivable	USD	**0.47**	0.45

b) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts.

(Currency: Indian Rupees in lakhs)

Period	Currency	Change in rate	Effect on loss before tax	Effect on pre-tax equity
As at 31 March 2024	**USD**	**5%**	**(0.00)**	**(0.00)**
	USD	**3%**	**(0.00)**	**(0.00)**
As at 31 March 2023	USD	5%	(0.43)	(0.43)
	USD	3%	(0.26)	(0.26)

c) Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The Company does not have any derivative or non-derivative instrument which may have an impact due to changes in interest rates.

29 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows:

(Currency: Indian Rupees in lakhs)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
a.	Principal amount remaining unpaid to any supplier at the end of the year	**40.42**	42.45
	Interest due thereon remaining unpaid to any supplier at the end of the accounting year	**5.51**	3.15
b.	Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	**–**	–
c.	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**3.15**	2.97
d.	The amount of interest accrued and remaining unpaid as at the end of the year	**2.36**	0.18
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under MSMED Act, 2006	**NIL**	NIL

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

30 Employee benefits expenses

(i) Defined contribution plans:

The Company's contribution to Provident Fund and Pension scheme aggregating to Rs. 99.04 lakhs 31 March 2024 (31 March 2023 : Rs. 88.41 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee benefits expense.

(ii) Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
1. Discount rate	**7.15%**	7.15%
2. Salary escalation	**8.50%**	8.50%
3. Attrition rate	**35.00%**	35.00%
4. Mortality rate*	**The Indian Assured Lives Mortality (2012-14) Ult table**	The Indian Assured Lives Mortality (2012-14) Ult table

* Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Amount recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows

(Currency: Indian Rupees in lakhs)

Particulars	Gratuity Year ended 31 March 2024	Gratuity Year ended 31 March 2023
Service Cost:		
Current service cost	**24.09**	18.52
Net interest expense	**6.79**	4.67
Components of defined benefit costs reconised in profit or loss	**30.88**	23.19
Remeasurement on the net defined benefit liability:		
1. Changes in financial assumptions	**–**	**(5.08)**
2. Changes in demographic assumptions	**–**	**–**
3. Experience adjustments	**0.43**	**10.48**
4. Actual return on plan assets less interest on plan assets	**–**	**–**
Components of defined benefit costs recognised in Other Comprehensive Income	**0.43**	5.40
Total	**31.31**	28.59

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Currency: Indian Rupees in lakhs)

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
I.	**Net liability recognised in the Balance sheet**		
1.	Present value of defined benefit obligation	**125.18**	109.01
2.	Current portion of the above	**39.22**	28.24
3.	Non current portion of the above	**85.96**	80.77
II.	**Change in the obligation during the year**		
1.	Present value of defined benefit obligation at the beginning of the year	**109.01**	100.51
2.	Expenses recognised in Profit and Loss Account		
	- Current service cost	**24.09**	18.52
	- Interest expense (income)	**6.79**	4.67
3.	Recognised in other comprehensive income		
Remeasurement gains / (losses):			
-	Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	**–**	–
ii.	Financial Assumptions	**–**	(5.08)
iii.	Experience Adjustments	**0.43**	10.48
4.	Benefit payments	**(14.99)**	(30.80)
5.	Others : Impact of liability assumed (transfer from Mahindra Agri Solutions Limited)	**(0.15)**	10.71
6.	**Present value of defined benefit obligation at the end of the year**	**125.18**	109.01

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Currency: Indian Rupees in lakhs)

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	 Decrease in assumption
Discount rate	**31 March 2024**	**1.00%**	**-2.85%**	**3.01%**
	31 March 2023	1.00%	-3.00%	3.17%
Salary growth rate	**31 March 2024**	**1.00%**	**2.94%**	**-2.84%**
	31 March 2023	1.00%	2.74%	-2.63%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

Maturity profile of defined benefit obligation:

(Currency: Indian Rupees in lakhs)

	As at 31 March 2024	As at 31 March 2023
Within 1 year	**39.22**	28.24
1 - 2 year	**30.27**	28.95
2 - 3 year	**27.55**	22.04
3 - 4 year	**16.85**	19.34
4 - 5 year	**12.82**	11.68
5 - 6 year	**9.81**	8.47
6 - 7 year	**6.34**	6.42
7 - 8 year	**4.52**	4.20
8 - 9 year	**3.71**	3.16
10 year and above	**6.68**	6.53

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 2.93 years (31 March 2023 - 3.08 years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year, an amount of Rs 30.87 lakhs (31 March 2023 : Rs. 23.19 lakhs) has been included in statement of profit and loss under the head Employee benefit expenses.

Compensated absenses :

Compensated absences for the employee benefits of Rs. 61.84 lakhs (31 March 2023 : Rs 74.56 lakhs) expected to be paid in exchange for the services recognised as a expenses during the year.

31 Exceptional Items

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Impairment loss :		
Goodwill	–	4,185.22
Brand Value	–	366.91
Intangible Development	–	0.77
Intangible under Development	–	603.10
	–	5,156.00

Impairment loss of Goodwill, Intangible Assets and Intangible under development has been recognised considering the performance of the Company and future projections.

The management assesses the performance including future projections and relavant economic and market conditions in which they operate to identify if there is a indicator of impairment in the carrying value of the assets / under development.

The Company determined the recoverable amount of long term assets and other exposures and recorded impairment loss of Rs. Nil for the year ended 31 March 2024 (Rs. 5,156 lakhs for the year ended 31 March 2023). The value-in-use calculation use discount rates at 17.6% (31 March 2023 : 19%) and the terminal growth rates is 5% (31 March 2023 : 5%).

32 Segment reporting

The Company is engaged in the business of production and trading of Crop inputs, which is the primary business segment and has only domestic sales. The Company has only one reportable business segment, which is production and trading of Crop inputs and only one reportable geographical segment. Accordingly, these financial statements are not reflective of the information required under Ind AS 108.

33 For the financial year ended 31 March 2024, managerial remuneration paid to the directors amounting to Rs. 324.99 lakhs (31 March 2023 : Rs. 333.93 lakhs) is in compliance with the requirements of the Act.

34 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	1.09	1.05	4%	-
Debt Equity ratio	Total Debt	Shareholder equity	1.03	1.34	-23%	The infusion of Rs. 30 crore in equity results in reduced borrowings
Debt Service coverage ratio	Profit before tax + Depreciation & Amortisation expenses + Finance cost	Finance cost + Current lease liabilities	(2.83)	(5.98)	-53%	Difference is due to operational loss in current year
Return on Equity	Net profit after taxes	Shareholder equity	(1.04)	(3.07)	-66%	Difference is due to operational loss in previous year
Inventory Turnover ratio	Cost of goods sold	Average inventory	1.15	0.99	16%	–
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	2.52	3.03	-17%	–
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	0.77	0.92	-16%	–
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	18.94	28.88	-34%	–
Net profit ratio	Net profit	Net sales = Total sales - sales return	(0.21)	(0.39)	-48%	–
Return on capital employed	Earnings before interest and taxes	Shareholder equity + Borrowings + Lease liability	(0.40)	(1.26)	-68%	–
Return on Investment	Interest (Finance Income)	Investment	–	–	0%	–

35 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

i. The company doest not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

ii. The company does not have any transactions with struck off companies during the year.

iii. The company has not revaluaed its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

iv. The company has not traded or invested in Crypto currency or Virtual currency during the financial year.

v. The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi. The company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii. The company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii. The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

ix. The company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

x. The company has complied with the number of layers prescribed under the Companies Act, 2013.

xi. The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Sushma Jaglan	**Sandeep Gadre**	**Ramesh Ramachandran**	**Nilesh Totla**	**Anwaya Kadu**
Partner	Whole Time Director & CEO	Non Executive Director	Chief Financial Officer	Company Secretary
Membership No.137783	DIN : 06685790	DIN : 09562621	Membership No. 410733	Membership No. A26392
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024	Date : 18 April 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC Irrigation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra EPC Irrigation Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from sale of products and Expected credit loss (ECL) on Trade receivable
See Note 1 (K) & (U) of Significant Accounting Policies and Note 5 & 17 to the standalone financial statements

The Key Audit Matter	How the matter was addressed in our audit
Revenue from sale of products is recognised when the control of the underlying products has been transferred to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. There is a presumed fraud risk of revenue being overstated during the year on account of variation in the timing of transfer of control due to pressure to achieve performance targets and meeting the external expectations. Trade receivables comprise of receivables from state government owned enterprises and private dealers. We have identified impairment of trade receivables as a key audit matter on account of the significant judgments and estimates involved especially around the customer's ability and willingness to pay the outstanding amounts and probability of default for each customer over the expected life of the receivables. Based on this assessment, credit loss rate is determined after considering the experience of actual credit losses over past years adjusted to reflect the expected collections, current economic conditions and forecasts. The company then records the impairment (Expected Credit Loss or ECL) towards trade receivables based on such credit loss rate.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding of the systems, processes and controls implemented by the Company around recognition of revenue and for measurement of impairment towards trade receivables; • Evaluated the Company's accounting policies towards revenue recognition and measurement of impairment of trade receivable in the context of the applicable accounting standards; • We evaluated the design, implementation and operating effectiveness of the relevant internal financial controls, including automated controls, with respect to revenue recognition and impairment of trade receivables; • Tested revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer contracts, sales orders, shipping documents and customer acceptances; • Testing of revenue recognized near the year end, through statistical sampling, to verify only the revenue pertaining to current year is recognized based on shipping documents and customer acceptances; • We have evaluated the historical accuracy of ECL towards trade receivables by examining the actual write-offs / reversals and new allowances recorded in the current year; • We have verified the ECL provision working for trade receivables including the method, assumptions and data used to determine the ECL on non-current debtors; • We have tested the ageing analysis and subsequent receipt of trade receivables, for samples selected through random sampling; • Assessed the adequacy of the related disclosures in the Standalone financial statements with reference to revenue recognition and impairment of trade receivables as per relevant accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order'') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial. position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN: 24116240BKGSOI2821

Date: 23rd April, 2024
Place: Nashik

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties, written confirmations have been obtained during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not ma.de any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any Investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted I accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Gess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been delays in a few cases of Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Gess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Gess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Cr)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.44	FY 1995-96 and FY 1997-98	Commissioner of Central Excise
CGST Act, 2017	Goods and Service Tax (GST), Interest and Penalty	6.83	FY 2018-19	Deputy Commissioner of State Tax, Maharashtra
Finance Act, 1994	Service Tax	29.93	FY 2015-16	Commissioner, Central GST & Central Excise and Customs

* Net of amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture. (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of

Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year, however Company has incurred cash loss amounting to Rs. 5.95 crore in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN: 24116240BKGSOI2821

Date: 23rd April, 2024
Place: Nashik

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra EPC Irrigation Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability offinancial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rupen Shah
Partner
Membership No.: 116240
ICAI UDIN: 24116240BKGSOI2821

Date: 23rd April, 2024
Place: Nashik

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Crores)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	2A	17.98	18.37
	(b) Capital Work-in-Progress	2C	0.09	0.10
	(c) Right of Use Assets	2B	3.31	3.03
	(d) Other Intangible Assets	3	0.14	0.27
	(e) Financial Assets			
	(i) Investments	4	–	0.48
	(ii) Trade Receivables	5	3.75	14.11
	(iii) Other Financial Assets	6	1.58	0.73
	(f) Deferred Tax Assets (net)	7	11.25	12.03
	(g) Income Tax Assets (net)	–	4.54	5.37
	(h) Other Non-Current Assets	8	0.61	2.29
	Total Non-Current Assets		43.25	56.78
II	**CURRENT ASSETS**			
	(a) Inventories	9	44.46	40.22
	(b) Financial Assets			
	(i) Trade Receivables	5	145.35	113.74
	(ii) Cash and Cash Equivalents	10	0.20	4.42
	(iii) Bank Balances other than (ii) above	10	2.08	2.61
	(iv) Other Financial Assets	6	0.73	1.09
	(c) Other Current Assets	8	21.02	34.32
	Total Current Assets		213.84	196.40
III	**Total Assets (I + II)**		257.09	253.18
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	11A	27.91	27.89
	(b) Other Equity	11B	137.37	135.52
	Total Equity		165.28	163.41
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Lease Liabilities	26	0.32	0.10
	(b) Provisions	14	0.48	0.42
	Total Non-Current Liabilities		0.80	0.52
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	13	15.42	15.00
	(ii) Lease Liabilities	26	0.16	0.05
	(iii) Trade Payables	15		
	a) Total outstanding dues of micro enterprises and small enterprises		3.31	3.67
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		58.02	53.05
	(iv) Other Financial Liabilities	12	9.43	11.27
	(b) Other Current Liabilities	16	2.51	3.94
	(c) Provisions	14	2.16	2.27
	Total Current Liabilities		91.01	89.25
VII	**Total Liabilities (V+VI)**		91.81	89.77
VIII	**Total Equity and Liabilities (IV+VII)**		257.09	253.18
	The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 23, 2024

For and on behalf of the Board of Directors

Ramesh Ramachandran
Managing Director
DIN-09562621
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 23, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crores)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	17	262.45	210.37
II	Other Income	18	3.06	2.76
III	**Total Income (I + II)**		**265.51**	213.13
IV	**EXPENSES**			
	(a) Cost of materials consumed	19(a)	137.30	131.82
	(b) Purchases of Stock-in-trade	19(b)	1.37	0.18
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	19(c)	0.64	(5.58)
	(d) Employee benefits expense	20	31.39	29.17
	(e) Finance costs	21	2.71	2.22
	(f) Depreciation and amortisation expense	2A,2B,3	3.15	3.08
	(g) Other expenses	22	86.04	67.99
	Total Expenses (IV)		**262.60**	228.88
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**2.91**	(15.75)
VI	**Exceptional items**	4	**(0.48)**	(0.21)
VII	**Profit/(loss) before tax (V - VI)**		**2.43**	(15.96)
VIII	**Tax Expense**			
	(1) Current tax	7	–	–
	(2) Deferred tax	7	0.72	(3.84)
	(3) Short/(Excess) provision for tax relating to prior years		0.04	0.12
	Total tax expense (VIII)		**0.76**	(3.72)
IX	**Profit/(loss) after tax for the year (VII - VIII)**		**1.67**	(12.24)
X	**Other comprehensive income/(loss)**			
	(i) Remeasurements of defined benefit plans		0.19	0.39
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.05)	(0.10)
	Other comprehensive income for the year attributable to owners of the company		**0.14**	0.29
XI	**Total comprehensive income for the year attributable to owners of the company (IX+X)**		**1.81**	(11.95)
XII	**Earnings per equity share**			
	(1) Basic (Face value Rs. 10 per share)	23	0.60	(4.39)
	(2) Diluted (Face value Rs. 10 per share)	23	0.60	(4.39)
	The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 23, 2024

For and on behalf of the Board of Directors

Ramesh Ramachandran
Managing Director
DIN-09562621
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 23, 2024

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) before tax for the period	**2.43**	(15.96)
Adjustments for:		
Finance costs	**2.71**	2.22
Interest income	**(0.23)**	(0.13)
Liabilities no longer required written back	**(2.63)**	(2.36)
Loss/(Profit) on disposal of property, plant and equipment*	**0.00**	0.08
Impairment loss recognised on trade receivables	**10.27**	8.26
Provision for impairment of investment in joint venture	**0.48**	0.21
Depreciation and amortisation expense	**3.15**	3.08
Expense recognised in respect of equity-settled share-based payments	**0.04**	0.01
	16.22	(4.59)
Movements in working capital:		
(Increase)/Decrease in trade receivables	**(31.52)**	39.36
(Increase)/Decrease in inventories	**(4.24)**	(4.17)
(Increase)/Decrease in other financial and non current assets	**0.90**	0.05
(Increase)/Decrease in other financial and current assets	**13.66**	(8.21)
(Decrease)/Increase in trade payables	**7.27**	(2.93)
(Decrease)/Increase in provisions	**0.14**	(0.49)
(Decrease)/Increase in lease liability	**–**	0.15
(Decrease)/Increase in other financial and non financial current liabilities	**(1.65)**	1.36
	(15.44)	25.12
Cash (used in)/generated from operations	**0.78**	20.53
Income taxes paid (net)	**0.80**	(1.50)
Net cash (used in)/generated from operating activities	**1.58**	19.03
Cash flows from investing activities		
Payments to acquire property, plant and equipment and other Intangible assets	**(2.48)**	(2.18)
Proceeds from sale of plant and equipment and other Intangible assets	**0.06**	0.03
Interest received	**0.10**	0.17
Fixed deposits placed during the year	**2.35**	1.93
Fixed deposits matured during the year	**(1.70)**	(2.35)
Net cash (used in) investing activities	**(1.67)**	(2.40)
Cash flows from financing activities		
Proceeds from issue of equity instruments	**0.02**	0.05
(Repayment)/Proceeds from short term borrowings (net)	**0.42**	(10.19)
Interest paid	**(4.46)**	(2.11)
Repayment in lease liability	**(0.11)**	–
Net cash generated from/(used in) financing activities	**(4.13)**	(12.25)
Net (Decrease) in cash and cash equivalents	**(4.22)**	4.38
Cash and cash equivalents at the beginning of the year	**4.42**	0.04
Cash and cash equivalents at the end of the period	**0.20**	4.42
Components of cash and cash equivalents		
Cheques in hand	**–**	1.67
With Banks - on Current account/Balance in Cash Credit Accounts	**0.20**	2.75
	0.20	4.42

* Amount is lower than rounding off norm

** Refer note no. 13 for Cash & Non Cash movement as per Ind AS 7

See accompanying notes to the financial statements 1-37

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 23, 2024

For and on behalf of the Board of Directors

Ramesh Ramachandran
Managing Director
DIN-09562621
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 23, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crores)

A. Equity share capital	
As at March 31, 2022	27.84
Changes in Equity Share Capital due to prior period errors	–
Restated balance as at March 31, 2022	27.84
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	0.05
As at March 31, 2023	**27.89**
Changes in Equity Share Capital due to prior period errors	–
Restated balance as at March 31, 2023	27.89
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	0.02
As at March 31, 2024	**27.91**

B. Other Equity

Particulars	Reserves and Surplus					
	Capital Reserve	Securities Premium	General Reserve	Share based payments (ESOP)	Retained earnings	Total
Balances as at March 31, 2022	**0.40**	**94.28**	**4.25**	**1.25**	**47.28**	**147.46**
Changes in Equity Share Capital due to prior period errors	–	–	–	–	–	–
Restated balance as at March 31, 2022	**0.40**	**94.28**	**4.25**	**1.25**	**47.28**	**147.46**
Profit for the year	–	–	–	–	**(12.24)**	**(12.24)**
Other Comprehensive Income/(loss)(net of tax)	–	–	–	–	**0.29**	**0.29**
Total Comprehensive Income for the year	–	–	–	–	**(11.95)**	**(11.95)**
Transactions with owners of the Company:						
Contributions & distributions						
Dividend paid on Equity Shares	–	–	–	–	–	–
Exercise of employee stock options	–	**0.57**	–	**(0.57)**	–	–
Share based payment to employees	–	–	–	**0.01**	–	**0.01**
Share Application money received	–	–	–	–	–	–
Balances as at March 31, 2023	**0.40**	**94.86**	**4.25**	**0.68**	**35.33**	**135.52**
Changes in Equity Share Capital due to prior period errors	–	–	–	–	–	
Restated balance as at March 31, 2023	**0.40**	**94.86**	**4.25**	**0.68**	**35.33**	**135.52**
Profit for the year	–	–	–	–	**1.67**	**1.67**
Other Comprehensive Income/(loss)(net of tax)	–	–	–	–	**0.14**	**0.14**
Total Comprehensive Income for the year	–	–	–	–	**1.81**	**1.81**
Transactions with owners of the Company:						
Contributions & distributions	–	–	–	–	–	–
Dividend paid on Equity Shares	–	**0.28**	–	**(0.28)**	–	–
Exercise of employee stock options	–	–	–	**0.04**	–	**0.04**
Share based payment to employees	–	–	–	–	–	–
Share Application money received	–	–	–	–	–	–
Balances as at March 31, 2024	**0.40**	**95.14**	**4.25**	**0.44**	**37.14**	**137.37**

Remeasurement gain (net) on defined benefit plans Rs. 0.14 Crores (March 31, 2023 loss (net) Rs. 0.29 Crores) is recognised as part of retained earnings. For nature of reserves refer note no. 11 B

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 23, 2024

For and on behalf of the Board of Directors

Ramesh Ramachandran
Managing Director
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Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 23, 2024

Notes to the standalone financial statements for the year ended March 31, 2024

Note No. 1 - Corporate information and material accounting policies

A. Corporate Information

Mahindra EPC Irrigation Limited (Company) is a Public Limited Company listed on the Bombay Stock Exchange Limited and National Stock Exchange. It was incorporated on November 28, 1981 under the Companies Act, 2013. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scape Products. The Company is a public limited Company and domiciled in India. The address of its corporate office is H-109, MIDC, Ambad, Nashik, Maharashtra 422010. As at 31st March 2023 Mahindra & Mahindra Limited, the holding company own 54.39% of the Company's equity share capital.

B. Basis of preparation

a. Statement of compliance

These standalone financial statements of Mahindra EPC Irrigation Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were approved by the Company's Board of Directors and authorised for issue on 23rd April 2024.

b. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:
b. Held primarily for the purpose of trading;
c. Expected to be realised within twelve months after the reporting period; or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal operating cycle;
b. It is held primarily for the purpose of trading;
c. It is due to be settled within twelve months after the reporting period; or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

C. Basis of measurement and fair value

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and net defined benefit liability that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in crores (two decimals), unless otherwise indicated.

E. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

F. Property, Plant and equipment :

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes cost of acquisition or construction and is stated at historical cost.

Depreciation on all property, plant and equipment, is provided on Straight Line Method as per the estimated useful life. Leasehold Assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on additions to assets or on sale / disposal of assets is calculated from the date of such addition or up to the date of such sale / disposal as the case may be.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Assets	Useful life	Life as per Scheduel II
Buildings		
Factory Building	30 Years	30 Years
Office Building	60 Years	60 Years
Extrusion Machines	19 Years	8 Years
Other Machineries	10 Years	15 Years
Electrical Installations, factory Equipments, furniture	10 Years	10 Years
Moulds and Dies	10 Years	15 Years
Office Equipment	5 Years	5 Years
Computers	3 Years	3 Years
Vehicles - Cars (For employee use)	5 Years	8 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

G. Intangible Assets:

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets are recognised only when economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. They are being amortised over the estimated useful life of 36 months.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

H. Impairment of Assets:

The carrying value of assets / cash generating units at each balance sheet date is reviewed for impairment excluding inventories and deferred tax. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss of the amount. They arrived at cost less accumulated amortisation and accumulated impairment losses.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

I. Inventories:

Inventories comprise of raw materials, work in progress, finished goods and stock in trade, are valued at costs of purchase, conversion and other costs incurred if any in bringing the inventories to their present location and condition. Inventories are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. The comparison of cost and net realisable value is made on an item-by-Item basis.

Cost is determined on the basis of the weighted average method.

J. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not restated.

K. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on the consideration specified in a contract with a customer, stated net of discounts, returns and Goods and Service tax.

The Company recognises revenue from the following major sources:

a) Sale of Products; and

b) Sale of services.

a) Sale of Products

The company sells Micro irrigation systems (MIS) both to the Open market and Project market. Sales-related warranties associated with MIS cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 14).

For sales of MIS to open market, revenue is recognised when control of the good has transferred, being when the goods have been delivered to the dealer based on the terms and conditions in his agreement. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the good has transferred, being when the goods have been installed at the farmers' place as per the approved design and acknowledged by the implementing agency. Following which farmer has full control of the MIS.

A receivable is recognised by the Company when the goods are delivered to the distributor /MIS installation acknowledged by the implementing agency as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

Project revenue is recognised on the basis of cost completion after the threshold limit of 30% of the cost is completed.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

L. Other income:

Dividend income from investments is recognised in statement of profit and loss when the shareholders right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, to that asset's net carrying amount on initial recognition.

M. Employee benefits:

a) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respected of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

(ii) Defined benefit plans

The employees' gratuity fund scheme, managed by Life Insurance Corporation (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(iii) Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled employee benefits reserve.

Other long-term benefits:

Compensated absences: Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method.

N. Leases:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is also assessed for impairment when such indicators exist.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

O. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

P. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

Q. Taxes on income:

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

Company has not recognised the deferred tax assets/liabilities on gain/ (loss) on disposal of investment in joint venture as at reporting date.

Company recognises the temporary differences on Right of use assets (ROU) and lease liabilities on net basis as at reporting date.

- **Current Tax**

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

R. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits - Refer Note No. 28) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions & contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

S. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision- maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM of the company reviews the operation of the company as Precision Farming Products & Services.

T. Investment in Joint Venture

The company accounts for its investments in Joint Venture at cost less accumulated impairment, if any.

U. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets:</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade Receivables

Trade receivables are initially recognised at fair value except for those without a significant financing component which are initially measured at transaction price. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

All other financial assets are subsequently measured at fair value.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. Assessment of whether there is significant increase in the credit risk of a particular customer is performed periodically basis a review of collection trends, credit worthiness and other macro economic factors.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

V. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

– useful life of property, plant and equipment and intangible assets (Refer Note 1, Point F)

– estimation of defined benefit obligation (Refer Note 28)

– provision for warranty claims (Refer Note 14)

– income taxes - current and deferred taxes (Refer Note 7)

– impairment of trade receivables (Refer Note 5)

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

W. Contingent Liabilities & Commitments

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

(ii) The Company does not expect any reimbursements in respect of the contingent liabilities.

(iii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

X. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits with banks & financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Y. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the standalone financial statements for the year ended March 31, 2024 (Contd.)

NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

Rs. in Crores

	Description of Assets	Buildings	Plant and Equipment	Electrical Installations	Factory Equipments	Moulds and Dies	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total
I.	**Gross Carrying Amount**										
	Balance as at March 31, 2023	**9.98**	**42.37**	**1.66**	**1.98**	**11.32**	**0.67**	**1.09**	**1.65**	**1.48**	**72.21**
	Additions	0.06	1.08	–	0.21	0.50	0.06	0.05	0.08	0.52	2.56
	Disposals		–	–	–	–	–	0.00	0.00	0.40	0.40
	Balance as at March 31, 2024	**10.04**	**43.45**	**1.66**	**2.19**	**11.82**	**0.73**	**1.14**	**1.73**	**1.60**	**74.37**
II.	**Accumulated depreciation**										
	Balance as at March 31, 2023	**7.36**	**29.16**	**1.46**	**1.32**	**10.75**	**0.47**	**0.93**	**1.26**	**1.12**	**53.84**
	Depreciation expense for the year	0.29	1.90	0.02	0.10	0.11	0.07	0.04	0.18	0.18	2.89
	Eliminated on disposal of assets	–	–	–	–	–	–	0.04	0.05	0.25	0.34
	Balance as at March 31, 2024	**7.65**	**31.06**	**1.48**	**1.42**	**10.86**	**0.54**	**0.93**	**1.38**	**1.05**	**56.39**
III.	**Net carrying amount (I-II)**	**2.39**	**12.39**	**0.18**	**0.77**	**0.96**	**0.19**	**0.21**	**0.35**	**0.55**	**17.98**
I.	**Gross Carrying Amount**										
	Balance as at March 31, 2022	**9.79**	**41.77**	**1.61**	**2.00**	**11.32**	**0.65**	**1.14**	**1.37**	**1.79**	**71.45**
	Additions	0.19	0.79	0.05	0.05	–	0.06	0.01	0.35	–	1.50
	Disposals	–	0.19	0.00	0.07	–	0.04	0.06	0.08	0.31	0.74
	Balance as at March 31, 2023	**9.98**	**42.37**	**1.66**	**1.98**	**11.32**	**0.67**	**1.09**	**1.65**	**1.48**	**72.21**
II.	**Accumulated depreciation**										
	Balance as at March 31, 2022	**7.05**	**27.53**	**1.44**	**1.29**	**10.54**	**0.43**	**0.93**	**1.18**	**1.16**	**51.55**
	Depreciation expense for the year	0.31	1.82	0.02	0.10	0.21	0.07	0.04	0.14	0.21	2.92
	Eliminated on disposal of assets	–	0.19	0.00	0.07	–	0.03	0.04	0.05	0.25	0.63
	Balance as at March 31, 2023	**7.36**	**29.16**	**1.46**	**1.32**	**10.75**	**0.47**	**0.93**	**1.26**	**1.12**	**53.84**
III.	**Net carrying amount (I-II)**	**2.62**	**13.21**	**0.20**	**0.66**	**0.57**	**0.20**	**0.16**	**0.39**	**0.36**	**18.37**

NOTE NO. 2B - RIGHT OF USE ASSETS (REFER NOTE 26)

	Description of Assets	Lease Hold Land	Buildings	Total
I.	**Gross Carrying Amount**			
	Balance as at March 31, 2023	**3.05**	**0.63**	**3.69**
	Additions	–	0.41	0.41
	Disposals	–	–	–
	Balance as at March 31, 2024	**3.05**	**1.04**	**4.10**
II.	**Accumulated depreciation**			
	Balance as at March 31, 2023	**0.17**	**0.48**	**0.66**
	Depreciation expense for the year	0.04	0.10	0.14
	Disposals	–	–	–
	Balance as at March 31, 2024	**0.21**	**0.58**	**0.79**
III.	**Net carrying amount (I-II)**	**2.84**	**0.46**	**3.31**
I.	**Gross Carrying Amount**			
	Balance as at March 31, 2022	**3.05**	**0.48**	**3.54**
	Additions	–	0.15	0.15
	Disposals	–	–	–
	Balance as at March 31, 2023	**3.05**	**0.63**	**3.69**
II.	**Accumulated depreciation**			
	Balance as at March 31, 2022	**0.13**	**0.48**	**0.61**
	Depreciation expense for the year	0.04	0.00	0.05
	Disposals	–	–	–
	Balance as at March 31, 2023	**0.17**	**0.48**	**0.66**
III.	**Net carrying amount (I-II)**	**2.88**	**0.15**	**3.03**

NOTE NO. 2C - CAPITAL WORK-IN-PROGRESS

Rs. in Crores

CWIP Movement	31st March 2024	31st March 2023
Opening Balance	**0.10**	0.05
- Additions	**2.54**	1.56
- Capitalised & Transferred to Property, Plant & Equipments during the year	**2.55**	1.51
Closing balance	**0.09**	0.10

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2024

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	**0.09**	**–**	**–**	**–**	**0.09**
Project Name 1. Vision System for Drip Line Hole Inspection	**0.06**	**–**	**–**	**–**	**0.06**
2. IM-16 from iCON LNC controller	**0.03**	**–**	**–**	**–**	**0.03**

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2023

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	0.10	–	–	–	0.10
Project Name 1. Servo Perforation Unit	0.10	–	–	–	0.10

Note: For Intangible Asset under development & CWIP, there are no such projects whose completion is overdue or exceed its cost compared to its original plan as at 31st March 2024 and 31st March 2023.

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Rs. in Crores

Description of Assets		Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2023	2.54	2.54
	Additions	–	–
	Disposals	–	–
	Balance as at March 31, 2024	**2.54**	**2.54**
II.	**Accumulated amortisation**		
	Balance as at March 31, 2023	2.27	2.27
	Amortisation expense for the year	0.13	0.13
	Eliminated on disposal of assets	–	–
	Balance as at March 31, 2024	2.40	2.40
III.	**Net carrying amount (I-II)**	**0.14**	**0.14**

Rs. in Crores

Description of Assets		Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2022	2.28	2.28
	Additions	0.26	0.26
	Disposals	–	–
	Balance as at March 31, 2023	2.54	**2.54**
II.	**Accumulated amortisation**		
	Balance as at March 31, 2022	2.15	2.15
	Amortisation expense for the year	0.12	0.12
	Eliminated on disposal of assets	–	–
	Balance as at March 31, 2023	2.27	**2.27**
III.	**Net carrying amount (I-II)**	0.27	**0.27**

NOTE NO. 3A - INTANGIBLE ASSET UNDER DEVELOPMENT

Rs. in Crores

Intangible asset under development Movement	31st March 2024	31st March 2023
Opening Balance	**–**	0.16
- Additions	**–**	0.10
- Capitalised & Transferred to Property, Plant & Equipments during the year	**–**	0.26
Closing balance	**–**	–

Intangible assets under development for the year ended 31st March 2024

Intangible assets under development	**Amount in Intangible assets under development for a period of**				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress					
None	**–**	**–**	**–**	**–**	**–**

Intangible assets under development for the year ended 31st March 2023

Intangible assets under development	**Amount in Intangible assets under development for a period of**				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress					
None	–	–	–	–	–

Note: For Intangible Asset under development & CWIP, there are no such projects whose completion is overdue or exceed its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

NOTE NO. 4 - INVESTMENTS

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Equity Instruments (fully paid-up)		
Unquoted		
In Joint Venture company - Mahindra Top Greenhouses Private Limited (March 24 - 18,00,000 shares of Rs.10 each), (March 23 - 18,00,000 shares of Rs.10 each)	–	0.48
Total	–	0.48

Other Disclosures:	As at March 31, 2024	As at March 31, 2023
Aggregate amount of unquoted investments (Gross)	**0.48**	0.69
Aggregate amount of impairment in value of investments	**0.48**	0.21
Aggregate amount of unquoted investments (Net)	–	0.48

Note for Impairment:
During the year ended 31st March 2024 the Company has recognised an aggregate impairment loss of Rs. 0.48 Crores on investment in joint venture considering the performance of the company. With this the original investment of Rs 1.80 crores is fully impaired.

NOTE NO. 5 - TRADE RECEIVABLES

Rs. in Crores

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non Current	Current	Non Current
Unsecured, considered good	**145.35**	**3.75**	122.81	20.29
Trade Receivables which have significant increase in credit risk	**9.74**	**0.41**	1.26	1.43
Trade Receivables - credit impaired	**26.78**	**1.42**	7.45	2.70
	181.88	**5.58**	131.52	24.42
Less: Expected credit loss	**(36.53)**	**(1.83)**	(17.77)	(10.31)
Total	**145.35**	**3.75**	113.74	14.11

Refer Note 24 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

The company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note 29 for disclosures relating to receivables from related parties.

Trade receivables are hypothicated against the working capital facilities provided by the bank.

Refer Note 5A for trade receivables ageing schedule.

When the impairment is calculated under the simplified approach for trade receivables, an entity is not required to separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure of trade receivables in the manner as required by Schedule III for significant increase in credit risk is not required except when a company has a trade receivable for which credit risk is assessed individually. Further, the disclosure of 'trade receivables – credit impaired' will be made if such trade receivables meet the definition of 'credit impaired' as per Ind AS 109.

NOTE NO. 5A - TRADE RECEIVABLES AGEING SCHEDULE UNDER NON-CURRENT ASSETS AND CURRENT ASSETS AS ON 31ST MARCH 2024

Trade Receivables ageing schedule under Non-current assets as on 31st March 2024

Rs. in Crores

		Outstanding for following periods from due date of payment					
Sr. No.	**Particulars**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	0.10	0.74	0.66	–	0.31	1.82
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	0.41	–	–	0.41
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	1.42	1.42
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
	Total	**0.10**	**0.74**	**1.07**	**–**	**1.73**	**3.65**
Less: Expected credit loss							**(1.83)**
Add: Unbilled							**–**
Add: Not Due							**1.93**
Net outstanding for following periods from due date of payment							**3.75**

Trade Receivables ageing schedule under Current assets as on 31st March 2024

Outstanding for following periods from due date of payment							
Sr. No.	**Particulars**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	67.21	37.29	28.38	5.96	0.19	139.02
ii	Undisputed Trade Receivables – which have significant increase in credit risk	0.06	0.00	1.38	2.18	6.13	9.74
iii	Undisputed Trade Receivables – credit impaired	–	–	0.22	1.25	22.70	24.17
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	2.60	2.60
	Total	**67.27**	**37.29**	**29.98**	**9.38**	**31.62**	**175.54**
Less: Expected credit loss							**(36.53)**
Add: Unbilled							**5.86**
Add: Not Due							**0.48**
Net outstanding for following periods from due date of payment							**145.35**

Trade Receivables ageing schedule under Non-current assets as on 31st March 2023

Rs. in Crores

Outstanding for following periods from due date of payment							
Sr. No.	**Particulars**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	10.94	2.26	2.82	2.91	0.03	18.96
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	0.07	1.36	1.43
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	2.70	2.70
	Total	**10.94**	**2.26**	**2.82**	**2.98**	**4.09**	**23.09**
Less: Expected credit loss							**(10.31)**
Add: Unbilled							**–**
Add: Not Due							**1.33**
Net outstanding for following periods from due date of payment							**14.11**

Trade Receivables ageing schedule under Current assets as on 31st March 2023

Outstanding for following periods from due date of payment							
Sr. No.	**Particulars**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	63.55	13.80	15.78	19.37	6.41	118.91
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
iv	Disputed Trade Receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	1.26	1.26
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	7.45	7.45
	Total	**63.55**	**13.80**	**15.78**	**19.37**	**15.12**	**127.62**
Less: Expected credit loss							**(17.77)**
Add: Unbilled							**3.90**
Add: Not Due							**–**
Net outstanding for following periods from due date of payment							**113.74**

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Rs. in Crores

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	**Non-Current**	Current	Non-Current
Carried at amortised cost:				
Security deposits	**0.73**	**0.88**	0.55	0.73
Earmarked balances with banks	**–**	**0.65**	–	–
Balances with Banks - on margin accounts	**–**	**0.05**	–	–
Insurance and Other claims	**–**	**–**	0.01	–
Balance with Gratuity Fund (LIC)	**–**	**–**	0.53	–
Total	**0.73**	**1.58**	1.09	0.73

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Rs. in Crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current Tax:		
In respect of current year	**–**	–
In respect of prior years	**0.04**	0.12
Deferred Tax:		
In respect of current year	**0.72**	(3.84)
In respect of prior years	**–**	–
Total income tax expense recognised in the current year	**0.76**	(3.72)

(b) Income tax recognised in other Comprehensive income (OCI)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred Tax		
Remeasurement of defined benefit obligations	**0.19**	0.39
	0.19	0.39
Income taxes related to items that will not be reclassified to profit or loss	**(0.05)**	(0.10)
Total	**0.14**	0.29

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(loss) before tax after exceptional items	**2.43**	(15.96)
Income tax expense calculated at 25.17% (2023: 25.17%)	**0.61**	(4.02)
Effect of expense that is non-deductible in determining taxable profit	**0.09**	0.36
Others	**0.01**	(0.18)
	0.72	(3.84)
Adjustments recognised in the current year in relation to the current tax of prior years	**0.04**	0.12
Income tax expense recognised In profit or loss	**0.76**	(3.72)

The tax rate used for the March 31, 2024 and March 31, 2023 reconciliations above is the corporate tax rate of 25.17% on taxable profits under Indian Income Tax Act, 1961.

(d) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2024

Rs. in Crores

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	1.91	(0.27)	–	1.65
	1.91	**(0.27)**	**–**	**1.65**
Tax effect of items constituting deferred tax assets				
Employee Benefits	0.60	(0.05)	(0.05)	0.51
Provision for receivables and advances	7.19	2.59	–	9.77
Deferred tax asset on loss	3.60	(3.40)	–	0.20
Other items (TDS on Commission disallowed & EPCG Interest-Payment Basis)	2.55	(0.14)	–	2.41
	13.94	(1.00)	(0.05)	12.90
Net Deferred Tax Asset/(Liabilities)	**12.03**	**(0.73)**	**(0.05)**	**11.25**
Total	**12.03**	**(0.73)**	**(0.05)**	**11.25**

(e) Movement in deferred tax assets / (Liabilities) for the year ended March 31, 2023

Rs. in Crores

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	2.07	(0.16)	–	1.91
	2.07	**(0.16)**	**–**	**1.91**
Tax effect of items constituting deferred tax assets				
Employee Benefits	0.69	0.02	(0.10)	0.60
Provision for receivables and advances	5.11	2.08	–	7.19
Deferred tax asset on loss	2.12	1.48	–	3.60
Other items (TDS on Commission disallowed & EPCG Interest-Payment Basis)	2.44	0.11	–	2.55
	10.36	3.68	(0.10)	13.94
Net Deferred Tax Asset/(Liabilities)	**8.28**	**3.84**	**(0.10)**	**12.03**
Total	**8.28**	**3.84**	**(0.10)**	**12.03**

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Rs. in Crores

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
(a) Prepayments	**0.34**	**0.07**	0.26	0.07
(b) Balances with government authorities	**14.00**	**0.14**	23.29	1.88
(i) VAT credit receivable	**–**	**0.14**	–	0.21
(ii) GST credit receivable	**14.00**	**–**	23.29	–
(iii) Excise Refund Claim	**–**	**–**	–	1.67
(c) Contract Assets	**2.83**	**–**	6.84	–
(d) Others				
(i) Capital advances	**–**	**0.41**	–	0.34
(ii) Advance to Creditors				
Considered Good	**3.04**	**–**	3.86	–
Doubtful	**–**	**0.50**	–	0.49
Less: Provision for Doubtful advances	**–**	**(0.50)**	–	(0.49)
	3.04	**–**	3.86	–
(iii) Advances to employees				
Considered Good	**–**	**–**	0.07	–
Doubtful	**0.25**	**–**	0.25	–
Less: Provision for Doubtful advances	**(0.25)**	**–**	(0.25)	–
	–	**–**	0.07	–
(iv) Balance with LIC (Gratuity)	**0.82**	**–**	–	–
Total	**21.02**	**0.61**	34.32	2.29

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Raw materials and components	**24.19**	19.31
(b) Work-in-progress	**4.92**	4.23
(c) Finished goods	**14.81**	16.44
(d) Stock-in-trade of goods acquired for trading	**0.54**	0.24
Total	**44.46**	40.22

All inventories are pledged as security for credit facilities from banks.

Mode of valuation of inventories is stated in Note 1(I).

Out of the above, Rs. 6.92 crores are lying with third parties (year ended March 31, 2023 Rs. 3.34 crores).

The amount of goods in transit as on March 31 2024 is of Rs. 0.49 crores. (As on March 31, 2023 Rs. nil crores).

The amount of inventories recognised as an expense is Rs. 139.31 crores (for the year ended 31 March 2023 Rs. 126.42 crores) including Rs. 0.10 crores (for the year ended 31 March 2023 Rs. 0.47 crores) in respect of write down of inventories to net realisable value, and has been reduced by Rs. 0.21 crores (for the year ended 31 March 2023 - Rs. 0.28 crores) in respect of reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventories provided for in earlier years.

NOTE NO. 10 - CASH AND BANK BALANCES

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
Cash and cash equivalents		
Balances with banks - Current and Cash Credit Accounts	**0.20**	2.75
Cash on hand	**–**	–
Cheques in hand	**–**	1.67
Total Cash and cash equivalents	**0.20**	4.42
Other Bank Balances		
Earmarked balances with banks	**1.17**	1.58
Balances with Banks - on margin accounts	**0.73**	0.97
Interest accrued on deposits	**0.18**	0.05
Total Other Bank Balances	**2.08**	2.61

NOTE NO. 11A - EQUITY SHARE CAPITAL

Particulars	**As at March 31, 2024**		As at March 31, 2023	
	No. of shares	**Rs. in Crores**	No. of shares	Rs. in Crores
<u>Authorised</u>				
Equity shares of Rs. 10 each	**32,000,000**	**32.00**	32,000,000	32.00
Preference share of Rs. 100 each	**1,800,000**	**18.00**	1,800,000	18.00
<u>Issued</u>				
Equity shares of Rs. 10 each	**27,916,708**	**27.92**	27,891,504	27.89
<u>Subscribed and fully paid up</u>				
Equity shares of Rs. 10 each	**27,912,808**	**27.91**	27,887,604	27.89
Forfeited shares (Amount originally paid up)*	**3,900**	**–**	3,900	–
Total		**27.91**		27.89

Fully paid equity shares, which have a per value of Rs. 10, carry one vote per share and carry a right to dividends.

* Amount is below rounding off norm

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in Crores

Particulars		Opening Balance	Issued during the year under ESOP Scheme	Closing Balance
Equity share-Issued, Subscribed and Paid-up:				
March 31, 2024	**No. of Shares**	**27,887,604**	**25,204**	**27,912,808**
	Amount	**27.89**	**0.02**	**27.91**
March 31, 2023	No. of Shares	27,839,475	48,129	27,887,604
	Amount	27.84	0.05	27.89

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding company

Particulars	As at March 31, 2024	As at March 31, 2023
Mahindra and Mahindra Ltd., the Holding Company	**15,144,433**	15,144,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	**15,144,433**	**54.26%**	15,144,433	54.31%

(iv) Shares reserved for issuance as follows: (Refer Note No. 20)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount of Shares	No. of shares	Amount of Shares
Outstanding employee stock options available for grant.	**270,639**	**2,706,390**	295,843	2,958,430

(v) Details of shares held by promoter at the end of the year:

Name of promoter	No. of shares		Amount of shares	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mahindra and Mahindra Limited	**15,144,433**	**54.26%**	15,144,433	54.31%
% Change during the year		**0.00%**		0.00%

NOTE NO. 11B - OTHER EQUITY

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Reserve	**0.40**	0.40
Securities Premium	**95.14**	94.86
General Reserve	**4.25**	4.25
Share based payments (ESOP)	**0.44**	0.68
Retained Earnings	**37.13**	35.33
Total	**137.37**	135.52

Nature of Reserves

Capital Reserve - Capital reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement.

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provision of the Companise Act, 2013.

General Reserve - The general reserve comprises of transfer of profits from retained earrings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Share based payments (ESOP) - The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the company's employees in pursuance of the Employee Stock Option Plan.

Retained earnings: - Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

Details of Dividend Proposed

Rs. in Crores

Particulars	**2024**	2023
Dividend per share (Rupees)	**–**	–
Dividend on Equity Shares	**–**	–
Total Dividend	**–**	–

NOTE NO. 12 - OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
Carried at Amortised Cost:		
Interest payables to vendors/others	**–**	1.77
Unclaimed Dividend*	**0.20**	0.21
Security Deposits	**5.31**	5.06
Employee benefits payable	**3.16**	3.21
Others**	**0.76**	1.02
Total	**9.43**	11.27

Notes:

* There are no amounts due for transfer to Investor Education and Protection Fund.

** Others include payable for capital assets and GGRC farmers share payable.

NOTE NO. 13 - SHORT TERM BORROWINGS

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
Secured (Carried at Amortised Cost):		
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	**15.42**	15.00
Total	**15.42**	15.00

Reconciliation of movement in borrowings to cash flows from financing activities as per Ind AS-7

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening Balance		
– Short term borrowings	**15.00**	25.19
Cash flow movements		
– Net increase/(decrease) in Loans repayable on demand and cash credit	**0.42**	(10.19)
Non-cash movements	**–**	–
Closing Balance		
– Short term borrowings	**15.42**	15.00

BORROWING NOTES

i. Company have filed quarterly returns/statement with Banks and same are in agreement with the books of accounts. There are no material discrepancies found.

ii. Working capital facilities are secured by hypothecation of Inventory & Trade receivable.

iii. The Company has availed working capital facilities from Banks aggregating to Rs. 15.42 Crores with the interest rates which are linked to Repo rate with spread ranging from 0% p.a. to 2% p.a.

NOTE NO. 14 - PROVISIONS

Rs. in Crores

Particulars	**As at March 31, 2024**		As at March 31, 2023	
	Current	**Non-Current**	Current	Non-Current
a. Provision for employee benefits				
Compensated absences	**1.98**	**–**	2.08	–
b. Other Provisions				
Warranty	**0.18**	**0.48**	0.19	0.42
Total	**2.16**	**0.48**	2.27	0.42

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Crores
Balance at March 31, 2022	**1.42**
Additional provisions recognised	0.34
Amounts used during the year	(0.19)
Unused amounts reversed during the year	(0.97)
Unwinding of discount	0.02
Balance at March 31, 2023	**0.61**
Additional provisions recognised	0.22
Amounts used during the year	(0.20)
Unused amounts reversed during the year	–
Unwinding of discount	0.03
Balance at March 31, 2024	**0.66**

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 6 months to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within five years after the reporting date.

NOTE NO. 15 - TRADE PAYABLES

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current		
a) Total outstanding dues of micro and small enterprises	**3.31**	3.67
b) Total outstanding dues of creditors other than micro and small enterprises	**58.02**	53.05
Total	**61.33**	56.72

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as below:		
(a) Dues remaining unpaid as at 31st March 2024		
Principal	**3.31**	3.67
Interest on the above	**–**	–
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	**–**	–
Interest paid in terms of Section 16 of the Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid as at March 31	**–**	–
Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

Refer Note 29 for disclosures relating to receivables from related parties.

NOTE NO. 15A - TRADE PAYABLES AGEING SCHEDULE

Ageing for trade payable outstanding as at March 31, 2024 is as follows:

Rs. in Crores

		Outstanding for following periods from due date of payment				
Sr. No.	**Particulars**	**Less than 1 year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
(i)	MSME	**3.31**	**–**	**–**	**–**	**3.31**
(ii)	Others	**12.10**	**0.56**	**0.10**	**0.81**	**13.57**
(iii)	Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**
(iv)	Disputed dues - Others	**–**	**–**	**–**	**–**	**–**
	Total	**15.41**	**0.56**	**0.10**	**0.81**	**16.88**
	Unbilled dues (Accrued expenses)					**44.45**
	Total Trade Payable					**61.33**

Ageing for trade payable outstanding as at March 31, 2023 is as follows:

Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
(i)	MSME	3.67	–	–	–	3.67
(ii)	Others	22.63	5.32	6.34	11.40	45.69
(iii)	Disputed dues - MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	26.30	5.32	6.34	11.40	49.36
	Unbilled dues (Accrued expenses)					7.36
	Total Trade Payable					56.72

NOTE NO. 16 - OTHER CURRENT LIABILITIES

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Advance from customer (Contract liability)	**1.77**	1.58
(b) Others		
(i) Statutory dues		
– taxes payable (other than income taxes)	**0.66**	1.70
– Employee Recoveries and Employer Contributions	**0.08**	0.07
– Customs Duty Payable	**–**	0.59
Total	**2.51**	3.94

Changes in contract liability are as follows:

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**1.58**	1.09
Add		
– Addittion during the year	**1.77**	1.58
Less		
– Reclass of opening balances of contract liability to revenue	**1.58**	1.09
Balance at the end of the year	**1.77**	1.58

NOTE NO. 17 - REVENUE FROM OPERATIONS

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
From contract with customers for goods & services		
(a) Revenue from Sale of Products	**261.69**	209.46
(b) Revenue from Sale of Services	**0.64**	0.64
(c) Other operating revenue	**0.12**	0.27
Total	**262.45**	210.37

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Sale of products comprises		
Manufactured goods	**261.69**	209.46
Total - Sale of manufactured goods	**261.69**	209.46
Total - Sale of products	**261.69**	209.46
(ii) Sale of services comprises		
Installation Services	**0.64**	0.64
Total - Sale of services	**0.64**	0.64
(iii) Other operating revenues comprise:		
Sale of scrap	**0.12**	0.27
Total - Other operating revenues	**0.12**	0.27

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customer as per the contract price	**269.01**	223.57
Adjustments made to contract price		
– Trade discounts, volume rebates, return etc	**5.72**	4.92
– Deferment of revenue	**7.68**	12.28
– Recognition of revenue out of opening balance of contract	**6.84**	4.00
Revenue from contract with customer as per the Standalone statement of profit and loss	**262.45**	210.37

Changes in contract assets are as follows

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**6.84**	4.00
– Invoices raised that were included in the contract assets balance at the beginning of the year	**(6.84)**	(4.00)
– Increase due to revenue recognised during the year, excluding amounts billed during the year.	**2.83**	6.84
Balance at the end of the year	**2.83**	6.84

Segment information

Geographical Information:

Rs. in Crores

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Domestic	**Overseas***	Domestic	Overseas*
Revenue from contract with customer	254.18	8.27	210.09	0.28
Total Revenue	254.18	8.27	210.09	0.28

* Uganda.

The company recognises revenue as per IND AS 115 'Revenue from contracts with customers'.

Accordingly, the Company recognises revenue when it transfers control of a product or service to a customer as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains the control or benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The company believes that above disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs 20.09 Crores out of which 100% is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

NOTE NO. 18 - OTHER INCOME

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a) Interest Income - On financial assets carried at amortised cost		
1) Bank deposits (at amortised cost)	**0.17**	0.03
2) Interest on Security Deposit (at amortised cost)	**0.02**	0.02
(b) Interest on tax refunds	**0.04**	0.08
(c) Profit on sale of Property, Plant & Equipments*	**0.00**	–
(d) Liabilities no longer required written back	**2.63**	2.36
(e) Miscellaneous income	**0.20**	0.27
Total	**3.06**	2.76

* Amount is lower than rounding off norm

NOTE NO. 19 (A) - COST OF MATERIALS CONSUMED

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Opening stock	**19.31**	20.72
Add: Purchases	**142.18**	130.41
	161.49	151.13
Less: Closing stock	**24.19**	19.31
Cost of materials consumed	**137.30**	131.82

NOTE 19 (B) - PURCHASES OF STOCK-IN-TRADE

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Stock-in-trade - Pumps, Greenhouses & Landscape	**1.37**	0.18
Total	**1.37**	0.18

NOTE 19 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
<u>Inventories at the end of the year:</u>		
Finished goods	**14.81**	16.44
Work-in-progress	**4.92**	4.23
Stock-in-trade	**0.54**	0.24
	20.27	20.91
<u>Inventories at the beginning of the year:</u>		
Finished goods	**16.44**	9.94
Work-in-progress	**4.23**	4.49
Stock-in-trade	**0.24**	0.90
	20.91	15.33
Changes in inventories		
Finished goods	**1.63**	(6.50)
Work-in-progress	**(0.69)**	0.26
Stock-in-trade	**(0.30)**	0.66
Net (increase)/decrease	**0.64**	(5.58)

NOTE NO. 20 - EMPLOYEE BENEFITS EXPENSE

Rs. in Crores

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Salaries and wages, including bonus	**27.62**	25.69
(b)	Contribution to provident and other funds (Refer Note No. 28)	**2.07**	2.15
(c)	Share based payment transactions expenses	**0.04**	0.01
(d)	Staff welfare expenses	**1.66**	1.32
	Total Employee Benefit Expense	**31.39**	29.17

Pursuant to the "Employees Stock Option Scheme – 2014" (ESOS) approved by the Shareholders in the Annual General Meeting held on July 31, 2014, the Company had granted 80,424, 3,228, 1,33,432, 11,129, 80,110 and 71,459 Stock Options to the eligible employees on October 28, 2014, October 31, 2015 , November 22, 2016, November 22, 2017, February 28, 2019 and March 12 , 2021 respectively as per the recommendations of the Nomination and Remuneration Committee, at an exercise price of Rs 10/- each. In respect of the options granted in 2014, 2016, 2017, 2019 and 2021 the equity settled options vest in 5 tranches of 20% each upon the expiry of 12 months, 24 months, 36 months, 48 months and 60 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 20% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date. In respect of options granted in 2015, the equity settled options vest in 4 tranches of 25% each upon the expiry of 12 months, 24 months, 36 months and 48 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 25% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing share based payment expenses is expected over the vesting period.

		Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled						
1	Series 1 Granted on October 28, 2014	80,424	October 28, 2014	October 28, 2019	10	170.97
2	Series 2 Granted on October 31, 2015	3,228	October 31, 2015	October 31, 2019	10	170.97
3	Series 3 Granted on November 22, 2016	133,432	November 22, 2016	November 22, 2021	10	131.75
4	Series 4 Granted on November 22, 2017	11,129	November 22, 2017	November 22, 2022	10	169.43
5	Series 5 Granted on February 28, 2019	80,110	February 28, 2019	February 28, 2024	10	83.51
6	Series 6 Granted on March 12, 2021	71,459	March 12, 2021	March 12, 2026	10	144.09

Movement in Share Options

	Particulars	**Year ended 31 March, 2024**		Year ended 31 March, 2023	
		Number of Shares	**Weighted average exercise price**	Number of Shares	Weighted average exercise price
1	Outstanding at the beginning of the year	**72,137**	**10**	147,280	10
2	Granted during the year	**–**	**10**	–	10
3	Exercised during the year	**(25,204)**	**10**	(48,129)	10
4	Expired during the year	**(8,988)**	**10**	(27,014)	10
5	Outstanding at the end of the year	**37,945**	**10**	72,137	10

Options vested but not exercised on 31st March, 2024 - 21,383 options

Share Options Exercised in the Year

	Particulars	**Year end March 31, 2024**			Year end March 31, 2023		
		Number Exercised	**Exercise Date**	**Share Price at Exercise Date**	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled							
1	Series 3 Granted on November 22, 2016	**–**	**–**	**–**	19,916	May 04 2022	102
2	Series 4 Granted on November 22, 2017	**1,437**	**April 28 2023**	**100.71**	1,511	May 04 2022	102
3	Series 5 Granted on February 28, 2019	**13,569**	**April 28 2023**	**100.71**	16,504	May 04 2022	102
4	Series 6 Granted on March 12, 2021	**10,198**	**April 28 2023**	**100.71**	10,198	May 04 2022	102

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share Option Programmes

Particulars	Series 1		Series 2		Series 3		Series 4		Series 5		Series 6	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Share price at grant date	**177.35**	177.35	**158.30**	158.30	**138.75**	138.75	**176.25**	176.25	**92.90**	92.90	**157.50**	157.50
Exercise price	**10**	10	**10**	10	**10**	10	**10**	10	**10**	10	**10**	10
Expected volatility (weighted average)	**55%**	55%	**55%**	55%	**49%**	49%	**46%**	45%	**42%**	41%	**50%**	–
Expected life/Option Life	**5.5 Years**	5.5 Years	**5.5 Years**	5.5 Years	**5.5 Years**	5.5 Years	**5.5 Years**	5.0 Years	**4.5 Years**	4.0 Years	**3.5 Years**	–
Expected dividends yield	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**0.54%**	0.54%	**0.76%**	–
Risk-free interest rate (based on government bonds)	**8.06%**	8.06%	**8.06%**	8.06%	**6.33%**	6.33%	**6.94%**	6.89%	**7.19%**	7.13%	**5.00%**	–

Expected early exercise option is not considered in the assumption at the time of valuation. Hence relvant disclosure is not applicable.

The fair value of the employee share options has been measured using the Black-Scholes option Pricing formula.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

NOTE NO. 21 - FINANCE COST

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a) Interest expense on financial liabilities measured at amortised cost		
– On credit facilities from Banks	**2.30**	1.92
– On trade creditors	**–**	0.09
(b) Interest expense on Lease Rental (Refer Note 26)*	**0.02**	0.00
(c) Interest expense on delayed payment of taxes	**0.32**	0.16
(d) Interest expense on other borrowing cost		
Processing fees / Guarantee Commission	**0.04**	0.03
Unwinding of discount on provisions	**0.03**	0.02
Total finance costs	**2.71**	2.22

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Interest Expenses		
On financial liability at amortised cost	**2.30**	2.01

* Amount is lower than rounding off norm

NOTE NO. 22 - OTHER EXPENSES

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Stores consumed	**1.00**	0.76
Power & Fuel	**4.75**	4.18
Rent including lease rentals	**2.78**	2.24
Rates and taxes	**0.82**	1.29
Insurance	**0.24**	0.23
Repairs and maintenance - Machinery	**0.86**	0.67
Repairs and maintenance - Others	**0.54**	0.41
Commission on sales	**17.17**	13.01
Freight outward	**8.63**	6.19
Travelling and Conveyance Expenses	**4.57**	4.24
Subcontracting, Hire and Service Charges	**11.05**	7.64
Expenditure on corporate social responsibility (CSR) (Refer Note 22A)	**–**	0.31
Expected Credit Loss	**10.27**	8.26
Net loss on foreign currency transactions	**0.33**	0.05
Auditors remuneration and out-of-pocket expenses		
(i) As auditors	**0.20**	0.19
(ii) For other services	**0.20**	0.18
(iii) For cost auditors for cost audit	**–**	0.01
(iv) For reimbursement of expenses	**0.02**	0.06
Legal and other professional costs	**2.90**	2.22
Site expenses	**13.93**	10.98
Provision for warranty	**0.22**	0.34
Loss on Sale / Written off Assets	**–**	0.08
Directors' fees and commission	**0.13**	0.07
Other general expenses	**5.43**	4.38
Total other expenses	**86.04**	67.99

NOTE NO. 22 A - SCHEDULE OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Rs. in Crores

Details of CSR expenditure:		March 31, 2024	March 31, 2023
(a)	**Gross amount required to be spent by the Company during the year**	–	0.32
(b)	**Amount approved by the Board to be spent during the year**	–	0.32
(c)	**Amount spent during the year**		
	i) Construction / acquisition of any asset	–	–
	ii) On purposes other than (i) above**	–	0.31
		–	0.31

Rs. in Crores

Details of CSR expenditure:		March 31, 2024	March 31, 2023
(d)	**Details related to spent / unspent obligations:**		
	i) Contribution to Public Trust	–	–
	ii) Contribution to Charitable Trust	–	–
	iii) Unspent amount in relation to:	–	–
	− Ongoing Project	–	–
	− Other than ongoing project	–	–
		–	–

** Tree Plantation, Agriculture Equipment's, Solar Water Pump unit, Assistance to school, Health Check up, Vicinity, Drinking water facilities, Ensuring Environmental Sustainability, Promoting Preventive Healthcare & Sanitation.

In case of S. 135(5) Excess amount spent for the FY 2023-24			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance***
0.00	**–**	**–**	**0.00**

In case of S. 135(5) Excess amount spent for the FY 2022-23			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance**
0.01	0.32	0.31	0.00

* Amount is lower than rounding off norm.

NOTE NO. 23 - EARNINGS PER SHARE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/loss for the year for basic and diluted EPS (Rs. in Crores)	**1.67**	(12.24)
Weighted average number of Equity shares used in computing basic EPS	**2,79,10,944**	2,78,87,604
Effect of potential Equity share on employee stock options	**34,714**	65,044
Weighted average number of equity shares used in computing of diluted EPS	**2,79,45,658**	2,79,52,648
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**0.60**	(4.39)
Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	**0.60**	(4.39)

NOTE NO. 24 - FINANCIAL INSTRUMENTS

I Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Net Debt and Equity is given in the table below :

Rs. in Crores

Particulars	March 31, 2024	March 31, 2023
Total Shareholders' Equity as reported in Balance Sheet	**165.28**	163.41
Net Debts		
- Short term debt	**15.42**	15.00
Gross Debt	**15.42**	15.00
Less:		
- Cash and cash equivalents	**0.20**	4.42
Net Debts	**15.22**	10.58
Total Capital deployed	**180.50**	173.99

II Categories of financial assets and financial liabilities

Rs. in Crores

Particulars	Amortised Costs	FVTPL	FVOCI	Total
				As at March 31, 2024
Non-current Assets				
Investment	–	–	–	**–**
Trade Receivables	3.75	–	–	**3.75**
Other Financial Assets	1.58	–	–	**1.58**
Current Assets				
Trade Receivables	145.35	–	–	**145.35**
Cash and Cash Equivalents	0.20	–	–	**0.20**
Other Bank Balances	2.08	–	–	**2.08**
Other Financial Assets	0.73	–	–	**0.73**
Current Liabilities				
Borrowings	15.42	–	–	**15.42**
Trade Payables	61.33	–	–	**61.33**
Other Financial Liabilities	9.43	–	–	**9.43**

Rs. in Crores

Particulars	Amortised Costs	FVTPL	FVOCI	Total
				As at March 31, 2023
Non-current Assets				
Investment	0.48	–	–	0.48
Trade Receivables	14.11	–	–	14.11
Other Financial Assets	0.73	–	–	0.73
Current Assets				
Trade Receivables	113.74	–	–	113.74
Cash and Cash Equivalents	4.42	–	–	4.42
Other Bank Balances	2.61	–	–	2.61
Other Financial Assets	1.09	–	–	1.09
Current Liabilities				
Borrowings	15.00	–	–	15.00
Trade Payables	56.71	–	–	56.71
Other Financial Liabilities	11.27	–	–	11.27

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Definition of default

The financial services business considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The company has dealings with government organisation for subsidy related transaction and with private parties. For private non government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The loss allowance provision is determined as follows:

Rs. in Crores

As at March 31, 2024

Particulars	**Not due**	**Less than 1 Year**	**Non-Current**	**Total**
Project				
Expected loss rate	0.00%	18.45%	28.57%	
Gross carrying amount	2.41	164.08	4.97	**171.46**
Loss allowance provision	–	30.28	1.42	**31.70**
Non Project				
Expected loss rate	0.00%	40.61%	67.21%	
Gross carrying amount	–	15.39	0.61	**16.00**
Loss allowance provision	–	6.25	0.41	**6.66**
Contract Assets	2.83	–	–	**2.83**

Rs. in Crores

As at March 31, 2023

Particulars	**Not due**	**Less than 1 Year**	**Non-Current**	**Total**
Project				
Expected loss rate	0.00%	12.71%	36.80%	–
Gross carrying amount	1.79	106.82	18.81	127.43
Loss allowance provision	–	13.58	6.92	20.50
Non Project				
Expected loss rate	–	18.31%	60.37%	
Gross carrying amount	–	22.90	5.61	28.51
Loss allowance provision	–	4.19	3.39	7.58
Contract Assets	6.84	–	–	6.84

Reconciliation of loss allowance provision for Trade Receivables

Rs. in Crores

Particulars	**March 31, 2024**	**March 31, 2023**
Balance as at beginning of the year	**28.08**	19.82
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	**10.27**	8.26
– Amounts written off during the year as uncollectible	**–**	–
– Amounts Recovered during the year	**–**	–
Balance at end of the year	**38.36**	28.08

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has written off Rs. NIL, (March 31, 2023 - Nil) of trade receivables.

Cash & Cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 0.20 Crores as at 31 March 2024 (Rs 4.42 Crores as at 31 March 2023) and fixed deposits of Rs. 2.08 Crores as at 31 March 2024 (Rs 2.61 Crores as at 31 March 2023).

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Crores

Particulars	Total	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities					
March 31, 2024					
Non-interest bearing	71.24	70.92	0.32	–	–
Interest bearing	15.42	15.42	–	–	–
Total	**86.65**	**86.34**	**0.32**	**–**	**–**
March 31, 2023					
Non-interest bearing	68.04	68.04	–	–	–
Interest bearing	15.00	15.00	–	–	–
Total	**83.04**	**83.04**	**–**	**–**	**–**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Crores

Particulars	Total	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets					
March 31, 2024					
Non-interest bearing	151.13	146.43	4.69	–	–
Fixed interest rate instruments	2.56	1.22	0.71	–	0.64
Total	**153.69**	**147.65**	**5.40**	**–**	**0.64**
March 31, 2023					
Non-interest bearing	134.01	119.25	14.27	–	0.48
Fixed interest rate instruments	3.17	2.61	–	–	0.57
Total	**137.18**	**121.86**	**14.27**	**–**	**1.05**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As at the year end, there were no material foreign currency exposure.

The currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

Rs. in Crores

	Trade receivables		Trade payables	
Exposure to foreign currency liabilities	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
USD	**0.00**	0.00	**–**	–
INR	**0.09**	0.22	**–**	–
SGD	**–**	–	**0.00**	–
INR	**–**	–	**0.01**	–
CHF	**–**	–	**–**	(0.00)
INR	**–**	–	**–**	(0.01)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

Exposure to interest rate

The Company's main interest rate risk arises from short term borrowings with variable interest rate and fixed interest rate carrying investments like fixed deposits with banks, which exposes the Company to cash flow interest rate risk.

Rs. in Crores

Particulars	**March 31, 2024**	**March 31, 2023**
Fixed rate instruments		
Financial assets (bank deposits)	**2.56**	3.17
Variable rate instruments		
Financial liabilities (Short term borrowings)	**15.42**	15.00

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate bank deposits and loans to its subsidiaries are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis for floating rate liabilities is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole period. A reasonable possible change of 100 basis points (100 bps) in interest rate at the reporting date would have increased / (decreased) profit after tax and equity by the amount shown below:

Rs. in Crores

	Profit or (loss)		Equity, net of tax	
Particulars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31-Mar-24				
Variable-rate instruments	**(0.15)**	**0.15**	**(0.11)**	**0.11**
31-Mar-23				
Variable-rate instruments	(0.15)	0.15	(0.11)	0.11

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the MEIL business determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTE NO. 25 - FAIR VALUE MEASUREMENT

The directors consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

NOTE NO. 26 - LEASES (REFER NOTE 2B)

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company has followed the Modified Retrospective Approach, accordingly recognised right-of- use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs.

The following is the movement in lease liabilities

Rs. in Crores

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Opening Lease liabilities recognised	**0.15**	(0.00)
Additions	**0.41**	0.15
Finance cost accrued during the period*	**0.02**	0.00
Deletions	**–**	–
Payment of lease liabilities*	**(0.11)**	(0.00)
Closing Balance	**0.47**	0.15

The following is the break-up of current and non-current lease liabilities

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Current lease liabilities	**0.16**	0.05
Non-current lease liabilities	**0.32**	0.10
Closing Balance	**0.48**	0.15
Carrying Value of Right of use assets (Refer Note 2B)	**3.31**	3.03

The table below provides details regarding the contractual maturities of lease liabilities

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Less than one year	**0.16**	0.05
One to Three years	**0.32**	0.10

Rental expense recorded for short-term leases was Rs. 2.78 Crores (Previous Year: Rs. 2.24 Crores) for the year ended 31st March, 2024.

* Amount is lower than rounding off norm

NOTE NO. 27 - SEGMENT INFORMATION

The Company is engaged in the business of Precision Farming Products and Services and in a single geography viz, India. The Information reported to the chief operating decision maker (CODM) [Viz, The Managing Director] for assessment of performance of business and allocation of resources is under this segment.

Accordingly, The Company has identified a single segment under Ind AS 108 - "Operating Segments".

Refer Note 17 for the analysis of revenue from it major products and services.

There is no single customer contributing 10% or more of total revenue.

NOTE NO. 28 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund Rs.1.11 Crores (year ended March 31, 2023 : Rs. 1.10 Crores) and Superannuation Fund Rs. 0.42 Crores (year ended March 31, 2023 : Rs. 0.50 Crores) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long-term.

The company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Rs. in Crores

Particulars	**Funded Plan Gratuity 2024**	**2023**
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	**0.30**	0.32
2. Interest cost	**0.23**	0.19
3. Expected return on plan assets	**(0.30)**	(0.23)
	0.23	0.29
Ib. Included in other Comprehensive Income		
1. Return on plan assets	**(0.11)**	0.03
2. Actuarial (Gain)/Loss on account of:	**–**	–
– Demographic Assumptions	**0.11**	0.04
– Financial Assumptions	**0.01**	(0.17)
– Experience Adjustments	**(0.20)**	(0.30)
	(0.19)	(0.39)
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	**(0.11)**	0.03
Actuarial gains and loss arising from changes in financial assumptions	**0.01**	(0.17)

Rs. in Crores

Particulars	Funded Plan Gratuity 2024	2023
Actuarial gains and loss arising from experience adjustments	**(0.20)**	(0.30)
Others (describe)	**–**	–
– Demographic Assumptions	**0.11**	0.04
Acturial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	**(0.19)**	(0.39)
Total	**0.04**	(0.10)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**3.75**	3.62
2. Fair value of plan assets as at 31st March	**4.57**	4.16
3. Surplus/(Deficit)	**0.82**	0.53
4. Current portion of the above	**–**	–
5. Non current portion of the above	**0.82**	0.53
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**3.62**	3.74
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**0.30**	0.32
– Interest Cost	**0.23**	0.19
4. Recognised in Other Comprehensive Income	**–**	–
Remeasurement gains/ (losses)	**–**	–
– Actuarial Gain (Loss) arising from:	**–**	–
– Demographic Assumptions	**0.11**	0.04
– Financial Assumptions	**0.01**	(0.17)
– Experience Adjustments	**(0.20)**	(0.30)
5. Benefit payments	**(0.32)**	(0.21)
6. Present value of defined benefit obligation at the end of the year	**3.75**	3.62
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**4.16**	3.97
2. Adjustment to Opening Fair Value of the Asset	**–**	–

Rs. in Crores

Particulars	Funded Plan Gratuity 2024	2023
3. Expenses Recognised in Profit and Loss Account	**–**	–
– Expected return on plan assets	**0.30**	0.23
4. Recognised in Other Comprehensive Income		
Remeasurement gains/ (losses)	**–**	–
– Actual Return on plan assets in excess of the expected return	**0.11**	(0.03)
– Others (specify)	**–**	–
5. Contributions by employer (including benefit payments recoverable)	**–**	–
6. Benefit payments	**–**	–
7. Fair value of plan assets at the end of the year	**4.57**	4.16
IV. The Major categories of plan assets		
- Funds Managed By Insurer (LIC of India)	**4.57**	4.16
V. Actuarial assumptions		
1. Discount rate	**6.94%**	7.12%
2. Expected rate of return on plan assets	**6.00%**	6.00%
3. Salary escalation	**3.00%**	3.00%
4. Mortality Rate disclosure	**IALM (2012-14) Ult.**	IALM (2012-14) Ult.
5. Attrition rate	**28.39%**	18.00%

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Crores

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	2024	1.00%	0.08	0.08
	2023	1.00%	0.11	0.13
Salary growth rate	2024	1.00%	0.06	0.06
	2023	1.00%	0.10	0.10

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Rs. in Crores

Maturity profile of defined benefit obligation:	**2024**	2023
Within 1 year	**1.30**	0.86
1 - 2 year	**1.04**	0.75
2 - 3 year	**0.57**	0.71
3 - 4 year	**0.46**	0.42
4 - 5 year	**0.32**	0.40
5 - 10 year	**0.64**	1.18

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	2024	2023
Weighted average remaining duration of Defined Benefit Obligation (No of Years)	**2.19**	3.70

Rs. in Crores

	2024	2023
Expected contribution to the plan for next financial year:	**1.30**	0.86

NOTE NO. 29 - RELATED PARTY DISCLOSURES

Name of the parent Company	**Relationship**
Mahindra and Mahindra Ltd	Parent Company
Other related parties with whom transaction have been undertaken	
Mahindra Logistics Ltd	Fellow subsidiary
Mahindra HZPC Pvt Ltd	Fellow subsidiary
Mahindra Agri Solutions Ltd	Fellow subsidiary
Mahindra Lifespace Developers Ltd	Fellow subsidiary
Mahindra Integrated Business Solutions Pvt Ltd	Fellow subsidiary
Mahindra and Mahindra Ltd - Swaraj	Fellow subsidiary
Mahindra Summit Agriscience Limited	Fellow subsidiary
Marvel Solren Pvt Ltd	Fellow subsidiary
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director) upto August 31 2023
Mr. Ramesh Ramchandran	Key Management Personnel (Managing Director) w.e.f. September 01 2023

Name of the parent Company	**Relationship**
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Ratnakar Nawghare	Key Management Personnel (Company Secretary)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Crores

Nature of transactions with Related Parties	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Sale of goods		
Mahindra Top Greenhouses Private Limited	**0.01**	0.06
Purchase of Goods & Services		
Marvel Solren Pvt Ltd.	**0.19**	0.18
Mahindra Top Greenhouses Private Limited	**0.50**	–
Purchase of Vehicle		
Mahindra and Mahindra Ltd	**0.34**	–
Remuneration		
Mr. Ashok Sharma	**0.15**	0.36
Mr. Ramesh Ramchandran	**0.10**	–
Mr. Abhijit Page	**0.79**	0.77
Ms. Sunetra Ganesan	**0.69**	0.67
Mr. Ratnakar Navghare	**0.35**	0.31
Management contract fees expenses (Including for deputation of personnel)		
Mahindra Logistics Limited	**–**	0.03
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	**0.36**	0.71
Business Support Services		
Mahindra and Mahindra Limited	**1.03**	1.07
Mahindra Farm Equipment Sector	**0.09**	0.13

Rs. in Crores

Nature of transactions with Related Parties	For the year ended March 31, 2024	For the year ended March 31, 2023
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	**0.17**	0.13
Mahindra Agri Solutions Ltd.	**0.00**	0.01
Reimbursement of Expenses from		
Mahindra Top Greenhouses Private Limited	**0.05**	0.10
Professional Fees		
Mahindra and Mahindra Limited	**0.43**	0.25
Mahindra Integrated Business Solutions Pvt Ltd.	**0.03**	0.02

Nature of Balances with Related Parties	As at March 31, 2024	As at March 31, 2023
Trade payables		
Mahindra and Mahindra Limited (HO)	**0.42**	0.49
Mahindra Integrated Business Solutions Pvt Ltd	**0.00**	0.00
Mahindra Agri Solutions Ltd	**0.04**	0.07
Marvel Solren Pvt Ltd	**0.01**	0.02
Mahindra Farm Equipment Sector	**–**	0.03
Trade Receivables		
Mahindra and Mahindra Limited (AUTO)	**0.12**	0.29
Mahindra Lifespace Developers Ltd	**0.03**	0.03
Mahindra Farm Equipment Sector	**0.02**	–
Mahindra Top Greenhouses Private Limited	**–**	0.46
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	**–**	0.48

* Company has incurred Rs. Rs 0.25 Crores (March 31, 2023 Rs. 0.36 Crores) for key managerial personnel services provided by Mahindra and Mahindra Limited and Mahindra Agri Solutions Limited.

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year ended March 31, 2024						Year ended March 31, 2023					
	Directors	**Managing Director**	**Chief Executive Officer**	**Chief Financial Officer**	**Company Secretary**	**Total**	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
Remuneration	**–**	**0.25**	**0.79**	**0.69**	**0.35**	**2.08**	–	0.36	0.77	0.67	0.31	2.11
Fees for attending board committee meetings	**0.10**	**–**	**–**	**–**	**–**	**0.10**	0.07	–	–	–	–	0.07
Commission to independent directors	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Post-employment benefits*	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Share-based payment	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefits accounted as per actuarial valuation.

NOTE NO. 30 - CONTINGENT LIABILITIES AND COMMITMENTS

Rs. in Crores

Contingent liabilities (to the extent not provided for)	As at March 31, 2024	As at March 31, 2023
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**0.27**	0.31
(b) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal / Department is in appeal		
Excise Duty:	**2.32**	2.25

Rs. in Crores

Contingent liabilities (to the extent not provided for)		As at March 31, 2024	As at March 31, 2023
(c)	Non-current non-financial asset includes refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	–	1.67
	The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of "Unjust Enrichment" has ordered the claim to be transferred to the credit of the "Consumer Welfare Fund".		
	The Company had filed an appeal against the order. On hearing the appeal the Hon' CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon' CESTAT.		
	The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik.is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.		
(d)	Local Sales Tax Bihar – CST Recovery Under appeal FY 13-14	**0.09**	0.09
(e)	Income Tax demand for A.Y. 17-18 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	–	1.68
(f)	Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**2.99**	2.78
(g)	Income Tax demand for A.Y. 18-19 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	–	0.60
(h)	Income Tax demand for A.Y. 20-21 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	–	0.04
(i)	SGST MH demand order FY 18-19 (Including interest & penalty) issues involved valuation of supply (Second provision related to rule 28 CGST & penalty for non registrationof ISD)	**6.83**	–
Total		**12.51**	9.42

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

NOTE NO. 31 - COMMITMENTS

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	**0.70**	0.05

NOTE NO. 32 - DIVIDEND

The Board has recommended a dividend of Rs. Nil per equity share (FY 22-23 Rs Nil Per equity share).

NOTE NO. 33 - EVENT OCCURING AFTER THE REPORTING PERIOD

No material events have occured between the Balance sheet date and before the approval of financials statements by Board of Directors.

NOTE NO. 34 - DISCLOSURE OF INTEREST IN JOINT VENTURE AS PER IND AS 112.

(a) Details of the Joint Venture at the end of the reporting period are as follows:

Name of the Joint Venture	Place of incorporation & place of operation	Proportion of Ownership As at 31st March 2024	2023
Mahindra Top Greenhouses Private limited (MTGPL)*	Nashik, India.	**60%**	60%

* MTGPL - Business of Protected cultivation Technology products

Additional regulatory information

NOTE NO. 34A - RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	Standalone		
			FY 2024	FY 2023	% Change
Debtors Turnover (Days)	Average Debtors	Net Sales	**239**	305	-21.63%
Inventory Turnover (Times)	COGS	Average Inventory	**3.29**	3.32	-0.75%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	**7.53**	0.81	832.84%
Current Ratio (Times)	Total Current Assets	Total Current Liabilities	**2.35**	2.20	6.77%
Debt Equity Ratio (Times)	Debt	Shareholders Equity	**0.09**	0.09	1.60%
Net Profit Margin (%)	PAT	Net Sales	**0.64%**	-5.82%	-110.94%
Return on Equity (%)	PAT	Net Worth	**1.02%**	-7.23%	-114.06%

Ratio	Numerator	Denominator	Standalone		
			FY 2024	FY 2023	% Change
Trade Payable Turnover (Days)	Average Trade Payables	Net Purchases	**152**	166	-8.82%
Return on Capital employed	EBIT	Capital Employed	**3.11%**	-7.58%	-141.01%
Working Capital Turnover Ratio	Net Sales	Average Working Capital	**2.14**	1.96	8.83%
Return on Investments	Income generated from invested fund	Average invested funds in treasury investment	**7.42%**	2.84%	161.76%

Reasons for changes in ratios:

Debt Service Coverage Ratio

Improvement in earnings.

Net Profit Margin, Return on Equity & Return on Capital employed

Improved revenue, lower input costs resulting to improvement in earnings.

Return on Investments

Increase in investments held.

NOTE NO. 34B - ADDITIONAL REGULATORY INFORMATION

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(iv) The Company has neither declared nor paid any dividend during the year.

(v) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(vi) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) The company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) The Company has reviewed the transactions to identify if there are any transactions with struck off companies. To the extent information is available, there are no such transactions except the list of companies mentioned below:

Sr. No	Name of the struck off company	Nature of Transaction	Transaction during the year/Balance outstanding (Rs. in Crores)	Relationship with the struck off company
1	Allied Agritech Private Limited	Purchase	0.03	Vendor
2	Allied Agritech Private Limited	Payables	0.02	Vendor
3	NRE Plastic Private Limited	Recoverable	0.00	Vendor
4	NRE Plastic Private Limited	Receivables	0.03	Customer
	Total amount		**0.08**	

NOTE NO. 35 - DISCLOSURE UNDER RULE 11(E) OF THE COMPANIES RULES 2014

No Funds have been advanced, loaned, invested or provided any guarantee, security or the like to or on (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities (“intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO. 36 - CODE OF SOCIAL SECURITY

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE NO. 37 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors and authorised for issue on April 23, 2024.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership no.: 116240

Place: Nashik
Date: April 23, 2024

For and on behalf of the Board of Directors

Ramesh Ramachandran
Managing Director
DIN-09562621
Place: Nashik

Anand Daga
Director
DIN-00696171
Place: Nashik

Abhijit Page
Chief Executive Officer
Place: Nashik

Sunetra Ganesan
Chief Financial Officer
Place: Nashik

R. V. Nawghare
Company Secretary
Place: Nashik

Date: April 23, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Top Greenhouses Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Top Greenhouses Private Limited** (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India relating to the liquidation basis of accounting, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter(s)

a. We draw attention to Note 22 to the financial statements, which explains that in view of the decision by the Board of Directors to discontinue the Company's business operations, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended 31 March 2024. Accordingly, the financial statements of the Company have been prepared on a liquidation basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements.

   Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India relating to the liquidation basis of accounting, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. In the present case the Board of Directors intends to discontinue the Company's business operations.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. In the present case, liquidation basis of accounting has been used since the Management and Board of Directors have concluded that the use of going concern basis is not appropriate in the facts and circumstances as stated in Note 22.
- Evaluate the overall presentation, structure and content of the financial statements, including the diooloooureo, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(g) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter that financial statements have been prepared on a liquidation basis as described in the Emphasis of Matter(s) paragraph above, in our opinion, has an adverse effect' on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

   h) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3)).

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 23(B)(iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 23(B)(v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership No: 116240
ICAI UDIN: 24116240BKGSOH3724

Place: Ahmedabad
Date: 18 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TOP GREENHOUSES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a), (b) and (d) The Company does not have any Property, plant and equipment and intangible assets as at 31 March 2023. Accordingly, Clause 3(i) (a), (b) and (d) of the Order is not applicable to the Company.

(c) The Company does not have any immovable property (including immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company does not hold inventories as at 31 March 2024. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax and other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Income-Tax and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Act, during the year ended 31 March 2023. Accordingly, clause 3(ix)(t) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 66.81 lakhs in the current financial year and Rs 42.77 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 22 of the financial statements which explains that the going concern assumption is no longer valid and these financial statements have been prepared on liquidation basis.

On the basis of the above and according to the information and explanations given to us during the course of audit and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership No: 116240
ICAI UDIN: 24116240BKGSOH3724

Place: Ahmedabad
Date: 18 April 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
I	**Non-current assets**			
	(a) Income Tax Assets (net)		–	2.61
	Total Non-Current Assets		–	2.61
II	**CURRENT ASSETS**			
	(a) Inventories	2	–	93.76
	(b) Financial Assets			
	(i) Trade Receivables	6	–	7.87
	(ii) Cash and Cash Equivalents	3 (a)	**5.50**	55.81
	(iii) Other Bank Balances	3 (b)	**4.17**	0.79
	(iv) Other Financial Assets	4	**0.50**	0.50
	(c) Other Current Assets	5	–	21.36
	(d) Current Tax Assets		–	–
	Total Current Assets		**9.67**	180.09
III	**Total Assets (I+II)**		**9.67**	182.70
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	7	**300.00**	300.00
	(b) Other Equity		**(293.57)**	(221.43)
	Total Equity		**6.43**	78.57
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Provisions	9	–	3.79
	Total Non-Current Liabilities		–	3.79
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	a) total outstanding dues of micro and small enterprises		–	1.72
	b) total outstanding dues of creditors other than micro and small enterprises	8	**3.21**	57.03
	(b) Provisions	9	–	10.30
	(c) Other Current Liabilities	10	**0.03**	31.29
	Total Current Liabilities		**3.24**	100.34
VII	**Total Liabilities (V+VI)**		**3.24**	104.13
VIII	**Total Equity and Liabilities (IV+VII)**		**9.67**	182.70
	The accompanying notes 1 to 24 are an integral part of the Financial Statements	1-24		

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the Board of Directors

Rupen Shah
Partner
Membership no.116240

Place : Ahmedabad
Date : Apr 18, 2024

Sunetra Ganesan
Chief Financial Officer

Place : Nashik
Date : Apr 18, 2024

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : Apr 18, 2024

Meghnad Mitra
Director
DIN-01802612

Place : Nashik
Date : Apr 18, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	11	**103.31**	203.96
II	Other Income	12	**18.02**	8.02
III	**Total Income (I+II)**		**121.33**	211.98
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade	13 (a)	**14.11**	180.09
	(b) Changes in inventories of stock-in-trade	13 (b)	**93.76**	(67.51)
	(c) Finance costs	16	**0.42**	2.08
	(d) Other expenses	14	**85.18**	145.64
	Total Expenses (IV)		**193.47**	260.30
V	**Loss before tax (III-IV)**		**(72.14)**	(48.32)
VI	**Tax Expense**		**–**	–
VII	**Loss after tax for the period (V-VI)**		**(72.14)**	(48.32)
VIII	**Other comprehensive income**		**–**	–
IX	**Loss for the year (VII+VIII)**		**(72.14)**	(48.32)
X	**Earnings per equity share**			
	Basic and Diluted (Face value Rs. 10 per share)	15	**(2.40)**	(1.61)

In terms of our report attached
For B S R & Co. LLP
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Rupen Shah
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For and on behalf of the Board of Directors

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Date : Apr 18, 2024

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Place : Nashik
Date : Apr 18, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

			Rs. in Lakhs
Particulars		**For the year ended March 31, 2024**	For the year ended March 31, 2023
Cash flow from operating activities			
Loss before tax for the year		**(72.14)**	(48.32)
Adjustments for:			
Finance costs		**0.42**	2.08
Interest Income		**(1.59)**	(2.05)
Excess provision written back		**(16.30)**	–
Write off during the year		**16.87**	–
Foreign Exchange Loss		**0.22**	–
Expected Credit Loss		**(4.87)**	(8.71)
		(77.39)	(57.00)
Movements in working capital:			
(Increase) / decrease in trade receivables		**7.87**	147.48
(Increase) / decrease in inventories		**93.76**	(67.51)
(Increase) / decrease in other current financial assets		**21.86**	(16.18)
Increase / (decrease) in trade payables		**(55.51)**	(35.02)
Increase / (decrease) in provisions		**(14.09)**	0.10
Increase / (decrease) in other Financial and Non financial current liabilities		**(31.26)**	12.12
		22.63	40.99
Cash (used) in operations		**(54.76)**	(16.01)
Income taxes paid (net)		**2.61**	(1.42)
Net cash (used) in operating activities		**(52.15)**	(17.43)
Cash flows from investing activities			
Interest received		**1.84**	2.05
Net cash generated from investing activities		**1.84**	2.05
Net decrease in cash and cash equivalents		**(50.31)**	(15.38)
Cash and cash equivalents at the beginning of the year	(Note No. 3 (a))	**55.81**	71.19
Cash and cash equivalents at the end of the year		**5.50**	55.81

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Ahmedabad
Date : Apr 18, 2024

For and on behalf of the Board of Directors

Sunetra Ganesan
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Place : Nashik
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Place : Nashik
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Meghnad Mitra
Director
DIN-01802612

Place : Nashik
Date : Apr 18, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

A. Equity share capital	No. of Equity Shares	Total
As at March 31, 2022	3,000,000.00	300.00
Restated Balance as at March 31 2022	**3,000,000.00**	**300.00**
Issue of equity shares	–	–
As at March 31, 2023	**3,000,000.00**	**300.00**
Restated Balance as at March 31 2023	**3,000,000.00**	**300.00**
Issue of equity shares	–	–
As at March 31, 2024	**3,000,000.00**	**300.00**

B. Other Equity

Rs. in Lakhs

Particulars	Retained Earnings	Total
Balance as at March 31, 2022	**(173.11)**	**(173.11)**
Loss for the year	(48.32)	(48.32)
Balance as at March 31, 2023	**(221.43)**	**(221.43)**
Loss for the year	(72.14)	(72.14)
Balance as at March 31, 2024	**(293.57)**	**(293.57)**

See accompanying notes to the Financial Statements 1-24

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years.

The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Ahmedabad
Date : Apr 18, 2024

For and on behalf of the Board of Directors

Sunetra Ganesan
Chief Financial Officer

Place : Nashik
Date : Apr 18, 2024

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : Apr 18, 2024

Meghnad Mitra
Director
DIN-01802612

Place : Nashik
Date : Apr 18, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 1 - Corporate information and material accounting policies

A. Corporate Information

Mahindra Top Greenhouses Private Limited was incorporated on November 16, 2018 under the Companies Act, 2013. It is engaged in the business of Protected cultivation Technology products. The Company is a joint venture of Mahindra EPC Irrigation Limited and Top Greenhouses Ltd., Israel.

B. Statement of compliance

i) The financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

ii) The company does not have an intention to carry out operations and hence the going concern assumption is no longer appropriate. Thus, the financial statements are prepared and presented under liquidation basis of accounting whereby the carrying values of all assets have been stated at their realizable value and all liabilities have been stated at their settlement values as at 31 March 2024.

iii) These financial statements were approved by the Company's Board of Directors and authorised for issue on 18 April 2024.

C. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in lakhs (two decimals), unless otherwise indicated.

E. Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition and are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

F. Revenue recognition:

The Company recognises revenue from the following major sources:

a) Sale of Products; and

b) Sale of services.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

a) Sale of Products

The Company is engaged in the business of Protected Cultivation Technology Products. In terms of Ind AS 115, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to customer and customer obtains the benefit of the same. Hence the Company recognises revenue at a point in time. Sales-related warranties associated the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IND AS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note 9).
Revenue is recognised by the Company when the goods are delivered to the customer and installation is acknowledged by the farmers or direct delivery of kits to the customer, as this represents the point in time at which the right to consideration becomes unconditional. As only the passage of time is required before payment is due.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

G. Other income:

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

These income are recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

H. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

I. Taxes on income:

- Current Tax

  Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- Deferred Tax

  Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

J. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

K. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM of the company reviews the operation of the company as Protected Cultivation Technology Products.

L. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

M. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in the carrying amount of some assets and liabilities.

- Provision for warranty claims (Refer Note 9)
- Going Concern (Refer Note 22)

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

N. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that rate. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

O. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note No. 2 - Inventories (Refer Note 1E)
[Lower of cost and net realisable value]

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-trade of goods acquired for trading (Lying with a third party Rs.NIL, Previous Year Rs.3.89 Lakhs)	–	93.76
Total	–	93.76

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and delayed in usage in view of lower off-take in present situation. In addition, we have reviewed the likelihood of reduction in sales price and cancellation of orders. This is based on an assessment considering the orders in hand, product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

Note No. 3 (a) - Cash and Cash Equivalents

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balance with bank		
- Current Accounts	**5.50**	14.56
- Fixed Deposits with original maturity less than 3 months	–	41.25
Total Cash and cash equivalents	**5.50**	55.81

Note No. 3 (b) - Other Bank Balances

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other Bank Balances		
- Interst accrued on deposits	**0.42**	0.79
- Fixed Deposits with original maturity more than 3 months but less than 12 months*	**3.75**	–
Total Other Bank Balances	**4.17**	0.79

* The company has a lien on its bank deposits aggregating to Rs 3.75 lakhs (31st March 2023 Rs 1.25 lakhs).

Note No. 4 - Other Financial Assets

Rs. in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
Carried at amortised cost:				
Security deposits	–	–	0.50	–
Total	–	–	0.50	–

Note No. 5 - Other Current Assets

Rs. in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
(a) Prepayments	–	–	0.75	–
(b) Balances with government authorities				
(i) GST credit receivable	–	–	20.61	–
Total	–	–	21.36	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note No. 6 - Trade Receivables

Rs. in Lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
Unsecured, considered good	–	–	7.87	–
Trade Receivable - credit impaired	22.58	–	17.71	–
	22.58	–	25.58	–
Less: Allowance for doubtful debts (expected credit loss)	(22.58)	–	(17.71)	–
Total	–	–	7.87	–

Note No. 6 - Trade Receivables ageing schedule as on 31st March 2024

Rs. in Lakhs

Outstanding for following periods from due date of payment.

Sr. No.	Particulars	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	–	–	–	–	–	–
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	1.22	3.65	–	17.7	22.58
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
	Total	–	1.22	3.65	–	17.71	22.58
	Less : Allowance for trade receivables	–	(1.22)	(3.65)	–	(17.71)	(22.58)
	Total	–	–	–	–	–	–

Note No. 6 - Trade Receivables ageing schedule as on 31st March 2023

Rs. in Lakhs

Outstanding for following periods from due date of payment.

Sr. No.	Particulars	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	4.22	3.65	0.00	–	–	7.87
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	17.71	–	17.7
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
	Total	4.22	3.65	0.00	17.71	–	25.58
	Less : Allowance for trade receivables	–	–	–	(17.71)	–	(17.71)
	Total	4.22	3.65	0.00	17.71	–	7.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note No. 7 - Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**Rs. in Lakhs**	No. of shares	Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	**3,000,000**	**300.00**	3,000,000	300.00
Issued				
Equity shares of Rs. 10 each	**3,000,000**	**300.00**	3,000,000	300.00
Subscribed and fully paid up				
Equity shares of Rs. 10 each	**3,000,000**	**300.00**	3,000,000	300.00
Total	**3,000,000**	**300.00**	3,000,000	300.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in Lakhs

Particulars		**Opening Balance**	**Issued during the year**	**Closing Balance**
Equity share	**No. of Shares**	3,000,000	–	3,000,000
	Amount	300.00	–	300.00

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by each promoter at the end of the year:

31 March 2024

Name of promoter	**As at March 31, 2024**		As at March 31, 2023		
	Number of shares	**% of shares**	Number of shares	% of shares	% Change
Equity shares					
Mahindra EPC Irrigation Limited	**1,800,000**	**60.00%**	1,800,000	60.00%	0.0%
Top Greenhouses Limited, Israel	**1,200,000**	**40.00%**	1,200,000	40.00%	0.0%

31 March 2023

Name of promoter	**As at March 31, 2024**		As at March 31, 2023		
	Number of shares	**% of shares**	Number of shares	% of shares	% Change
Equity shares					
Mahindra EPC Irrigation Limited	**1,800,000**	**60.00%**	1,800,000	60.00%	0.0%
Top Greenhouses Limited, Israel	**1,200,000**	**40.00%**	1,200,000	40.00%	0.0%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	**As at March 31, 2024**		As at March 31, 2023	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra EPC Irrigation Limited	**1,800,000**	**60.00%**	1,800,000	60.00%
Top Greenhouses Limited, Israel	**1,200,000**	**40.00%**	1,200,000	40.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note No. 8 - Trade Payables

Rs. in Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current		
Trade payable - Micro and small enterprises	**–**	1.72
Trade payable - Other than micro and small enterprises	**0.44**	53.91
Unbilled dues (Accurued Expenses)	**2.77**	3.12
Total	**3.21**	58.75
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as below:		
(a) Dues remaining unpaid as at March 31		
Principal	**–**	1.72
Interest on the above	**–**	–
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the period	**–**	–
Principal paid beyond the appointed date	**–**	–
Interest paid in terms of Section 16 of the Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the period	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid as at March 31	**–**	–
Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Note No. 8 - Trade payables Ageing Schedule

Ageing for trade payable outstanding as at March 31, 2024 is as follows :

Rs. in Lakhs

		Outstanding for following periods from due date of payment				
Sr. No.	**Particulars**	**Less than 1 year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	MSME	**–**	**–**	**–**	**–**	**–**
ii	Others	**0.44**	**–**	**–**	**–**	**0.44**
iii	Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**
iv	Disputed dues - Others	**–**	**–**	**–**	**–**	**–**
	Total	**0.44**	**–**	**–**	**–**	**0.44**
v	Unbilled					**2.77**
	Total					**3.21**

Ageing for trade payable outstandg as at March 31, 2023 is as follows :

Rs. in Lakhs

		Outstanding for following periods from due date of payment				
Sr. No.	**Particulars**	**Less than 1 year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	MSME	1.72	–	–	–	1.72
ii	Others	53.91	–	–	–	53.91
iii	Disputed dues - MSME	–	–	–	–	–
iv	Disputed dues - Others	–	–	–	–	–
	Total	**55.63**	**–**	**–**	**–**	**55.63**
v	Unbilled					3.12
	Total					**58.75**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note No. 9 - Provisions

Rs. in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	**Non-Current**	Current	Non-Current
Other Provisions				
Warranty	–	–	10.30	3.79
Total	–	–	10.30	3.79

Details of movement in Warranty Provisions is as follows:

Particulars	Amount (Rs. in Lakhs)
Balance at March 31, 2022	**11.90**
Additional provisions recognised	2.05
Amounts used during the year	0.58
Unwinding of discount	0.72
Balance at March 31, 2023	**14.09**
Additional provisions recognised	0.51
Unused amounts reversed during the year	(0.06)
Unwinding of discount	0.05
Provision Written Back	(14.59)
Balance at March 31, 2024	–

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information of shareholders entities past experience and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 3 year to 5 years.

Note No. 10 - Other Current Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	**Non-Current**	Current	Non-Current
(a) Contingent Liability				
- Advances received from customers	–	–	28.20	–
(b) Statutory dues				
- taxes payable (other than income taxes)	**0.03**	–	1.32	–
(c) Security Deposits	–	–	1.09	–
(d) Interest Payable	–	–	0.68	–
Total	**0.03**	–	31.29	–

Note No. 11 - Revenue from Operations

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue from sale of products	**103.31**	188.99
(b) Revenue from rendering of services	–	14.97
Total	**103.31**	203.96

The Company is engaged in the business of Protected Cultivation Technology Products. In terms of Ind AS 115, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to customer and customer obtains the benefit of the same. Hence the Company recognises revenue at a point in time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

During the year there is 1 and in previous year 3 most significant customer from which the Company has earned external revenues in excess of 10% of the Company's revenues. The total amount of revenue earned from such customer is Rs. 13.10 lakhs (31 March 2023: Rs. 120.48 lakhs). The revenue earned is pertaining to sale and installation of Green Houses.

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of Green House products and installation services

Particulars	**March 31, 2024**	March 31, 2023
Revenue from contracts with customers at a point in time		
Sale of Green House Products	**103.31**	188.99
Installation Servies	**–**	14.97
Total Revenue from contract with customers	**103.31**	203.96

b) Movement of Contract Liability (Advance from customer)

Particulars	**March 31, 2024**	March 31, 2023
Opening Balance	**28.20**	46.23
i) Addition during the year (Net)	**–**	28.20
ii) Income recognised during the year	**28.20**	46.23
Closing Balance	**–**	28.20

c) Reconciliation of revenue as per contract price and as recognised in the Statement of profit and loss

Particulars	**March 31, 2024**	March 31, 2023
Revenue from contract with customer as per the contract price	**103.31**	203.96
Adjustments made to contract price on account of :		
Discounts / Rebates / Incentives	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**103.31**	203.96

Note No. 12 - Other Income

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a) Interest Income - On financial assets carried at amortised cost		
1) Bank deposits	**1.59**	2.05
(b) Interest on Income Tax refunds	**0.13**	–
(c) Other Income*	**16.30**	5.97
Total	**18.02**	8.02

* Other Income - Excess provision written back

Note No. 13 (a) - Purchases of Stock-in-trade

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Purchases traded goods (refer note 18 for Related Party)	**14.11**	180.09
Total	**14.11**	180.09

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note 13 (b) Changes in inventories of stock-in-trade

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Inventories at the end of the period:		
Stock-in-trade	**–**	93.76
	–	93.76
Inventories at the beginning of the period:		
Stock-in-trade	**93.76**	26.25
	93.76	26.25
Net decrease / (increase)	**93.76**	(67.51)

Note No. 14 - Other Expenses (Also refer with Note 18)

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Rates and taxes	**5.62**	4.79
Insurance	**0.84**	0.48
Repairs and maintenance - Others	**0.54**	0.31
Commission on sales	**0.12**	1.21
Freight outward	**0.73**	4.32
Travelling and Conveyance Expenses	**4.99**	12.84
Expected Credit Loss	**4.87**	8.71
Net loss on foreign currency transactions	**0.22**	–
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**2.00**	2.00
Legal and other professional costs	**39.44**	74.42
Site Expenses	**6.17**	26.00
Provision for Warranty	**–**	2.23
Sundry Balances Written Off	**16.87**	–
Other General Expenses	**0.18**	3.48
Total Other Expenses	**85.18**	145.64

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note No. 15 - Earnings per Share

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss for the year for basic and diluted EPS (Rs. in Lakhs)	**(72.14)**	(48.32)
Weighted average number of Equity shares used in computing basic EPS	**3,000,000**	3,000,000
Weighted average number of equity shares used in computing of diluted EPS	**3,000,000**	3,000,000
Basic and Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(2.40)**	(1.61)

Note No. 16 - Finance Cost

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest expense on delayed payment of taxes	**0.34**	1.53
(b) Other borrowing cost		
Processing fees / Guarantee Commission	**0.03**	–
Unwinding of discount on provisions	**0.05**	0.55
Total finance costs	**0.42**	2.08

Note No. 17 - Financial Instruments

I Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in Lakhs

Particulars	March 31, 2024	March 31, 2023
Equity	**6.43**	78.57
Less: Cash and cash equivalents	**(5.50)**	(55.81)
	0.93	22.76

II Categories of financial assets and financial liabilities

Rs. in Lakhs

	As at March 31, 2024			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Current Assets				
Trade Receivables	–	–	–	–
Cash and Cash Equivalents	**5.50**	–	–	**5.50**
Other Financial Assets	–	–	–	–
Current Liabilities				
Trade Payables	**3.21**	–	–	**3.21**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Rs. in Lakhs

Particulars	As at March 31, 2023			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	7.87	–	–	7.87
Cash and Cash Equivalents	55.81	–	–	55.81
Other Financial Assets	0.50	–	–	0.50
Current Liabilities				
Trade Payables	58.75	–	–	58.75

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. For parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored.

Cash and cash equivalents and fixed deposits

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 5.50 lakhs as at 31 March 2024 (31 March 2023: Rs. 14.56 lakhs) and fixed deposits of Rs. 3.75 lakhs as at 31 March 2024 (31 March 2023: Rs. 41.25 Lakhs)

The cash and cash equivalents and fixed deposit are held with bank and financial institution counterparties, which are rated AA- to AA+, based on CRISIL ratings.

Trade receivables

A summary of exposure to credit risk for trade receivables is as follows:

	Carrying Amount	
	31 March 2024	31 March 2023
Trade receivables (refer note 6)	**–**	7.87
	–	7.87

The Company's exposure to credit risk for trade receivables (net) at the reporting date by operating segment are as follows:

	Carrying Amount	
	31 March 2024	31 March 2023
Green House Products and Installation services	**–**	7.87
	–	7.87

Impairment

The ageing of trade and other receivables that were not impared is as follows:

	Carrying Amount	
	31 March 2024	31 March 2023
Gross carrying amount		
Neither due nor impaired		
Not Due	**–**	–
Ageing 0-30	**–**	–
Ageing 31-60	**–**	4.22
Ageing 61-120	**–**	3.65
Ageing more than 120	**4.87**	17.71
Expected credit loss		
Neither due nor impaired	**–**	–
Not Due	**–**	–
Ageing 0-30	**–**	–
Ageing 31-60	**–**	–
Ageing 61-120	**–**	–
Ageing more than 120	**22.58**	17.71
Net amount after impairment	**(17.71)**	**7.87**

Management believes that the unimparied amounts that are overdue are still collectible in full, based on extensive analysis of customer credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Amount
Balance as at 1 April 2023	17.71
Less : Bad debt written off during the year	–
Add : Impairment loss recognised during the year	4.87
Balance as at 31 March 2024	**22.58**

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

EXPOSURE TO LIQUIDITY RISK

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

				Contractual cash flows		
31 March 2024	**Notes**	**Carrying amount**	**Total**	**Payable within 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	**8**	**3.21**	**3.21**	**3.21**	**–**	**–**
		3.21	**3.21**	**3.21**	**–**	**–**

				Contractual cash flows		
31 March 2023	**Notes**	**Carrying amount**	**Total**	**Payable within 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	8	58.75	58.75	58.75	–	–
		58.75	58.75	58.75	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Note No. 18 - Related Party Disclosures

Name of the Company	Relationship
Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited)	JV Partner
Top Greenhouses Limited	JV Partner
Top Greenhouse Technologies Private Limited	A Subsidiary of Top Greenhouses Limited

Key Managerial Personnel

Meghnad Mitra	Chairman
Abhijit Page	Director
Asaf Elyahu	Director
Amiram Regev	Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
1. Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited.)		
Sales of Goods	**50.24**	5.86
Purchases of Goods	**0.90**	–
Management Fees	**5.12**	10.00
Professional Fees	**36.21**	71.08
2. Top Greenhouses Limited		
Purchases of Goods	**–**	5.20

Rs. in Lakhs

Nature of Balances with Related Parties	**As at March 31, 2024**	As at March 31, 2023
Trade payables		
Mahindra EPC Irrigation Limited	**–**	45.77

Note No. 19 - Current Tax and Deferred Tax

The company has incurred loss for the period in books as well as per income tax provisions. Considering the company is incurring loss, and non-existence of reasonable certainty, therefore company has not recognized deferred tax assets on carry forward losses.

Note No. 20 - Segment

The company operates in only one business segment viz Business of Protected cultivation Technology products and services in India. The information reported to chief operating and decision maker(CODM) (viz Board of Director) for the assessment of performance of business and allocation of resources is under this segment. Accordingly, the company has identified the single segment under 108 – Operating segments.

The company's revenues consists of more than 10% from the one customer.

Note No. 21 - Contingent Liabilities and Commitments

There are no Contingent liabilities and Commitments.

Note No. 22 - Going Concern -Assumption

The company dose not have an itention to carry our operations and hence the going concern assumption is no longer appropriate. Thus, the financial statements are prepared and presented under liquidation basis of accounting whereby the carrying values of all assets have been stated at their realizable value and all liabilities have been stated at their settlement values as at 31 March 2024.

Note 23 - (A) Additional Regulator Information - Ratio Analysis and its elements

			Standalone			
Ratio	**Numerator**	**Denominator**	**FY 2024**	**FY 2023**	**% Change**	**Reasoning**
Debtors Turnover (Times)*	Net Credit Sales	Average Debtors	–	2.3	-100.0%	NIL Debtors as on date.
Inventory Turnover (Times)	COGS	Average Inventory	–	1.9	-100.0%	NIL Inventory as on date.
Current Ratio (Times)	Current Assests	Current Liabilities	3.0	1.7	72.6%	–
Gross Profit Margin (%)	Gross Profit	Net Sales	-4.4%	44.8%	-109.9%	–
Net Profit Margin (%)	PAT	Net Sales	-69.8%	-23.7%	194.7%	The decrease in revenue as compare to previous year is due to reduction in orders compare to previous year, further impact of fixed costs and increase in Raw Material costs during year has led to decline in profit margins.
Return on Equity (%)	Net Profit after Taxes - Preference Dividend (if any)	Average share holders equity	-169.7%	-47.0%	261.2%	
Net Capital Turnover Ratio (Times)	Net Sales	Working Capital	16.1	2.6	528.1%	Timely receipt of advances from customers enable to improve cash flow and also deploying just in time inventory method impacted to improve the ratio.
Return on Fixed Income Investments (%)	Income on investment	Investment	7.1%	4.4%	60.6%	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (contd.)

Note 23 - (B)

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has reviewed the transactions to identify if there are any transactions with struck off companies. To the extent information is available, there are no such transactions.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company has neither declared nor paid any dividend during the year.

Note No. 24 - Event occurring after the Reporting period

No material events have occurred between the Balance sheet date and before the approvals of financials statements by Board of Directors.

The financial statement of the company were approved by the Board of Directors and authorised for issue on April 18, 2024.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Rupen Shah
Partner
Membership no.116240

Place : Ahmedabad
Date : Apr 18, 2024

For and on behalf of the Board of Directors

Sunetra Ganesan	**Abhijit Page**	**Meghnad Mitra**
Chief Financial Officer	Director DIN-08797913	Director DIN-01802612
Place : Nashik Date : Apr 18, 2024	Place : Nashik Date : Apr 18, 2024	Place : Nashik Date : Apr 18, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA HZPC PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra HZPC Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either

from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILA3225

Mumbai, April 18, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra HZPC Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILA3225
Mumbai, April 18, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of finished goods, work-in-progress, agricultural produce and packing materials has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited and Axis Bank Limited ("the Banks") on the basis of security of current assets during the year. The current assets statements filed by the Company with the Banks on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes during the year.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to comply with the provisions of Section 135 of the Act related to the Corporate Social Responsibility (CSR) as the Company has incurred losses during the last three financial years. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILA3225

Mumbai, April 18 2024

BALANCE SHEET AS AT MARCH 31, 2024

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 **Non-current assets**			
(a) Property, Plant and Equipment	3	**3,362.59**	1,498.70
(b) Capital work-in-progress	4	**28.97**	21.20
(c) Other Intangible assets	5	**–**	–
(d) Financial Assets			
(i) Security Deposit	6	**7.52**	7.11
Total Non - current assets		**3,399.08**	1,527.01
2 **Current assets**			
(a) Inventories	7	**4,332.22**	4,212.83
(b) Financial Assets			
(i) Trade receivables	8	**75.67**	64.18
(ii) Cash and cash equivalents	9	**0.01**	0.01
(c) Current Tax Assets	10	**3.11**	1.95
(d) Other current assets	11	**203.26**	174.97
Total current assets		**4,614.27**	4,453.94
Total Assets		**8,013.35**	5,980.96
EQUITY AND LIABILITIES			
1 **Equity**			
(a) Equity Share capital	12	**4,964.00**	4,964.00
(b) Other Equity	12.2	**(3,977.54)**	(4,621.77)
Total equity		**986.46**	342.23
LIABILITIES			
2 **Non-current liabilities**			
(a) Provisions	13	**62.11**	59.94
(b) Lease liabilities	3.1	**1,795.99**	–
Total Non - Current Liabilities		**1,858.10**	59.94
3 **Current liabilities**			
(a) Financial Liabilities			
(i) Short Term Borrowings	14	**1,382.28**	2,105.50
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		**–**	7.56
Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,153.69**	937.63
(iii) Other financial liabilities	16	**1,222.87**	1,344.09
(b) Provisions	13	**10.85**	10.38
(c) Lease Liability	3.1	**7.09**	
(d) Other current liabilities	17	**1,392.00**	1,173.63
Total Current Liabilities		**5,168.79**	5,578.79
Total Equity and Liabilities		**8,013.35**	5,980.96

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 18 April 2024

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ramesh Ramachandran
(DIN: 09562621)

Davinder Singh Dosanjh (CEO)
(PAN. AFJPD1322E)

Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Place: Mumbai
Date: 18 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lacs)

	Particulars	Note No.	**For the year ended March 31, 2024**	For the year ended March 31, 2023
	INCOME			
I	Revenue from operations	18	**7,240.91**	5,830.34
II	Other Income	19	**4.42**	10.14
III	**Total Income (I + II)**		**7,245.33**	5,840.48
IV	**EXPENSES**			
	(a) Purchases of stock-in-trade	20(a)	**3,273.11**	3,847.29
	(b) Changes in inventories of stock-in-trade and work-in-progress	20(b)	**(102.63)**	(739.25)
	(c) Cost of packing materials consumed	20(c)	**152.75**	143.78
	(d) Employee benefits expense	21	**630.15**	549.21
	(e) Finance costs	22	**179.04**	115.25
	(f) Depreciation and amortisation expense	3	**166.61**	96.44
	(g) Other expenses	23	**2,304.39**	1,723.86
	Total expenses (IV)		**6,603.43**	5,736.59
V	**Profit before exceptional items and tax (III - IV)**		**641.90**	103.89
VI	**Exceptional Items**		**–**	–
VII	**Profit before tax (V - VI)**		**641.90**	103.89
VIII	**Tax expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax	24	**–**	–
	Total tax expense		**–**	–
IX	**Profit for the year (VII - VIII)**		**641.90**	103.89
X	**Other Comprehensive Income**			
	(i) Items that will not be recycled to profit or loss			
	(a) Remeasurements gain/ (loss) of the defined benefit plan	25	**3.11**	6.04
	(b) Income tax on above		**(0.78)**	(1.52)
XI	**Total Comprehensive Income for the year (IX + X)**		**644.23**	108.41
XII	**Earnings per equity share**			
	(1) Basic	26	**1.29**	0.21
	(2) Diluted		**1.29**	0.21

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our Report of even date attached

For B K Khare & Co.
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Himanshu Goradia
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Place: Mumbai
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(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Place: Mumbai
Date: 18 April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lacs)

Particulars	**for the Year ended March 31, 2024**	for the Year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	**641.90**	103.89
Adjustments for:		
Interest on deposit with bank	**(0.39)**	(9.07)
Interest expenses on borrowings	**179.04**	115.25
Actuarial Gain recognised in the year (employee benefit)	**2.33**	4.52
Profit on sale of property, plant and equipment (net)	**(0.59)**	–
Provision / (reversal) for credit loss allowance	**(16.83)**	–
Depreciation and amortisation expense	**166.61**	96.44
Operating Profit before working capital changes	**972.08**	311.03
Adjustments for:		
Decrease/(Increase) in trade receivables	**5.33**	0.71
Decrease/(Increase) in inventories	**(119.39)**	(697.51)
Decrease/(Increase) in other assets	**(28.69)**	19.54
(Decrease)/Increase in trade and other payables	**305.64**	(272.46)
(Decrease)/Increase in provisions	**2.65**	(2.09)
	165.53	(951.81)
Cash generated from operations	**1,137.61**	(640.78)
Income tax paid	**(1.15)**	(1.67)
Net cash (used in)/from operating activities	**1,136.46**	(642.45)
B. Cash flow from investing activities		
Government Subsidy received	**–**	93.76
Purchase of property, plant and equipment	**(101.41)**	(80.37)
Proceeds from sale of property, plant and equipment	**11.91**	–
Interest received on fixed deposits with bank	**0.39**	9.07
Net cash (used in)/from investing activities	**(89.11)**	22.46
C. Cash flow from financing activities		
Proceeds from issue of equity share capital	**–**	–
(Repayment of)/Proceeds from borrowings	**(723.22)**	735.22
Payments for the principal portion of the lease liability	**(145.09)**	–
Payments for the interest portion of the lease liability	**(36.21)**	–
Interest paid	**(142.84)**	(115.25)
Net cash from/(used in) financing activities	**(1,047.36)**	619.97
Net changes in cash and cash equivalents	**–**	(0.02)
Cash and cash equivalents at the beginning of the year	**0.01**	0.03
Cash and cash equivalents at the end of the year (refer note 9)	**0.01**	0.01

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 18 April 2024

For and on behalf of the Board of Directors of
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Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Place: Mumbai
Date: 18 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lacs)

Particulars	Equity Share Capital	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the year - April 01, 2023	**4,964.00**	**667.60**	**(5,296.89)**	**7.52**	**342.23**
Proceeds from Issue during the year	–	–	–	–	–
Profit for the year	–	–	641.90	–	641.90
Remeasurements gain/ (loss) of the defined benefit plan, net of taxes	–	–	–	2.33	2.33
Balance at the end of the year - March 31, 2024	**4,964.00**	**667.60**	**(4,654.99)**	**9.85**	**986.46**

(₹ in Lacs)

Particulars	Equity Share Capital	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the year - April 01, 2022	**4,964.00**	**667.60**	**(5,400.78)**	**3.00**	**233.82**
Proceeds from Issue during the year	–	–	–	–	–
Profit for the year	–	–	103.89	–	103.89
Remeasurements gain/ (loss) of the defined benefit plan, net of taxes	–	–	–	4.52	4.52
Balance at the end of the year - March 31, 2023	**4,964.00**	**667.60**	**(5,296.89)**	**7.52**	**342.23**

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 18 April 2024

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ramesh Ramachandran
(DIN: 09562621)

Davinder Singh Dosanjh (CEO)
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Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Place: Mumbai
Date: 18 April 2024

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information

Mahindra HZPC Private Limited (Joint Venture with HZPC) is engaged in the business of contract growing, corporate far wholesale, retail trading of potato seeds, minitubers, table potato and processing potato, tissue culture plants and service.

2 Material Accounting Policies

Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 201 amended, issued by Ministry of Corporate Affairs under section 133 of Companies Act, 2013.

2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except defined benefit plans - plan assets which has been fair valued. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Company's financial statements are presented in Indian Rupees (₹) which is also its functional currency.

2.2 Operating Cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the companies act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.3 Revenue recognition

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018, superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Company's current revenue recognition policy is aligned to the principles enunciated in Ind AS 115 which is effective from April 1, 2018.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

2.3.1 Sale of goods

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the control of promised products to customers;
- the company has identified the contract with customer and performance obligation in the contract;
- the amount of revenue can be measured reliably;
- revenue is recognised when the division satisfy the performance obligation
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.3.3 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

2.5.1 Employee Share based compensation

Certain employees of the company / holding company on deputation are covered under the stock option plans of the

NOTES FORMING PART OF FINANCIAL STATEMENTS

holding company. These plans are assessed, managed and administered by the holding company.

The fair value of options granted under the Employee stock Option scheme applicable to eligible employees of the Company is charged in the statement of Profit and loss on a straight line basis over the service period / option vesting period with a corresponding increase in equity net of reimbursements, if any.

2.6 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.7.1 Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/ depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. Intangible assets are amortized over the period of five years.

2.7.2 Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Inventories

Inventories are valued as follows:

(a) Raw materials & components and stores & spares
At cost, arrived at on FIFO basis or net realisable value, whichever is lower. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.

(b) Traded goods
At cost arrived at on FIFO basis or net realisable value, whichever is lower. Costs are determined after deducting rebates and discounts.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale.

(c) Agricultural Produce
Agricultural produce is recognized at fair value less costs to sell at the date of harvest. Once harvested, these goods are subsequently accounts for under Ind AS 2 in the same manner as other inventories purchased from third parties.
Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2.10 Basis for classification of current and Non current assets

The basis for classification of current and non current assets is as per Ind AS 1- Presentation of financial statement

Current and Non current assets

An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

Current and Non current liabilities

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

2.11 Foreign Currency Transactions

In preparing the financial statements of entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13 Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.14 Provisions for doutful debtors

As per applicable credit policy company make a provision for doubtful debtors where outstanding remain unpaid for more than 180 days.

2.15 Biological assets and agricultural produce

The Company's operations include activities which are agricultural in nature and are subject to the recognition, measurements and disclosure requirements of Ind AS 41 - Agriculture. Biological Assets are recognised when the Company controls the assets as a result of past events and it is probable that the future economic benefits associated with the asset will flow to the Company and fair value can be measured reliably. On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Cost to sell includes the incremental cost to sell including commission to traders, brokers and dealers and estimated cost to transport to the market but excludes finance costs and income taxes. harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested.

Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological assets and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.

Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories.

2.16 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 3 - Property, Plant & Equipment – estimated useful life

Note No. 5 - Intangible assets – impairment and estimated useful life

Note No. 7 - Fair value measurements and inventory valuation processes

Note No. 18 - Revenue Recognition – satisfaction of performance obligation and price of the performance obligation.

Note No. 29 - Recoverability of trade receivables and determining provision as per ECL model of the Company.

2.18 Leasing

The Company recognise right of use of Asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of right-of-use asset reflect that the company will exercise the purchase option. In that case the right-of-use asset will depreciated over the life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

2.19 Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in Balance Sheet where there is legally enforceable right to offset the recognised amounts and there is an intension to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

2.20 Government grants

The Company has received grant from District Horticulture Mission Society, Mohali, Punjab. The Company has deducted the grant from the carrying value of the asset. The grant is recognised in the profit and loss over the life of a depreciable asset as a reduced depreciation expense.

2.21 Going Concern

The performance of the Company in term of revenue and profitability is exceeding the budgeted expectations. Further, considering the customer response on new product varieties, order position and advance received from the customers for the next financial year, the Company is confident of its ability to meet the future funds requirements and to continue its business as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 3 - Property Plant & equipment

(₹ in Lacs)

Description of Assets	Land – Freehold	Building	Plant and Equipment	Electrical Installation and Equipment	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Right of Use Asset-Vehicle	Right of Use Asset-Building	Total
I. Gross Block											
Balance as at April 1, 2023	**321.77**	**573.65**	**934.52**	**124.70**	**23.71**	**100.65**	**44.06**	**134.62**			**2,257.69**
Additions during the year	–	–	62.46	–	0.52	0.67	29.99	–	21.84	1,926.33	2,041.81
Sale during the year	–	–	–	–	–	–	–	(34.50)			(34.50)
Government grant/ subsidy received											
Balance as at March 31, 2024	**321.77**	**573.65**	**996.99**	**124.70**	**24.23**	**101.32**	**74.05**	**100.11**	**21.84**	**1,926.33**	**4,264.99**
II. Accumulated depreciation and amortization											
Balance as at April 1, 2023	**–**	**112.45**	**372.59**	**76.99**	**22.46**	**53.54**	**27.89**	**93.06**	**–**	**–**	**758.98**
Reclassification of accumulated depreciation	–	–	–	–	–	–	–	–	–	–	–
Depreciation for the year	–	17.34	71.64	11.85	0.13	9.57	11.11	7.41	5.46	32.11	166.61
Disposal of Asset/Transfer	–	–	–	–	–	–	–	(23.18)			(23.18)
Adjustment for Government subsidy/ grant received	–	–	–	–	–	–	–	–	–	–	–
Balance as at March 31, 2024	**–**	**129.78**	**444.22**	**88.83**	**22.59**	**63.11**	**39.01**	**77.29**	**5.46**	**32.11**	**902.41**
Net block (I-II)											
Balance as on March 31, 2023	321.77	461.20	561.94	47.71	1.25	47.11	16.17	41.55	–	–	1,498.70
Balance as on March 31, 2024	**321.77**	**443.87**	**552.76**	**35.87**	**1.63**	**38.21**	**35.04**	**22.82**	**16.38**	**1,894.23**	**3,362.59**

(i) The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2024:

(₹ in Lacs)

	As at 31st March, 2024		As at 31st March, 2023	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Lease Liabilities	**7.09**	**1,795.99**	**–**	–

(ii) The following is the movement in the lease liabilities for the year ended March 31, 2024:

(₹ in Lacs)

Particulars	**Lease Liabilities**
As at 1st April, 2023	–
Additions/ Modifications	1,948.17
Finance Cost	36.21
Lease rentals paid	(181.30)
As at 31st March, 2024	1,803.08

(iii) The table provides details regarding Contractual Liabilities of Lease Liabilities as at March 31, 2024 on an undiscounted basis:

(₹ in Lacs)

Particulars	As at 31st March, 2024
Undiscounted Future Cash Flows	
- Not later than 1 year	119.02
- Later than 1 year and not later than 5 years	1,335.00
- Later than 5 years	1,719.72

The Company does not face a significant Liquidity risk with regard to its Lease Liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 4 - Capital Work-in-Progress

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Projects in progress	**28.97**	21.20
Total	**28.97**	21.20

Ageing of Capital Work-in-Progress (CWIP)

(₹ in Lacs)

	Amount in CWIP for a period of March 31, 2024				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**28.97**	**–**	**–**	**–**	**28.97**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**

(₹ in Lacs)

	Amount in CWIP for a period of March 31, 2023				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	21.20	–	–	–	21.20
Projects temporarily suspended	–	–	–	–	–

Note No. 5 - Intangible Assets

(₹ in Lacs)

Particulars	Computer Software
I. Gross Block	
Balance as at April 1, 2023	10.28
Addition during the year	–
Balance as at March 31, 2024	**10.28**
II. Accumulated Amortisation	–
Balance as at April 1, 2023	10.28
Amortisation for the year	–
Balance as at March 31, 2024	**10.28**
Net block (I-II)	–
Balance as on March 31, 2023	–
Balance as on March 31, 2024	**–**

Note No. 6 - Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits		
– Unsecured, considered good	**7.52**	7.11
Total	**7.52**	7.11

Note No. 7 - Inventories

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Work-in-progress	**393.31**	380.95
(b) Stock-in-trade	**3,424.32**	3,512.08
(c) Goods-in-transit	**17.13**	–
(d) Agricultural produce (including biological assets)	**441.30**	263.28
(e) Packing materials	**56.15**	56.52
Total Inventories at the lower of cost and net realisable value	**4,332.22**	4,212.83

Notes

1) The cost of inventories recognised as an expense during the year in respect of operations was Rs. 3,170.48 Lacs (March 31 2023: Rs. 3,108.04 Lacs)
2) Mode of valuation of inventories is stated in Note 2.8 Accounting Policies.
3) Work-in-progress comprises of tubers (seed potatoes) and are valued at cost.
4) Goods-in-transit comprises potatoes and packing material

Inventory comprising of traded as well as company product (grown through contract manufacturing) is valued at Cost or Net Realisable Value (NRV), whichever is lower. Having regard to the nature of business; uncertainties involved; long period time for final sale etc. while arriving at NRV, based on present market conditions and future pricing arrangements management is confident of realising value higher than the cost.

Note No. 8 - Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
(a) Unsecured, considered good	**75.67**	64.18
(b) Unsecured, considered doubtful	**47.30**	64.13
Less: Provision for doubtful debts	**(47.30)**	(64.13)
Total	**75.67**	64.18

Ageing of Trade Receivables

(₹ in Lacs)

	Outstanding as on March 31, 2024 following periods from due date of payment					
Particulars	**0-6 months**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables - considered good	75.67			–	–	75.67
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	–	0.64		–	–	0.64
(iii) Undisputed Trade Receivables - credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables - which have significant increase in credit risk	–	0.01	21.40	–	25.25	46.66
(vi) Disputed Trade Receivables - credit impaired	–	–	–	–	–	–
Less: allowance for expected credit loss						(47.30)
Total	**75.67**	**0.65**	**21.40**	**–**	**25.25**	**75.67**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lacs)

Particulars	Outstanding as on March 31, 2023 following periods from due date of payment 0-6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	64.18	–	–	–	–	64.18
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	–	0.21	2.77	–	16.64	19.62
(iii) Undisputed Trade Receivables - credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables - which have significant increase in credit risk	–	–	6.77	–	37.74	44.51
(vi) Disputed Trade Receivables - credit impaired	–	–	–	–	–	–
Less: allowance for expected credit loss						(64.13)
Total	64.18	0.21	9.54	–	54.38	64.18

Note No. 9 - Cash and cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks	**0.01**	0.01
(b) Cash in hand	**–**	–
Total	**0.01**	**0.01**

Note No. 10 - Current Tax Assets

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
TDS Receivable	**3.11**	1.95
Total	**3.11**	1.95

Note No. 11 - Other Current Assets

(₹ in Lacs)

Particulars	As at March 31, 2024 Current	As at March 31, 2023 Current
Prepaid Expenses	**13.32**	10.77
Advances to Suppliers	**18.19**	11.04
Advances to Employees	**280.25**	263.64
Less: Provision for Doubtful Advances	**(108.50)**	(110.48)
Total	**203.26**	174.97

Note No. 12 - Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2024 No. of shares	Amount	As at March 31, 2023 No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each	**50,000,000**	**5,000.00**	50,000,000	5,000.00
Issued, Subscribed and Paid-up:				
Equity shares of Rs. 10 each	**49,640,000**	**4,964.00**	49,640,000	4,964.00
Total	**49,640,000**	**4,964.00**	49,640,000	4,964.00

Note No. 12.1 - Equity Share Capital

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Shares held by promoters at the end of the year March 31, 2024

S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Mahindra Agri Solutions Limited	**29,759,119**	**59.95%**	**–**
2	HZPC SBDA B.V.	**19,880,881**	**40.05%**	**–**
	Total	**49,640,000**	**100.00%**	

Shares held by promoters at the end of the year March 31, 2023

S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Mahindra Agri Solutions Limited	29,759,119	59.95%	–
2	HZPC SBDA B.V.	19,880,881	40.05%	–
	Total	49,640,000	100.00%	

Note No. 12.2 - Other Equity

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	**667.60**	667.60
Retained Earnings	**(4,654.99)**	(5,296.89)
Other comprehensive income - Actuarial gain/(loss)	**9.85**	7.52
Total	**(3,977.54)**	(4,621.77)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 13 - Provisions

(₹ in Lacs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(1) Compensated absences	**4.19**	**18.42**	**22.61**	4.03	17.50	21.52
(2) Gratuity	**6.67**	**43.69**	**50.35**	6.35	42.44	48.79
Total	**10.85**	**62.11**	**72.96**	10.38	59.94	70.32

Note No. 14 - Short Term Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Secured Borrowings:		
(a) Cash Credit facility from Bank	**1,382.28**	815.02
(b) Interest accrued but not due	**–**	1.35
(c) Contract Farming Loan for farmer facility	**–**	1,289.13
Total	**1,382.28**	2,105.50

Note:

(i) Working capital demand loan / Cash credit facility from Axis Bank is secured by first pari-passu charge on inventories (including raw materials, finished goods and stock-in-trade) and book debts.

(ii) Cash credit facility from HDFC Bank is secured by pari-passu charge on inventories (including raw materials, finished goods and stock-in-trade) and book debts.

(iii) Loan carried interest rate of 6.70% -7.30% p.a. on contract Farming Loan. The loan shall be due for repayment on or before the last day of the month for which the underlying receivables it is due and recoverable.

(iv) Repayment terms for working capital demand loan is 180 days and for cash credit on demand.

(v) Current assets statement submitted with the banks are in agreement with the books of account.

Note No. 15 - Trade Payables

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	**–**	7.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,136.21**	886.83
Payable to related parties	**17.48**	50.80
Total	**1,153.69**	945.19

Ageing of Trade Payables (₹ in Lacs)

Outstanding for March 31, 2024 from due date of payment

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**–**	**–**	**–**	**–**	**–**
(ii) Others	**1,114.70**	**17.01**	**1.65**	**1.37**	**1,134.73**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues - Others	**–**	**–**	**–**	**18.96**	**18.96**
Total	**1,114.70**	**17.01**	**1.65**	**20.34**	**1,153.69**

(₹ in Lacs)

Outstanding for March 31, 2023 from due date of payment

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.56	–	–	–	7.56
(ii) Others	891.35	0.88	–	3.71	895.94
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues - Others	22.38	–	3.82	15.49	41.69
Total	921.29	0.88	3.82	19.20	945.19

Note No. 16 - Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for expenses	**1,206.90**	1,317.05
Employee payables	**15.97**	15.69
Payable for capital goods	**–**	11.35
Total	**1,222.87**	1,344.09

Note No. 17 - Other Current Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance received from customers	**1,304.69**	1,119.77
Statutory dues payable	**87.30**	53.86
Total	**1,392.00**	1,173.63

Note No. 18 - Revenue from Operations

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue from sale of products (including traded goods)	**7,157.91**	5,757.17
(b) Other operating revenue	**83.00**	73.17
Total	**7,240.91**	5,830.34

Note No. 19 - Other Income

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on bank deposit	**0.39**	9.07
Gain on foreign currency transactions	**0.33**	1.07
Profit on sale of property, plant and equipment	**3.70**	–
Total	**4.42**	10.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 20(a) - Purchases of Stock-in-Trade

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases	3,273.11	3,847.29
Total	3,273.11	3,847.29

Note No. 20(b) - Changes in inventories of Stock-in-Trade and Work-in-Progress

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Stock-in-trade*	3,424.32	3,512.08
Work-in-progress	834.62	644.23
Inventories at the end of the year:	4,258.94	4,156.31
Stock-in-trade*	3,512.08	2,177.88
Work-in-progress	644.23	1,239.18
Inventories at the beginning of the year:	4,156.31	3,417.06
Net (increase) / decrease in Inventories	(102.63)	(739.25)

***Excludes goods in transit**

Note No. 20(c) - Cost of Packing Materials consumed

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	56.52	86.62
Add: Purchases	152.38	113.68
Less: Closing stock	56.15	56.52
Total	152.75	143.78

Note No. 21 - Employee Benefits Expense

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries and wages	562.43	497.76
(b) Contribution to provident and other funds	40.33	35.43
(c) Staff welfare expenses	27.40	16.02
Total	630.15	549.21

Note No. 22 - Finance Costs

(c in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	142.84	115.25
Interest on Lease Liability	36.21	–
Total	179.04	115.25

Note No. 23 - Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 20223
Cold store charges	623.06	463.27
Rent expense	73.34	44.12
Printing and stationery	10.48	6.52
Power and fuel	72.83	50.67
Security charges	20.73	14.38
Housekeeping expenses	1.06	0.95
Directors' sitting fees	4.80	4.80
Annual Conference Expenses	11.21	–
Recruitment expenses	16.60	0.35
Quality claims	3.33	–
Repairs and maintenance - Others	39.81	28.23
Insurance charges	14.85	16.29
Mobile and communication expenses	2.43	1.73
Freight outward	83.94	145.43
Business promotion expenses	21.84	44.48
Grading Outward - Drying Cost	69.16	32.38
Travelling and conveyance expenses	126.30	90.19
Legal and professional charges	157.22	129.72
Loss of sale of property, plant and equipment	6.18	–
Foreign Exchange Loss	3.52	0.09
Manpower charges	340.41	283.02
Bank charges	0.30	1.33
Provision for doubtful trade and other loans and receivables	(16.83)	–
Bad Debts written off	37.96	–
Provision for doubtful Advance	(1.98)	–
Royalty charges	283.66	154.70
Miscellaneous expenses	45.70	35.79
Farming charges	244.31	165.34
Auditors' remuneration		
(i) Statutory audit fees	5.61	5.61
(ii) Taxation matters (including tax audit)	2.54	1.90
(iii) Others	0.05	2.56
Total	2,304.39	1,723.86

Note No. 24 - Deferred Tax

(₹ in Lacs)

Particulars	As at March 31, 2024	During the year	As at March 31, 2023
Deferred Tax Liabilities			
Property, Plant and equipment	(97.75)	3.95	(101.70)
	(97.75)	3.95	(101.70)
Deferred Tax Assets			
Provision for employee benefits	18.36	0.66	17.70
Provision for doubtful debts/advances	39.21	(4.74)	43.95
ROU of Asset-Vehicle	0.01	0.01	–
ROU of Asset-Building	8.99	8.99	–
Carry forward losses and unabsorbed depreciation	1,223.33	(180.38)	1,403.71
	1,289.91	(175.45)	1,465.36
Net Deferred Tax Asset	1,192.16	(171.50)	1,363.66
Net Deferred Tax Asset not recognised	1,192.16	(171.50)	1,363.66
Net Deferred Tax Asset recognised	–	–	–

Note: Deferred tax assets (DTA) have not been recognised since it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 25 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating ₹26.66 Lacs (2023 : ₹22.03 Lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Note: Note: Where required by Ind AS 24 an entity discloses information about contributions to defined contribution plans for key management personnel.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Defined benefit plans – as per actuarial valuation on March 31, 2024

(₹ in Lacs)

Particulars	**Unfunded Plan Gratuity**	
	2024	2023
(a) Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
1. Current service cost	**8.51**	8.67
2. Interest cost	**3.40**	2.66
(b) Included in other Comprehensive Income		
Actuarial (Gain)/Loss on account of :		
– Financial Assumptions	**0.74**	(2.93)
– Experience Adjustments	**(3.85)**	(3.11)
– Demographic Assumptions	**–**	–
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**8.51**	8.67
Net interest expense	**3.40**	2.66
Components of defined benefit costs recognised in profit or loss	**11.91**	11.33
Actuarial gains and loss arising form changes in financial assumptions	**0.74**	(2.93)
Actuarial gains and loss arising form experience adjustments	**(3.85)**	(3.11)
Actuarial gains and loss arising form demographic assumptions	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(3.11)**	(6.04)
Total	**8.79**	5.30
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31		
1. Present value of defined benefit obligation as at March 31	**50.35**	48.79
2. Fair value of plan assets as at March 31	**–**	–
3. Deficit	**(50.35)**	(48.79)
4. Current portion of the above	**6.67**	6.35
5. Non current portion of the above	**43.69**	42.44

(₹ in Lacs)

Particulars	**Unfunded Plan Gratuity**	
	2024	2023
II. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	**48.79**	43.50
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**8.51**	8.67
- Interest Expense (Income)	**3.40**	2.66
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**0.74**	(2.93)
ii. Financial Assumptions	**(3.85)**	(3.11)
5. Benefit payments	**(7.23)**	**–**
4. Others (Liabilities assumed on acquisition)	**–**	**–**
5. Present value of defined benefit obligation at the end of the year	**50.35**	48.79

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Impact on defined benefit obligation**	
		Increase in assumption	Decrease in assumption
Discount rate		**47.49**	**53.52**
	2023	51.89	46.00
Salary growth rate		**53.45**	**47.50**
	2023	51.83	46.00

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	**Valuation as at**	
	31-Mar-24	31-Mar-23
Discount rate(s)	**7.20 % p.a.**	7.45 % p.a.
Expected rate(s) of salary increase	**8.50 % p.a.**	8.50 % p.a.
Expected rate of return on plan assets	**N.A**	N.A
Attrition	**15.00 % p.a.**	15.00 % p.a.
Mortality table	**IALM 2012-14**	IALM 2012-14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2024	As at March 31, 2023
Within 1 year	**6.67**	6.35
1 - 2 year	**6.33**	6.47
2 - 3 year	**6.15**	6.27
3 - 4 year	**5.99**	6.10
4 - 5 year	**5.91**	5.72
> 5 years	**52.15**	52.00

(C) Defined Benefit Plans (Compensated absences)
The amount recognized as an expense in respect of compensated absences is Rs. 1.09 Lacs [Previous Year: Rs. (7.38) Lacs].

Note No. 26 - Earning Per Share

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic Earnings per share		
From operations	**1.29**	0.21
	1.29	0.21
Diluted Earnings per share		
From operations	**1.29**	0.21
Total diluted earnings per share	**1.29**	0.21

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) for the year attributable to owners of the Company	**641.90**	103.89
Weighted average number of equity shares	**49,640,000**	49,640,000
Earnings/(Loss) per share from operations - Basic and Diluted	**1.29**	0.21

Note: The Company has not issued any potential equity shares and hence, basic and diluted EPS are the same.

Note No. 27 - Segment Reporting

A. Primary Segment - Business Segment

The Company's business activity falls within a single business segment viz. 'trading in seed potatoes'. All other activities of the Company revolve around its main business. Hence, there are no separate reportable primary segments as defined by Ind AS 108 on "Segment Reporting". The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).

B. Secondary Segment - Geographical Segment

The Company, at present, does not have any Secondary Segment.

Note No. 28 - Related Party Transactions

Related Party Disclosures:

List of Related Parties and Relationships:

Name of the Related Parties where control exists	Description of Relationship
Mahindra Agri Solutions Limited	Holding Company

Name of the Related Parties where transactions have taken place during the period	Description of Relationship
Mahindra and Mahindra Limited	Ultimate Holding Company
"Mahindra Integrated Business Solutions Private Limited (formerly known as Mahindra BPO Services Limited)"	Fellow Subsidiary Company
Mahindra and Mahindra Financial Services Limited	Fellow Subsidiary Company
HZPC SBDA B.V.	Joint Venture Partner
HZPC Holding B.V.	Holding of Joint Venture Partner
HZPC Research B.V.	Subsidiary of Joint Venture Partner
IPR B.V.	Subsidiary of Joint Venture Partner
Solentum B.V	Subsidiary of Joint Venture Partner

Additional Disclosure of Key Management Personnel:

Key Management Personnel	Description of Relationship
Mr. Davinder Singh Dosanjh (CEO)	KMP of the Company
Mr. Anurag Garg (CFO)	KMP of the Company
Ms. Vibha Swaminathan (CS)	KMP of the Company

Note No. 28.1 - Related Party Transactions

Details of transaction between the Company and its related parties are disclosed below:

(₹ in Lacs)

Particulars	For the year ended	Holding Company	Ultimate Holding Company	Fellow Subsidiaries	Joint Venture Partner	Subsidiary of Joint Venture Partner	KMP of the Company
Nature of transactions with Related Parties							
Mahindra Agri Solutions Limited	31-03-2024	91.10					
Cost allocation	31-03-2023	81.63					
Share Capital	31-03-2024	–					
	31-03-2023	–					
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Limited):	31-03-2024			4.01			
- Professional Fees	31-03-2023			5.73			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lacs)

Particulars	For the year ended	Holding Company	Ultimate Holding Company	Fellow Subsidiaries	Joint Venture Partner	Subsidiary of Joint Venture Partner	KMP of the Company
Mahindra and Mahindra Limited (MMHO)	31-03-2024		58.68				
Professional Fees"	31-03-2023		29.56				
Mahindra and Mahindra Financial Services Limited (MMFSL)	31-03-2024		6.09				
Lease Charges	31-03-2023		–				
HZPC SBDA B.V.							
Royalty received	31-03-2024				–		
	31-03-2023				6.99		
Royalty expenses	31-03-2024				15.65		
	31-03-2023				–		
Other transactions (Cost Allocation)	31-03-2024				6.08		
	31-03-2023				7.86		
Share Capital	31-03-2024				–		
	31-03-2023				–		
HZPC Research B.V.	31-03-2024					6.87	
Cost Allocation	31-03-2023					9.94	
IPR B.V.	31-03-2024					2.80	
Cost Allocation	31-03-2023					1.94	
Davinder Singh Dosanjh (CEO)	31-03-2024						73.27
Gross Salary	31-03-2023						70.39
Anurag Garg (CFO) (till Nov 2023)	31-03-2024						23.90
Gross Salary	31-03-2023						38.25
Ms. Vibha Swaminathan (CS)	31-03-2024						2.40
Gross Salary	31-03-2023						2.40

(₹ in Lacs)

Nature of Balances with Related Parties - Receivable / (Payable)	Balance as on	Holding Company	Ultimate Holding Company	Fellow Subsidiaries	Joint Venture Partner	Subsidiary of Joint Venture Partner	KMP of the Company
Mahindra Agri Solutions Limited	31-03-2024	(9.55)					
	31-03-2023	(9.64)					
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Limited)	31-03-2024			(0.14)			
	31-03-2023			(0.17)			
Mahindra and Mahindra Limited	31-03-2024		(5.12)				
	31-03-2023		(38.33)				
HZPC SBDA B.V.	31-03-2024				20.09		
	31-03-2023				29.66		
HZPC Research B.V.	31-03-2024					19.18	
	31-03-2023					12.32	
Solentum B.V.	31-03-2024					(2.66)	
	31-03-2023					(2.66)	
IPR B.V.	31-03-2024					12.08	
	31-03-2023					9.28	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 29 - Financial Risk Management

CAPITAL MANAGEMENT

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity and lease liability is not considered as debt. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

Categories of financial assets and financial liabilities

(₹ in Lacs)

Particulars	Refer Note	As at March 31, 2024	As at March 31, 2023
Financial assets measured at amortised cost			
Security Deposits	6	7.52	7.11
Trade Receivables	8	75.67	64.18
Cash and Cash Equivalents	9	0.01	0.01
		83.20	71.30
Financial liabilities measured at amortised cost			
Borrowing from banks	14	1,382.28	2,105.50
Trade payable	15	1,153.69	945.19
Other financial liabilities	16	1,222.87	1,344.09
Lease Liability			
Current	3.1	7.09	–
Non- Current	3.1	1,795.99	–
		5,561.93	4,394.78

Financial Risk Management Framework

The company activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is price risk. The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

CREDIT RISK

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The company does not have significant credit risk exposure to any single counterparty.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

Ageing	For the year ended March 31, 2024	
	Expected credit loss (%)	Expected credit loss (₹ In Lacs)
0-3 month past due	0.00%	–
3-6 month past due	0.00%	–
>180 Days	100.00%	47.30
Total		**47.30**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

All such transactions are carried out within the guidelines set by the Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-derivative financial liabilities - Less than one year		
Short term borrowings	1,382.28	2,105.50
Trade Payable	1,153.69	945.19
Other financial liabilities	1,222.87	1,344.09
Total	3,758.85	4,394.78

(ii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Bank Overdraft facility		
- Expiring within one year	2,111.72	3,389.85
- Expiring beyond one year	–	–
Term Loan		
- Expiring within one year	–	–
- Expiring beyond one year	–	–
	2,111.72	3,389.85

Note No. 30 - Contingent liabilities and commitments

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent liabilities (to the extent not provided for)	–	–
Capital commitment	193.05	11.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 31 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Principal amount remaining unpaid to MSME suppliers as on	–	7.56
(ii)	the amount of interest paid by the buyer under MSMED Act	–	–
(iii)	Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	–	–
(iv)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
(v)	Interest due and payable on unpaid principal amount to MSME suppliers as on	–	–

Note No. 32 - Ratios

	Particulars	As at March 31, 2024	As at March 31, 2023	% Change YoY	Remarks
(a)	Current Ratio [Current Assets/Current Liabilities (excl. current maturities of long-term debt)]	0.89	0.80	12%	Variance in the ratio is due to higher level of PBT
(b)	Debt Equity Ratio (Total debt/Total Equity)	1.40	6.15	-77%	Variance in the ratio is due to higher level of PBT
(c)	Debt Service Coverage Ratio [PBIT/(Finance Cost + Long term debt repayments)]	4.59	1.90	141%	Variance in the ratio is due to higher level of PBIT for the year and lower level of interest cost
(d)	Return on Equity Ratio (PBT/Average Equity)	0.97	0.36	168%	Variance in the ratio is due to higher level of PBT
(e)	Inventory Turnover [Cost of goods sold (TTM)/Average Inventory]	0.78	0.84	-8%	Variance in the ratio is due to lower inventory levels
(f)	Debtors Turnover [Sales (TTM)/Average Gross Trade Receivables]	103.55	90.35	15%	Variance in the ratio is due to higher average debtors balance
(g)	Trade payables turnover ratio (COGS/Average Trade Payable)	3.17	2.92	8%	Variance in the ratio is due to higher average vendor balance
(h)	Net capital turnover ratio (Sales/Current Asset-current Liabilities)	(13.23)	(5.18)	155%	Negative working capital scenario
(i)	Net Profit Margin (%) (PAT after exceptional items/Revenue from operations)	0.09	0.02	397%	Variance in the ratio is due to higher level of PBT
(j)	Return on Capital employed (PBIT/Equity)	0.83	0.64	30%	Variance in the ratio is due to higher level of PBIT
(k)	Return on investment (PBT/Equity)	0.65	0.30	114%	Variance in the ratio is due to higher level of PBT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Current Asset	**4,614.27**	4,453.94
(a) Inventories	**4,332.22**	4,212.83
(b) (i) Trade receivables	**75.67**	64.18
(b) (ii) Cash and cash equivalents	**0.01**	0.01
(c) Current Tax Assets	**3.11**	1.95
(d) Other current assets	**203.26**	174.97
Current liabilities	**5,161.70**	5,578.79
(i) Short Term Borrowings	**1,382.28**	2,105.50
(ii) Trade payables	**1,153.69**	945.19
Other financial liabilities	**1,222.87**	1,344.09
(b) Provisions	**10.85**	10.38
(c) Other current liabilities	**1,392.00**	1,173.63
Equity	**986.46**	342.23
(a) Equity Share capital	**4,964.00**	4,964.00
(b) Other Equity	**(3,977.54)**	(4,621.77)
Revenue from operations	**7,240.91**	5,830.34
Cost of Good Sold	**3,323.23**	3,251.82
Finance costs	**179.04**	115.25
Profit before Tax	**641.90**	103.89

Note No. 33 - Corporate Social Responsibility Expenses

Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is not applicable to the Company due to not meeting up with the criteria as per Section 135(1) of the Companies Act, 2013.

Note No. 34 - Previous Year Figures

The figures for the previous year have been regrouped/reclassified to correspond with current year's classification/disclosures. The financial statements of Mahindra HZPC Private Limited were approved by the Board of Directors and authorised for issue on April 18, 2024.

As per our Report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 18 April 2024

For and on behalf of the Board of Directors of
Mahindra HZPC Private Limited

Ramesh Ramachandran
(DIN: 09562621)

Davinder Singh Dosanjh (CEO)
(PAN. AFJPD1322E)

Meghnad Mitra
(DIN: 01802612)

Vibha Swaminathan (CS)
(Membership No. 36943)

Place: Mumbai
Date: 18 April 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Fruits Private Limited (Formerly known as Mahindra Greenyard Private Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Fruits Private Limited** (Formerly known as Mahindra Greenyard Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 2013 we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of

Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCN4376
Place: Mumbai
Date: April 10, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Fruits Private Limited** (Formerly known as Mahindra Greenyard Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCN4376

Place: Mumbai

Date: April 10, 2024

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the Company does not have immovable property held in the name of the Company. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 (four) Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the current financial year. The Company has incurred cash losses of Rs. 6.31 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCN4376
Place: Mumbai
Date: April 10, 2024

BALANCE SHEET AS AT 31ST MARCH 2024

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
		Rupees in Lacs	
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**–**	–
(c) Financial Assets			
(i) Other Financial Assets	5	**–**	–
SUB-TOTAL		**–**	–
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	4	**–**	–
(ii) Cash and Cash Equivalents	6	**10.22**	8.50
(iii) Other Bank Balances	6	**3.49**	3.49
(iv) Other Financial Assets	5	**0.49**	0.28
(b) Current Tax Assets (Net)	7	**1.61**	1.61
SUB-TOTAL		**15.82**	13.88
TOTAL		**15.82**	13.88
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	8	**1,233.00**	1,233.00
(b) Other Equity	SOCE - B	**(1,221.13)**	(1,222.20)
SUB-TOTAL		**11.87**	10.80
LIABILITIES			
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	9		
Total outstanding dues of micro enterprises and small enterprises		**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**3.86**	3.03
(b) Other Current Liabilities	10	**0.10**	0.04
SUB-TOTAL		**3.95**	3.09
TOTAL		**15.82**	13.88

The accompanying notes 1 to 22 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 10, 2024

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ramesh Ramachandran
DIN:09562621

Chief Financial Officer
Karan Poojary
Membership no: 186513

Company Secretary
Feroze Baria
Membership no: 11357

Chief Executive Officer
Chaitanya Rajwade
PAN Number: AHIPR0815M

Place: Mumbai
Date: April 10, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Rupees in Lacs

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
Continuining Operations			
I Other Income	11	**5.67**	0.49
II Total Revenue (I + II)		**5.67**	0.49
III EXPENSES			
(a) Depreciation and amortisation expense	3	**–**	4.15
(b) Other expenses	12	**4.61**	6.80
Total Expenses (IV)		**4.60**	10.95
IV (Loss)/Profit before tax (III - IV)		**1.07**	(10.46)
V Tax Expense			
(1) Current tax		**–**	–
Total tax expense		**–**	–
VI (Loss)/Profit after tax for the period (V - VI)		**1.07**	(10.46)
VII Other comprehensive income			
(i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		**–**	–
Total other comprehensive income for the period		**–**	–
Total comprehensive income for the period		**1.07**	(10.46)
VIII Earnings per equity share:	13		
(1) Basic		**0.01**	(0.08)
(2) Diluted		**0.01**	(0.08)

The accompanying notes 1 to 22 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 10, 2024

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ramesh Ramachandran
DIN:09562621

Chief Financial Officer
Karan Poojary
Membership no: 186513

Company Secretary
Feroze Baria
Membership no: 11357

Chief Executive Officer
Chaitanya Rajwade
PAN Number: AHIPR0815M

Place: Mumbai
Date: April 10, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

Rupees in Lacs

	Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
A	**Cash flows from operating activities**			
	(Loss)/Profit before tax for the year	PL	**1.07**	(10.46)
	Adjustments for:			
	Interest Paid		**–**	–
	Depreciation and amortisation of non-current assets	3 & 4	**–**	4.15
	Gain / Loss on sales of Assets		**–**	–
	Write back of PDD		**–**	–
			1.07	(6.31)
	Movements in working capital:			
	(Increase)/Decrease in trade and other receivables		**–**	–
	(Increase)/Decrease in inventories		**–**	–
	(Increase)/Decrease in other assets		**(0.21)**	(0.18)
	Income tax Refund/(Paid)		**0.00**	0.01
	Increase/(Decrease) in trade and other payables		**0.86**	(6.29)
	Net cash (used in) / generated by operating activities		**1.73**	(12.77)
B	**Cash flows from investing activities**			
	Payments for property, plant and equipment		**–**	–
	Proceeds from sales of property, plant and equipment		**–**	–
	Proceeds from issuance of Share capital		**–**	–
	Proceeds from Share application money pending allotment		**–**	–
	Changes in earmarked balances with Banks		**(0.00)**	(0.00)
	Net cash generated/(used in) by investing activities		**(0.00)**	(0.00)
C	**Cash flows from financing activities**			
	Net cash used in financing activities		**–**	–
	Net increase in cash and cash equivalents		**1.72**	(12.77)
	Cash and cash equivalents at the beginning of the year		**8.49**	21.27
	Cash and cash equivalents at the end of the year		**10.22**	8.49

The accompanying notes 1 to 22 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 10, 2024

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
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Membership no: 11357

Chief Executive Officer
Chaitanya Rajwade
PAN Number: AHIPR0815M

Place: Mumbai
Date: April 10, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity share capital

For the year ended March, 31, 2024

Particulars	No of Shares	Rupees in Lacs
Balance as at 1st April 2023	12,330,000	1,233
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1st April 2023	12,330,000	1,233
Changes in equity share capital during the year	–	–
Balance as at 31st March 2024	**12,330,000**	**1,233**

Particulars	No of Shares	Rupees in Lacs
Balance as at 1st April 2022	10,930,000	1,093
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1st April 2022	10,930,000	1,093
Changes in equity share capital during the year	1,400,000	140
Balance as at 31st March 2023	**12,330,000**	**1,233**

B. Other Equity

Rs. in Lacs

		Reserves & Surplus		
Particulars	**Share application money pending allotment**	**Securities Premium Reserve**	**Retained Earnings**	**Total**
As at 1st April 2023	–	526.00	(1,748.20)	(1,222.20)
Loss for the period	–		1.07	1.07
Equity Share issued against pending allotement	–	–	–	–
Balance as at 31st March 2024	–	526.00	(1,747.13)	(1,221.13)
As at 1st April 2022	140.00	526.00	(1,737.74)	(1,071.74)
Profit for the period	–	–	(10.46)	(10.46)
Other Comprehensive Income / (Loss)	–	–	–	–
Share application money pending allotment	(140.00)	–	–	(140.00)
Balance as at 31st March 2023	**–**	**526.00**	**(1,748.20)**	**(1,222.20)**

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 10, 2024

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
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Membership no: 186513

Company Secretary
Feroze Baria
Membership no: 11357

Chief Executive Officer
Chaitanya Rajwade
PAN Number: AHIPR0815M

Place: Mumbai
Date: April 10, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Corporate Information

Mahindra Fruits Private Limited (Formerly known as Mahindra Greenyard Private Limited) ("the company") a private limited company domiciled in India and incorporated on 9th July, 2014 under the provisions of the Companies Act, 1956 (CIN:U01403MH2014PTC55946). The Company is the wholly owned subsidiary of Mahindra Agri Solutions Limited. The Company deals in sourcing, storing and distribution of fresh fruits in domestic market.

The financial statements for the year ended 31 March 2024 were approved by the Board of Directors and authorised for issue on 10 April 2024.

1. Material accounting policy information

1.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed at which time all the following conditions are satisfied

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

1.5 Employee benefits

1.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

1.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.6 Taxation

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of Deferred Tax is reviewed at each Balance Sheet date.

1.7 Property, plant and equipment

Furniture & Fixtures, equipment and Vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.8 Intangible assets

1.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.8.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

IT Software - 10 Years

1.8.4 Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

1.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

1.12.1 Impairment of financial assets

This being the third full year of operations, there is no trend to depict expected credit losses. The company deals in fresh fruits which is a seasonal business & the commodity is perishable in nature. The Company has used the practical expedient as permitted by IND AS 109 and has maintained a policy of providing for debtors outstanding for a period exceeding 180 days. This policy will be regularly reviewed in line with the type of business that the company is in.

1.12.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

1.12.3 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

1.13 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

1.13.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.13.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

1.13.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 3 - Property, Plant and Equipment

Rupees in Lacs

Description of Assets	Plant and Equipment	Vehicle	Furniture and Fixtures	IT Equipment	Office Equipment	Total
I. Gross Carrying Amount						
Balance as at 1st April 2023	24.72	–	–	7.40	–	**32.12**
Additions during the year	–	–	–	–	–	**–**
Disposals during the year	–	–	–	–	–	**–**
Balance as at 31st Mar 2024	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
II. Accumulated depreciation and impairment						
Balance as at 1st April 2023	24.72	–	–	7.40	–	**32.12**
Depreciation expense for the year	–	–	–	–	–	**–**
Eliminated on disposal of assets	–	–	–	–	–	**–**
Balance as at 31st March 2024	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
III. Net carrying amount (I-II)	**–**	**–**	**–**	**–**	**–**	**–**

Rupees in Lacs

Description of Assets	Plant and Equipment	Vehicle	Furniture and Fixtures	IT Equipment	Office Equipment	Total
I. Gross Carrying Amount						
Balance as at 1st April 20212	24.72	–	–	7.40	–	**32.12**
Additions during the year	–	–	–	–	–	**–**
Disposals during the year	–	–	–	–	–	**–**
Balance as at 31st March 2023	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
II. Accumulated depreciation and impairment						
Balance as at 1st April 2023	22.29	–	–	5.68	–	**27.97**
Depreciation expense for the year	2.44	–	–	1.71	–	**4.15**
Eliminated on disposal of assets	–	–	–	–	–	**–**
Balance as at 31st March 2024	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
III. Net carrying amount (I-II)	–	–	–	–	–	**–**

Note No. 4 - Trade receivables

Rupees in Lacs

Particulars	As at 31st Mar 2024 Current	As at 31st Mar 2024 Non- Current	As at 31st Mar 2023 Current	As at 31st Mar 2023 Non- Current
a) Undisputed Trade Receivables – considered good	**–**	**–**	–	–
b) Undisputed Trade Receivables – which have significant increase in credit risk	**209.91**	**–**	214.66	–
c) Undisputed Trade receivable – credit impaired	**209.91**	**–**	214.66	–
d) Disputed Trade receivables - considered good	**–**	**–**	–	–
e) Disputed Trade receivables – which have significant increase in credit risk	**–**	**–**	–	–
f) Disputed Trade receivables – credit impaired	**–**	**–**	–	–
TOTAL TRADE RECEIVABLES	**–**	**–**	–	–
Of the above, trade receivables from:				
- Related Parties	**–**	**–**	–	–
- Others	**–**	**–**	–	–
Total	**–**	**–**	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

	Outstanding for following periods from due date of payment						
As at 31 March 2024	**Curent but not due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–		4.08	28.95	177.13	210.16
Undisputed Trade receivable – credit impaired	–	–	–	(4.08)	(28.95)	(177.13)	(210.16)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

	Outstanding for following periods from due date of payment						
As at 31 March 2023	**Curent but not due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	4.08	28.95	94.62	87.02	214.66
Undisputed Trade receivable – credit impaired	–	–	(4.08)	(28.95)	(94.62)	(87.02)	(214.66)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

Note No. 5 - Other financial assets

Rs. in Lacs

Particulars	**As at 31st March 2024**		As at 31st March 2023	
	Current	**Non-Current**	Current	Non- Current
Financial assets at amortised cost				
Other Financial assets				
Accrued Interest	**0.49**	**–**	0.28	–
TOTAL OTHER FINANCIAL ASSETS	**0.49**	**–**	0.28	–

Note No. 6 - Cash and Bank Balances

Rs. in Lacs

Particulars	**As at 31st March 2024**	As at 31st March 2023
Cash and cash equivalent		
(a) Balances with banks in current account	**7.46**	5.86
(b) Fixed Deposits with maturity less than 3 months	**2.76**	2.64
(c) Cash on hand	**–**	–
Total Cash and cash equivalent	**10.22**	8.50
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**3.49**	3.49
Total Other Bank balances	**3.49**	3.49
TOTAL CASH & BANK BALANCES	**13.73**	11.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 7 - Current Tax Assets (Net)

Particulars	Rs. in Lacs As at 31st March 2024
Tax Deducted at Source	**1.61**
TOTAL	**1.61**

Note No. 8 - Equity Share Capital

Rs. in Lacs

Particulars	As at 31st March 2024 No. of shares	As at 31st March 2024 Value	As at 31st March 2023 No. of shares	As at 31st March 2023 Value
Authorised:				
Equity shares of Rs 10 each with voting rights	**1,70,00,000**	**1,700.00**	1,70,00,000	1,700.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**1,23,30,000**	**1,233.00**	1,23,30,000	1,233.00
Total	**1,23,30,000**	**1,233.00**	1,23,30,000	1,233.00

Terms / Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Year Ended 31st March 2023			
No. of Shares	**1,23,30,000**	**–**	**1,23,30,000**
Amount in Lacs	**1,233.00**	**–**	**1,233.00**

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March 2024 Number of shares held	As at 31st March 2024 % holding in that class of shares	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra Agri Solution Limited	**1,23,30,000**	**100%**	1,23,30,000	100%
Greenyard Fresh Holding NL BV	**–**	**0%**	–	0%

(III) Details of shares held by promoters

As at 31 March 2024

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Mahindra Agri Solutions Limited	1,23,30,000	–	1,23,30,000	100%	0%

As at 31 March 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Mahindra Agri Solutions Limited	1,09,30,000	14,00,000	1,23,30,000	100%	13%

Note No. 9 - Trade Payables

Rs. in Lacs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non- Current
Total outstanding dues of micro enterprises and small enterprises	**–**	**–**	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**3.86**	**–**	3.03	–
Disputed dues of micro enterprises and small enterprises	**–**	**–**	–	
Disputed dues of creditors other than micro enterprises and small enterprises	**–**	**–**	–	
TOTAL TRADE PAYABLES	**3.86**	**–**	3.03	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

13 (a) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables Ageing Schedule

As at 31 March 2024	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.86	–	–	–	3.86
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	3.86	–	–	–	**3.86**

As at 31 March 2023	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.03	–	–	–	3.03
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	3.03	–	–	–	**3.03**

Note No. 10 - Other Liabilities

Rs. in Lacs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
Statutory dues	**0.10**	**–**	0.04	–
TOTAL OTHER LIABILITIES	**0.10**	**–**	0.04	–

Note No. 11 - Other Income

Rs. in Lacs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Income from Fixed Deposits	**0.33**	0.48
Provision write back	**4.75**	–
Refund of Insurance	**0.59**	–
TOTAL OTHER INCOME	**5.67**	0.49

Note No. 12 - Other Expenses

Rs. in Lacs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Rates and taxes	**0.13**	0.78
(b) Legal and other professional costs	**4.01**	5.61
(c) Auditors remuneration and out-of-pocket expenses	**0.24**	0.24
(i) As Auditors	**0.24**	0.24
(d) Other expenses	**0.22**	0.17
TOTAL OTHER EXPENSES	**4.61**	6.80

Note No. 13 - Earnings per Share

Particulars	For the year ended 31st March 2024 Rs per Share	For the year ended 31st March, 2023 Rs per Share
Basic Earnings per share		
From continuing operations	**0.01**	(0.08)
Diluted Earnings per share		
From continuing operations	**0.01**	(0.08)

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Rs. in Lacs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit / (loss) for the year attributable to owners of the Company	**1,06,975**	(10,46,154)
Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**1,06,975**	(10,46,154)
Profits used in the calculation of basic earnings per share	**1,06,975**	(10,46,154)
Weighted average number of equity shares	**1,23,30,000**	1,23,30,000
Earnings per share – Basic & Diluted	**0.01**	(0.08)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 14 - Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the company.

	31-Mar-24	31-Mar-23
Equity	**11.87**	10.80
Net Debt		
Short Term Borrowings	**–**	–
Less: Cash and cash equivalents	**13.72**	11.99
Net Debt	**(13.72)**	(11.99)
Total Capital	**(1.85)**	(1.19)

Categories of financial assets and financial liabilities

Rs. in Lacs			**As at 31st March 2024**	
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Other Financial Assets	**–**			**–**
Current Assets				
Trade Receivables	**–**			**–**
Other Bank Balances	**3.49**			**3.49**
Other Financial Assets	**0.49**			**0.49**
Current Liabilities				
Trade Payables	**3.86**			**3.86**
Short Term Borrowing	**–**			**–**
Other Financial Liabilities	**–**			**–**

Rs. in Lacs			As at 31st March 2023	
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets	–			–
Current Assets				
Trade Receivables	–			–
Other Bank Balances	3.49			3.49
Other Financial Assets	0.28			0.28
Current Liabilities				
Trade Payables	3.03			3.03
Short Term Borrowing	–			–
Other Financial Liabilities	–			–

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, and where appropraite, credit guarantee insurance cover is purchased.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

			As at 31st March 2024	
	Not due	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0.0%**	**0.0%**	**99.0%**	**99.0%**
Gross carrying amount	**–**		**210.16**	**210.16**
Loss allowance provision	**–**	**–**	**208.13**	**208.13**

			As at 31st March 2023	
	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	100.0%	100.0%	100.0%
Gross carrying amount	–	6.53	208.13	214.66
Loss allowance provision	–	6.53	208.13	214.66

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows -

(Amt in lacs)

Particulars	Currency	**31-Mar-24**	31-Mar-23
Trade Payables	USD	**–**	–
	EUR	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(Amt in lacs)

Particulars	Currency	**31-Mar-24**	31-Mar-23
Trade Payables	USD	**–**	–
	EUR	**–**	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Amt. In Lacs

	Currency	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-Mar-24	**USD**	**+10%**	**0.00**	**0.00**
	USD	**-10%**	**0.00**	**0.00**
	EUR	**+10%**	**0.00**	**0.00**
	EUR	**-10%**	**0.00**	**0.00**
31-Mar-23	USD	+10%	0.00	0.00
	USD	-10%	0.00	0.00
	EUR	+10%	0.00	0.00
	EUR	-10%	0.00	0.00

Note No. 15 - Fair Value Measurement

Rs. in Lacs

	Fair value hierarchy as at 31st March 2024			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
<u>*Financial assets carried at Amortised Cost*</u>				
– trade and other receivables		**–**		**–**
– deposits and similar assets		**3.49**		**3.49**
– others		**0.49**		**0.49**
Total	**–**	**4.00**	**–**	**4.00**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables		**3.86**		**3.86**
Total	**–**	**3.86**	**–**	**3.86**

	Fair value hierarchy as at 31st March 2023			
Financial assets	Level 1	Level 2	Level 3	Total
<u>*Financial assets carried at Amortised Cost*</u>				
– trade and other receivables		–		–
– deposits and similar assets		3.49		3.49
– others		0.28		0.28
Total	–	3.77	–	3.77
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables		3.03		3.03
– Short Term Borrowing		–		–
Total	–	3.03	–	3.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 16 - Related Party Transactions

Name of the Parent Company	Mahindra Agri Solutions Limited
Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Fellow Subsidiary Company	Mahindra Integrated Business Solutions
Name of KMP of the Company	Mr Nilesh Totla (Chief Financial Officer (w.e.f.19-10-21 to 12-01-24)
	Mr Chaitanya Rajwade Chief Executive officer (w.e.f 16-04-21)
	Mr Karan Poojary (Chief Financial Officer (w.e.f. 18-01-24))

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lacs

Particulars	**For the year ended**	**Parent Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**	**KMP of the Company and KMP of parent Company**
Nature of transactions with Related Parties					
Receiving of services	**31-Mar-24**	**–**	**0.33**	**–**	**–**
	31-Mar-23	–	0.40	0.06	–

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**	**KMP of the Company and KMP of parent Company**
Trade payables	**31-Mar-24**	**–**	**–**	**–**	**–**
	31-Mar-23	0.50	0.43	0.07	–

Note No. 17 - Additional Information to the consolidated Financial Statements

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	31-Mar-24	31-Mar-23
Particulars	**Rs in lacs**	Rs in lacs
(i) Principal amount remaining unpaid to MSME suppliers as on	–	–
(ii) Interest due on unpaid principal amount to MSME suppliers as on	–	–
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	–	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	–	–
(v) The amount of interest accrued and remaining unpaid as on	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note No. 18

The Company has reported accumulated loss of Rs 1,221.13 Lakhs as at 31st March 2024. Further, Instead of the accumulated losses as at 31st March 2024, the Company's net worth is positive as on 31st March 2024. The accompanying financial statement have been prepared on going concern basis, as the management is confident on company's ability to continue as a going concern for a foreseeable future in view of evaluation of revised business plan to operate Grapes and other fruits export business in future years and performance improvement measures to be undertaken by the management.

These event cast significant doubt on the entity's ability to continue as a going concern, however in view of mitigating plan mentioned above, the management believes that the Company will be able to meet its operation and other commitments as they arise along with shareholder financial support to the Company in foreseeable future and the financial statement have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 19 - Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-03-2024	31-03-2023	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	3.56	3.97	-10%	Refer note a
Debt Equity ratio	Total Debt	Shareholder Equity	–	–	0%	–
Debt Service coverage ratio	Earning for Debt service	Debt Service	–	–	0%	–
Return on Equity	Net profit after taxes	Average Shareholder Equity	0.09	(0.65)	-114%	Refer note a
Inventory Turnover ratio	Cost of goods sold	Average inventory	–	–	0%	–
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	–	–	0%	Refer note a
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	–	–	0%	Refer note a
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	–	–	0%	Refer note a
Net profit ratio	Net profit	Net sales = Total sales - sales return	–	–	0%	Refer note a
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.09	(0.97)	-109%	Refer note a
Return on Investment	Interest (Finance Income)	Investment	0.05	0.08	-34%	–

Note a

During the year ended 31st March, 2024 management evaluates to operate Grapes and other fruits export business in future years. Basis management evaluation of new business plan, management paid off its existing liability, liquidated all their stock, collected all receivables from customers, resulting into change in above ratio as compared to previous year.

Note No. 20-Ratio Analysis and its elements

Ratio	Numerator	Denominator	Numerator	Denominator	31-03-2024	Numerator	Denominator	31-03-2023	% change
Current Ratio	Current Assets	Current Liability	15.82	3.95	4.00	13.88	3.09	4.50	-11%
Debt Equity ratio	Total Debt	Shareholder Equity	–	11.87	–	–	10.80	–	0%
Debt Service coverage ratio	Earning for Debt service	Debt Service	1.07	–	–	(6.31)	–	–	0%
Return on Equity	Net profit after taxes	Average Shareholder Equity	1.07	11.33	0.09	(10.46)	16.03	(0.65)	-114%
Inventory Turnover ratio	Cost of goods sold	Average inventory	–	–	–	–	–	–	0%
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	–	–	–	–	–	–	0%
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	–	3.45	–	–	5.78	–	0%
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	–	11.87	–	–	10.80	–	0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Ratio	Numerator	Denominator	Numerator	Denominator	31-03-2024	Numerator	Denominator	31-03-2023	% change
Net profit ratio	Net profit	Net sales = Total sales - sales return	1.07	–	–	(10.46)	–	–	0%
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	1.07	11.87	0.09	(10.46)	10.80	(0.97)	-109%
Return on Investment	Interest (Finance Income)	Investment	0.33	6.25	0.05	0.48	6.13	0.08	-34%

Note No. 21 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company does not have transactions with any struck off entity.

(i) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 22 - Comparatives

The amount has been rounded off to nearest ₹ in lakhs (INR) The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes 1 to 22 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 10, 2024

For **Mahindra Fruits Private Limited**

Director
Meghnad Mitra
DIN: 01802612

Director
Ramesh Ramachandran
DIN:09562621

Chief Financial Officer
Karan Poojary
Membership no: 186513

Company Secretary
Feroze Baria
Membership no: 11357

Chief Executive Officer
Chaitanya Rajwade
PAN Number: AHIPR0815M

Place: Mumbai
Date: April 10, 2024

Independent Auditor's Report

To The Members of
Mahindra & Mahindra Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra & Mahindra Financial Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 42 (ii) to the standalone financial statements, which describes the impact of a fraud in respect of retail vehicle loans in one of the branches of the Company.

Our opinion is not modified in respect of this matter.

We draw attention to Note 43 to the standalone financial statements, which describes that the Company may incur cost associated with incident which are currently indeterminable as at the date of this Report.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Allowances for Expected Credit Losses ("ECL"): As at 31st March 2024, the carrying value of loan assets measured at amortised cost, aggregated ₹ 99,195.18 crore (net of allowance of expected credit loss ₹3401.59 crore) constituting approximately 86% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Standalone Financial Statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends;	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied; • completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td></td><td>Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and
Adjustments to model driven ECL results to address emerging trends.
(Refer Note 2.5(ii), 2.11(h), 6 and 50.2 to the Standalone Financial Statements).</td><td>accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic adjustment basis forward looking information.
Test of details on a sample in respect of the following:
accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;
the mathematical accuracy of the ECL computation by using the same input data as used by the Company;
completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed;
assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in standalone financial statements are appropriate and sufficient.</td></tr>
<tr><td>2.</td><td>Information Technology and General Controls:
The Company is dependent on its Information Technology (“IT”) systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.</td><td>With the assistance of our IT specialists, we obtained an understanding of the Company’s IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:
We tested the design, implementation, and operating effectiveness of the Company’s general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company’s controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.
We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, (including annexures thereto), Business Responsibility and sustainability report and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information"), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and

events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in i (vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. During the year, the Company has regularly transferred the required amounts to the Investor Education and Protection Fund except for the delay in one instance for transfer of Rs. 1,538 only. Refer Note 17 of the Standalone Financial Statement.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 22(ii) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYQ7894)

Place: Mumbai
Date: May 4, 2024

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVK5704)

Place: Mumbai
Date: May 4, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to Standalone Financial Statements of Mahindra & Mahindra Financial Services Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls with reference to Standalone Financial Statements based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's Internal Financial Controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Standalone Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls with reference to Standalone Financial Statements and such Internal Financial Controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for Internal Financial Control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYQ7894)

Place: Mumbai
Date: May 4, 2024

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVK5704)

Place: Mumbai
Date: May 4, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra & Mahindra Financial Services Limited on the financial statements as at and for the year ended March 31, 2024)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, were physically verified during the year by the management, in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on the examination of the documents provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks on the basis of security of loans (assets). We have observed reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences / reconciliation items are given in note no. 17 of the standalone financial statements of the Company.

(iii) As explained in note 1 to the standalone financial statements, the Company is a deposit-taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") and as a part of its business activities is engaged in the business of lending across various types of customers which include retail and SMEs.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable;

(b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;

(c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.5(ii) and 2.11(h) to the standalone financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31 March 2024, aggregating ₹3,490.90 crore were categorised as credit impaired ("Stage 3") and ₹5,159.73 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 61 to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at 31 March 2024 aggregating ₹93,946.14 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of principal and payment of interest aggregating ₹1,781.24 crore were also identified, albeit of less than 31 days. In all other cases, the repayment of principal and interest is regular as at 31 March 2024. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at 31 March 2024 is ₹1,459.55 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms our period of repayment.

(iv) The Company has not advanced loans or made investments in or provided guarantee or security to parties covered by section 185 of the Act and the provisions of Section 186 of the Act are not applicable to the Company. Hence reporting under clause 3 (iv) of the Order is not applicable.

(v) In our opinion, the Company had complied with the directives issued by the Reserve Bank of India with regards to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being Non-banking finance company registered with RBI, provisions of section 73 to 76 or any other relevant provisions of the Companies Ac, 2013 & the Companies (Acceptance of deposits) Rules, 2014, as amended, are not applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were following undisputed amounts payable in respect of Provident Fund and Profession Tax in arrears as at 31st March, 2024, for a period of more than six months from the date they became payable.

Name of the Statute	**Nature of the Dues**	**Amount due in Rs.**	**Period to which the amount relates**	**Due Date**	**Date of Payment (If paid)**	**Remarks,**
Profession Tax - Tripura	Profession Tax	1,72,634	Apr'23 to Sept'23	30th September 2023	22nd April 2024	Due to delay in registration
Profession Tax - Manipur	Profession Tax	47,300	Apr'23 to Mar'24		23rd April 2024	
Provident fund	PF contribution	4,40,099	Apr 2023 -Sep 2023	Various due dates		Due to pending Aadhar verification of employees

(b) Details of dues of Income-tax, Value Added Tax and Service Tax Act which have not been deposited as on 31st March, 2024, on account of disputes are given below:

Rs. in crores

Name of the statute	**Nature of dues**	**Amount**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Income Tax	474.12	For FY 2002-03; 2013-14; 2014-15; 2015-16; 2016-17; 2017-18; 2018-19	Commissioner of Income Tax (Appeals)
Andhra Pradesh VAT	Value Added Tax	1.24	April 2008 -October 2013	Andhra Pradesh High Court
Madhya Pradesh VAT	Value Added Tax	0.07	FY 2013-14; 2014-15; 2015-16; 2016-17	Appellate Authority of Commercial Taxes, Bhopal
Maharashtra VAT	Value Added Tax	0.87	2010-11	Maharashtra Sales Tax Tribunal
Maharashtra VAT	Value Added Tax	7.08	FY 2011-12; 2012-13; 2013-14; 2014-15; 2015-16	Dy Comm. of Sales Tax (Appeal)
Maharashtra - Service Tax	Service Tax	88.62	FY 2008-2015	CESTAT, Mumbai
GST Chennai	GST	12.69	July- 17- Mar- 21	DGGSI Chennai Zonal Unit
GST Other states	GST	18.64	FY 2017-18	GST Authority

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) On an overall examination of the Standalone financial statements of the Company, funds raised on short-term basis have, prima facie, have not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Accordingly, paragraph 3 (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) 1. To the best of our knowledge, no fraud by the Company has been noticed or reported during the year.

2. There have been instances of frauds on the Company involving forgery of KYC and asset related documents leading to embezzlement of the Company's funds amounting to Rs.181 crore (outstanding recoverable balance of Rs. 135.9 crore as of March 31, 2024), at its Branch in Aizawl, Mizoram (the Branch) in respect of retail vehicle loans live as on March 31, 2024 - refer Note 42(ii) to the Standalone Financial Statements.

3. In addition, an instance of fraud against the company amounting to Rs 2.49 Crore involving KYC documents was reported during the year also refer (xi) (b) below.

(b) Report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us during the year, in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, in relation to frauds identified by the Management also refer (xi) (a) (3) above.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. The Company needs to enhance the coverage / scope of the internal audit in certain areas.

(b) We have taken into consideration, the reports of the Internal Auditors received by the company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

(b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not a Core Investment Company (CIC) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has 4 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, the provisions of clause clause 3(xviii) of the Order are not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable;

(b) In respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYQ7894)

Place: Mumbai
Date: May 4, 2024

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVK5704)

Place: Mumbai
Date: May 4, 2024

STANDALONE BALANCE SHEET AS AT 31 MARCH 2024

Rs. in crores

	Particulars	Note	As at 31 March 2024	As at 31 March 2023
	ASSETS			
	Financial Assets			
a)	Cash and cash equivalents	3	**311.07**	249.75
b)	Bank balance other than (a) above	4	**2,378.04**	2,582.31
c)	Receivables			
	– Trade receivables	5	**24.74**	21.84
d)	Loans	6	**99,195.18**	79,454.73
e)	Investments	7	**9,650.82**	9,988.62
f)	Other financial assets	8	**806.78**	1,589.28
			1,12,366.63	93,886.53
	Non-financial Assets			
a)	Current tax assets (Net)		**609.78**	504.36
b)	Deferred tax assets (Net)	9 (i)	**691.08**	637.24
c)	Property, plant and equipment	10	**811.11**	681.20
d)	Intangible assets under development		**105.10**	–
e)	Other Intangible assets	11	**14.61**	14.35
f)	Other non-financial assets	12	**560.90**	492.87
			2,792.58	2,330.02
	Total Assets		**1,15,159.21**	96,216.55
	LIABILITIES AND EQUITY			
	LIABILITIES			
	Financial Liabilities			
a)	Derivative financial instruments	13	**335.27**	180.70
b)	Payables	14		
	I) Trade payables			
	i) total outstanding dues of micro enterprises and small enterprises		**–**	–
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**1,459.47**	1,126.57
	II) Other payables			
	i) total outstanding dues of micro enterprises and small enterprises		**2.80**	2.62
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**62.62**	37.12
c)	Debt securities	15	**26,725.94**	24,745.07
d)	Borrowings (Other than debt securities)	16	**54,318.83**	41,234.06
e)	Deposits	17	**7,174.74**	5,524.60
f)	Subordinated liabilities	18	**4,005.66**	3,442.13
g)	Other financial liabilities	19	**2,441.33**	2,384.28
			96,526.66	78,677.15

STANDALONE BALANCE SHEET AS AT 31 MARCH 2024 (CONTD...)

Rs. in crores

	Particulars	Note	As at 31 March 2024	As at 31 March 2023
	Non-Financial Liabilities			
a)	Current tax liabilities (net)		**119.26**	65.67
b)	Provisions	20	**205.13**	260.74
c)	Other non-financial liabilities	21	**150.67**	124.08
			475.06	450.49
	EQUITY	22		
a)	Equity share capital		**246.88**	246.72
b)	Other equity		**17,910.61**	16,842.19
			18,157.49	17,088.91
	Total Liabilities and Equity		**1,15,159.21**	96,216.55
	The accompanying notes form an integral part of the Standalone financial statements.	1 to 63		

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
4 May 2024

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
4 May 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

		Note	Year ended 31 March 2024	Rs. in crores Year ended 31 March 2023
	Particulars			
	Revenue from operations			
i)	Interest income	23	**13,108.76**	10,682.57
ii)	Dividend income		**–**	–
iii)	Rental income		**115.46**	72.68
iv)	Fees, charges and commission income	24	**174.67**	167.96
v)	Net gain on fair value changes	25	**5.25**	5.59
I	**Total revenue from operations**		**13,404.14**	10,928.80
II	Other income	26	**158.28**	127.29
III	**Total income (I+II)**		**13,562.42**	11,056.09
	Expenses			
i)	Finance costs	27	**6,426.94**	4,576.72
ii)	Fees and commission expense		**109.90**	80.24
iii)	Impairment on financial instruments	28	**1,822.79**	999.23
iv)	Employee benefits expenses	29	**1,712.63**	1,584.27
v)	Depreciation, amortization and impairment	30	**228.71**	187.23
vi)	Others expenses	31	**905.98**	875.82
IV	**Total expenses**		**11,206.95**	8,303.51
V	**Profit before exceptional items and tax (III-IV)**		**2,355.47**	2,752.58
VI	Exceptional items	32	**–**	(54.51)
VII	**Profit before tax (V+VI)**		**2,355.47**	2,698.07
VIII	**Tax expense:**	9 (ii)		
	(i) Current tax		**664.93**	486.28
	(ii) Deferred tax		**(69.08)**	227.47
			595.85	713.75
IX	**Profit for the year (VII-VIII)**		**1,759.62**	1,984.32
X	**Other Comprehensive Income (OCI)**			
	(A)(i) Items that will not be reclassified to profit or loss			
	– Remeasurement gain/(loss) on defined benefit plans		**(6.64)**	(17.27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	9 (iii)	**1.67**	4.35
	Subtotal (A)		**(4.97)**	(12.92)
	(B)(i) Items that will be reclassified to profit or loss			
	– Net gain/(loss) on debt instruments through OCI		**70.58**	(88.82)
	– Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**(3.39)**	(6.34)
	(ii) Income tax relating to items that will be reclassified to profit or loss	9 (iii)	**(16.91)**	23.95
	Subtotal (B)		**50.28**	(71.20)
	Other Comprehensive Income (A+B)		**45.31**	(84.12)
XI	**Total Comprehensive Income for the year (IX+X)**		**1,804.93**	1,900.20
XII	**Earnings per equity share (face value Rs. 2/- per equity share)**	33		
	Basic (Rupees)		**14.26**	16.09
	Diluted (Rupees)		**14.25**	16.08

The accompanying notes form an integral part of the standalone financial statements. 1 to 63

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
4 May 2024

Mumbai
4 May 2024

STATEMENT OF CHANGES IN EQUITY FOR STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

Particulars	Rs. in crores Amount
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2022	246.60
Changes due to prior period errors	–
Restated balance as at 1 April 2022	246.60
Changes during the year:	
Add : Allotment of shares by ESOS Trust to employees on exercise of options (refer note 35)	0.12
Balance as at 31 March 2023	246.72
Balance as at 1 April 2023	246.72
Changes due to prior period errors	–
Restated balance as at 1 April 2023	246.72
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 35)	0.16
Balance as at 31 March 2024	**246.88**

B. Other Equity

Rs. in crores

Particulars	Reserves and Surplus									
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 34)	Equity instruments through OCI (Refer note 34)	Effective portion of cash flow hedges (Refer note 34)	Total
Balance as at 1 April 2022	2,133.35	50.00	7,157.29	797.41	31.29	5,247.99	(57.30)	21.46	–	15,381.49
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–
Restated balance as at 1 April 2022	2,133.35	50.00	7,157.29	797.41	31.29	5,247.99	(57.30)	21.46	–	15,381.49
Profit/(loss) for the year						1,984.32				1,984.32
Other Comprehensive Income/ (loss)						(12.92)	(66.46)	–	(4.74)	(84.12)
Total Comprehensive Income for the year	–	–	–	–	–	1,971.40	(66.46)	–	(4.74)	1,900.20
Dividend paid on equity shares (including tax thereon)						(444.79)				(444.79)
Transfers to Securities premium on exercise of employee stock options			11.18		(11.18)					–
Securities premium on shares allotted to ESOP Trust through Rights Issue			1.57							1.57
Employee stock options expired				0.54	(0.54)					–
Share based payment expense					3.72					3.72
Transfers to Statutory reserves	398.00					(398.00)				–
Balance as at 31 March 2023	2,531.35	50.00	7,170.04	797.94	23.30	6,376.60	(123.76)	21.46	(4.74)	16,842.19

STATEMENT OF CHANGES IN EQUITY FOR STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

Rs. in crores

Particulars	Reserves and Surplus									
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 34)	Equity instruments through OCI (Refer note 34)	Effective portion of cash flow hedges (Refer note 34)	Total
Balance as at 1 April 2023	**2,531.35**	**50.00**	**7,170.04**	**797.94**	**23.30**	**6,376.60**	**(123.76)**	**21.46**	**(4.74)**	**16,842.19**
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–
Restated balance as at 1 April 2023	**2,531.35**	**50.00**	**7,170.04**	**797.94**	**23.30**	**6,376.60**	**(123.76)**	**21.46**	**(4.74)**	**16,842.19**
Profit/(loss) for the year						**1,759.62**			**–**	**1,759.62**
Other Comprehensive Income/ (loss)						**(4.97)**	**52.82**	**–**	**(2.54)**	**45.31**
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**1,754.65**	**52.82**	**–**	**(2.54)**	**1,804.93**
Dividend paid on equity shares (including tax thereon)						**(741.32)**				**(741.32)**
Transfers to Securities premium on exercise of employee stock options			**13.67**		**(13.67)**					**–**
Securities premium on transfer of ESOP Shares to employees			**1.94**							**1.94**
Employee stock options expired				**0.25**	**(0.25)**					**–**
Share based payment expense					**2.87**		**–**			**2.87**
Transfers to Statutory reserves	**352.00**					**(352.00)**				**–**
Balance as at 31 March 2024	**2,883.35**	**50.00**	**7,185.65**	**798.20**	**12.24**	**7,037.93**	**(70.94)**	**21.46**	**(7.28)**	**17,910.61**

The accompanying notes 1 to 63 form an integral part of the Standalone financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
4 May 2024

Mumbai
4 May 2024

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

Rs. in crores

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	**2,355.47**	2,752.58
	Adjustments for:		
	Depreciation, amortization and impairment	**228.71**	187.23
	Impairment on financial instruments (excluding bad debts and write offs)	**107.90**	(1,214.13)
	Bad debts and write offs	**1,714.89**	2,213.36
	Interest expense	**6,386.09**	4,535.85
	Interest income from loans	**(12,328.95)**	(9,949.25)
	Interest income from other deposits with banks	**(266.11)**	(210.08)
	Net (Gain) / loss on fair value of derivative financial instruments	**9.47**	(10.77)
	Unrealized foreign exchange gain/loss	**(76.49)**	(96.85)
	Share based payments to employees	**4.49**	4.55
	Net (Gain)/loss on fair value changes	**(3.46)**	26.74
	Interest income on investments	**(521.57)**	(523.24)
	Dividend income	**(2.89)**	(4.12)
	Net gain on derecognition of property, plant and equipment	**(6.65)**	(2.89)
	Net (gain) / loss on sale of investments	**–**	(5.59)
	Operating profit / (loss) before working capital changes	**(2,399.10)**	(2,296.61)
	Adjustments for changes in working capital -		
	Loans	**(22,063.71)**	(21,125.42)
	Trade receivables	**2.28**	(11.71)
	Other financial assets	**(13.91)**	**(129.52)**
	Other financial liabilities	**31.69**	31.79
	Other non-financial assets	**(199.81)**	(107.16)
	Trade Payables	**358.58**	161.03
	Other non-financial liabilities	**26.59**	16.30
	Derivative financial instruments	**145.10**	35.88
	Provisions	**(61.84)**	21.87
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(24,174.13)**	(23,403.56)
	Interest paid	**(6,336.35)**	(4,668.87)
	Interest received from loans	**12,823.56**	11,063.93
	Cash generated from / (used in) operations	**(17,686.92)**	(17,008.50)
	Income taxes paid (net of refunds)	**(716.76)**	(476.49)
	NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	**(18,403.68)**	(17,484.99)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	**(289.03)**	(362.55)
	Proceeds from sale of Property, plant and equipment	**50.31**	13.55
	Purchase of investments measured at amortized cost	**–**	(400.42)
	Proceeds from sale of investments measured at amortized cost	**169.32**	496.35
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	**(124.98)**	–
	Purchase of investments measured at FVOCI	**(167.41)**	(915.95)
	Proceeds from sale of investments measured at FVOCI	**445.26**	345.34
	Purchase of investments measured at FVTPL	**(3,280.79)**	(4,404.44)
	Proceeds from sale of investments measured at FVTPL	**3,569.77**	3,177.54
	Purchase of shares in a subsidiary company	**(206.39)**	–
	Proceeds from / (Investments in) term deposits with banks (net)	**1,049.09**	(8.44)
	Dividend income received	**2.89**	4.12

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

Rs. in crores

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	Interest received from other deposits with banks	**215.27**	221.59
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	**528.21**	512.64
	Change in Earmarked balances with banks	**0.03**	(0.02)
	NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B)	**1,961.55**	(1,320.69)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	**17,802.10**	16,501.95
	Repayment of borrowings through Debt Securities	**(15,835.68)**	(10,005.95)
	Proceeds from Borrowings (Other than Debt Securities)	**35,806.06**	33,521.08
	Repayment of Borrowings (Other than Debt Securities)	**(22,478.11)**	(18,362.66)
	Proceeds from borrowings through Subordinated Liabilities	**700.00**	380.00
	Repayment of borrowings through Subordinated Liabilities	**(140.15)**	(70.01)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	**(169.97)**	169.97
	Increase / (decrease) in Public deposits (net)	**1,655.37**	(2,905.23)
	Payments for principal portion of lease liability	**(94.85)**	(56.80)
	Dividend paid	**(741.32)**	(444.79)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**16,503.45**	18,727.56
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**61.32**	(78.12)
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	**249.75**	327.87
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**311.07**	249.75
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	– Cash on hand	**52.92**	32.91
	– Cheques and drafts on hand	**27.92**	17.65
	– Balances with banks in current accounts	**230.23**	199.19
	Total	**311.07**	249.75

Notes:

The above Statement of Standalone Cash Flow has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

Purchase of Property, plant and equipment and intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm’s Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm’s Registration No: 106655W

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Mumbai
4 May 2024

Mumbai
4 May 2024

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1 January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("”NSE”") and the BSE Limited ("”BSE”") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorized for issue on 4 May 2024.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 Measurement of fair values

The Company's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)."

2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/ expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

– The Company's criteria for assessing if there has been a significant increase in credit risk

– The classification of financial assets when their ECL is assessed on a collective basis

– Development of ECL model, including the various formulae and the choice of inputs

– Selection of forward-looking macroeconomic scenarios and their probability weights, to provide the economic inputs into the ECL model

– Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 50).

iii) Provisions and contingent liabilities

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Going Concern

The financial statements of the Company are prepared on a going concern basis for the year ended 31 March 2024.

The Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.6 Revenue recognition :

a) Recognition of interest income

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at Fair Value Through Other Comprehensive Income (FVOCI) and debt instruments designated at Fair Value Through Profit and Loss (FVTPL). The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Recognition of interest income on securitized loans

The Company securitizes certain pools of loan receivables in accordance with applicable RBI guidelines. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as “Associated liability related to Securitization transactions” and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

c) Subvention income

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognized in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Income from finance lease

The income earned on finance lease are recognised in the Statement of profit and loss account based on pattern reflecting constant periodic return on the company’s net investment in lease.

The fees / charges received towards fleet management services rendered to customers is recognized over the lease term.

f) Fees, charges and commission income :

The Company recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss on an accrual basis when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transfered assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitization transaction.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -

– Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
– Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.8 Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software . The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortization is calculated using the straight line method to write down the cost of intangible assets over their amortization period. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “”Intangible assets under development.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Investments in subsidiaries, associate and joint ventures :

Investment in subsidiaries, associates and Joint Ventures are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 ‘Separate financial statement’. Cost of investment represents amount paid for acquisition of the said investment.

The Company reviews the carrying amounts of its investments in subsidiaries, associate and joint ventures at the end of each reporting period, to determine whether there is any indication that those investments have impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any) and provided for accordingly. Such impairment loss is reduced from the carrying value of investments.

2.10 Foreign exchange transactions and translations :

a) Initial recognition

Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments :

a) Initial Recognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

– Amortized cost;

– FVOCI - debt instruments;

– FVOCI - equity instruments;

– FVTPL

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (‘SPPI’) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments that meet the SPPI criterion at amortized cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity instruments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading

If the Company elects to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

– the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

– the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and principal & interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value on the date on which the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

g) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information. (refer note 50).

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

The Company recognizes lifetime ECL for trade advances, lease and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modifies contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated loan until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under the Company's ECL policy.

h) Collateral repossessed -

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors.

As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

i) Write offs -

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off as per the Company's policy. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in the Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund, Superannuation fund, ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India and the Company has no obligation to the scheme beyond its contributions.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss.

c) Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognized at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognized immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognized in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules as per leave policy of the Company. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

Compensation cost on Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.13 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, associated liabilities in respect of securitization transactions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income

a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all economic benefits required to settle a provision are expected to be recovered from third party, a recievable is recognised as an asset, if it is virtually certian that reimbursement will be recieved and the amount can be measured reliably.

2.16 Leases :

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in property, plant and equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Company is the lessor -

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 40.

2.17 New standards or amendments to the existing standards and other pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on 31 March 2024, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

3 Cash and cash equivalents

Rs. in crores

	31 March 2024	31 March 2023
Cash on hand	**52.92**	32.91
Cheques and drafts on hand	**27.92**	17.65
Balances with banks in current accounts	**230.23**	199.19
Term deposits with original maturity up to 3 months	**–**	–
Interest accrued on Term deposits	**–**	–
	311.07	249.75

4 Bank balances other than cash and cash equivalents

Rs. in crores

	31 March 2024	31 March 3023
Earmarked balances with banks -		
– Unclaimed dividend accounts	**0.57**	0.60
Term deposits with maturity less than 12 months -		
– Free	**1,766.59**	2,232.45
– Under lien #	**475.75**	243.01
Interest accrued on Term deposits	**135.13**	106.25
	2,378.04	2,582.31

 # Details of Term deposits - Under lien

Rs. in crores

	As at 31 March 2024			As at 31 March 2023		
Particulars	**Bank balances other than cash and cash equivalents (Note 4)**	**Other financial assets (Note 8)**	**Total**	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 8)	Total
For Statutory Liquidity Ratio	**–**	**–**	**–**	100.00	–	100.00
For securitization transactions	**444.23**	**–**	**444.23**	120.28	2.47	122.75
Legal deposits	**0.21**	**–**	**0.21**	0.21	–	0.21
For Constituent Subsidiary General Ledger (CSGL) account	**30.90**	**–**	**30.90**	20.90	10.00	30.90
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	**0.41**	**1.25**	**1.66**	1.62	–	1.62
Total	**475.75**	**1.25**	**477.00**	243.01	12.47	255.48

5 Receivables

		Rs. in crores
	31 March 2024	31 March 2023
Trade receivables		
i) Secured, considered good		
– Lease rental receivable on operating lease transactions	**17.04**	6.85
Less: Impairment loss allowance	**(0.29)**	(4.67)
	16.75	2.18
ii) Unsecured, considered good:		
– Subvention and other income receivables	**7.99**	19.66
iii) Credit impaired:		
– Subvention and other income receivables	**–**	0.80
	–	0.80
Less: Impairment loss allowance	**–**	(0.80)
	–	–
	24.74	21.84

There is no due by directors or other officers of the company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at 31 March 2024

Particulars	**Outstanding for following periods from due date of payment**					**Rs. in crores**
	Less than 6 months	**6 months – 1 year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
i) Undisputed Trade receivables –						
– considered good	**13.61**	**–**	**–**	**–**	**–**	**13.61**
– which have significant increase in credit risk	**10.65**	**–**	**–**	**–**	**–**	**10.65**
– credit impaired	**0.77**	**–**	**–**	**–**	**–**	**0.77**
ii) Disputed Trade Receivables –						
– considered good	**–**	**–**	**–**	**–**	**–**	**–**
– which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
– credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
Total	**25.03**	**–**	**–**	**–**	**–**	**25.03**

There is neither an instance where due date is not specified nor unbilled due.

As at 31 March 2023

Particulars	**Outstanding for following periods from due date of payment**					**Rs. in crores**
	Less than 6 months	**6 months – 1 year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	Total
i) Undisputed Trade receivables –						
– considered good	20.48	–	–	–	–	20.48
– which have significant increase in credit risk	1.68	–	–	–	–	1.68
– credit impaired	1.63	0.55	0.51	0.15	–	2.84
ii) Disputed Trade Receivables –						
– considered good	–	–	–	–	–	–
– which have significant increase in credit risk	0.93	0.93	0.45	–	–	2.31
– credit impaired	–	–	–	–	–	–
Total	**24.72**	**1.48**	**0.96**	**0.15**	**–**	**27.31**

There is neither an instance where due date is not specified nor unbilled due.

6 Loans

		31 March 2024	31 March 2023
			Rs. in crores
A)	**Loans (at amortized cost):**		
	Term loans:		
	- Retail loans	**94,190.74**	75,524.51
	- Small and Medium Enterprise (SME) financing	**3,757.67**	3,481.07
	Bills of exchange	**1,054.74**	975.61
	Trade advances	**2,879.10**	2,540.42
	Finance lease	**714.52**	220.95
	Total (Gross)	**1,02,596.77**	82,742.56
	Less: Impairment loss allowance	**(3,401.59)**	(3,287.83)
	Total (Net)	**99,195.18**	79,454.73
B)	i) Secured by tangible assets	**97,436.10**	77,784.42
	ii) Secured by intangible assets	**–**	–
	iii) Covered by bank/Government guarantees	**133.36**	319.16
	iv) Unsecured	**5,027.31**	4,638.98
	Total (Gross)	**1,02,596.77**	82,742.56
	Less: Impairment loss allowance	**(3,401.59)**	(3,287.83)
	Total (Net)	**99,195.18**	79,454.73
C)	**i) Loans in India**		
	a) Public Sector	**–**	–
	b) Others	**1,02,596.77**	82,742.56
	Total (Gross)	**1,02,596.77**	82,742.56
	Less: Impairment loss allowance	**(3,401.59)**	(3,287.83)
	Total (Net) – C (i)	**99,195.18**	79,454.73
	ii) Loans outside India	**–**	–
	Less: Impairment loss allowance	**–**	–
	Total (Net) – C (ii)	**–**	–
	Total (Net) – C (i+ii)	**99,195.18**	79,454.73

Notes:

– There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

– Refer note no. 50 for information related to stage-wise classification of loan assets and ECL movement.

7 Investments

Rs. in crores

Investments	31 March 2024 Amortized cost	31 March 2024 At Fair Value Through OCI	31 March 2024 At Fair Value Through profit or loss	31 March 2024 At Fair Value Sub–total	31 March 2024 Others (at cost)	31 March 2024 Total	31 March 2023 Amortized cost	31 March 2023 At Fair Value Through OCI	31 March 2023 At Fair Value Through profit or loss	31 March 2023 At Fair Value Sub–total	31 March 2023 Others (at cost)	31 March 2023 Total
Units of mutual funds	–	–	52.86	52.86	–	52.86	–	–	–	–	–	–
Government securities #	1,216.77	4,460.74		4,460.74		5,677.51	1,263.94	4,766.46	–	4,766.46	–	6,030.40
Debt securities –												
i) Secured redeemable non-convertible debentures	–	–	–	–	–	–	–	–	–	–	–	–
ii) Unsecured redeemable non-convertible subordinate debentures		–	–	–	–	–	–	–	–	–	–	–
iii) Investments in Pass Through Certificates under securitization transactions	–	–	–	–	–	–	123.42	–	–	–	–	123.42
iv) Commercial Papers	–	–	757.41	757.41	–	757.41	–	–	94.12	94.12	–	94.12
v) Certificate of deposits with banks	–		967.73	967.73		967.73			1,973.02	1,973.02		1,973.02
vi) Investment in Bonds #	25.84	453.34		453.34	–	479.18	25.97	351.43		351.43		377.40
vii) Investment in Triparty Repo Dealing System (TREPS)	124.98	–	–	–	–	124.98	–	–	–	–	–	–
viii) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)		1.59		1.59		1.59	–	1.59	–	1.59	–	1.59
Equity instruments –												
i) Equity investment in Smartshift Logistics Solutions Private Limited	–	35.24	–	35.24	–	35.24	–	35.24	–	35.24	–	35.24
ii) New Democratic Electoral Trust		–	–	–	0.02	0.02	–	–	–	–	0.02	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)			0.22	0.22		0.22			0.06	0.06		0.06
Subsidiaries												
i) Mahindra Insurance Brokers Limited (1,03,09,280 equity shares (FY22-23 82,47,424) of face value of Rs.10/- each)	–	–	–	–	206.84	206.84	–	–	–	–	0.45	0.45
ii) Mahindra Rural Housing Finance Limited (12,09,52,678 equity shares of face value of Rs.10/- each)	–	–	–	–	799.30	799.30		–	–	–	799.30	799.30
iii) Mahindra Finance CSR Foundation **(1,000 equity shares of face value of Rs.10/- each)**	–	–	–	–	–	–					–	–
iv) Mahindra Ideal Finance Limited, Sri Lanka (58.20% of equity share capital)	–	–	–	–	77.97	77.97					77.97	77.97
Associates												
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)	–	–	–	–	210.55	210.55	–	–	–	–	210.55	210.55
Joint Venture												
i) Mahindra Manulife Investment Management Private Ltd. (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (19,53,00,000 equity shares of face value of Rs.10/- each)	–	–	–	–	195.30	195.30	–	–	–	–	195.30	195.30
ii) Mahindra Manulife Trustee Private Ltd (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (5,00,000 equity shares of face value of Rs.10/– each)	–	–	–	–	0.50	0.50	–	–	–	–	0.50	0.50
Others												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited	–	7.15	–	7.15	–	7.15		7.15		7.15		7.15
ii) Interest accrued on Government securities	21.20	77.95	–	77.95		99.15	22.33	85.98	–	85.98	–	108.31
iii) Interest accrued on Bonds	0.06	11.77	–	11.77		11.83	0.06	8.86	–	8.86	–	8.92
iv) Interest accrued on Pass Through Certificates under securitization transactions	0.00	–	–	–		–	0.39	–	–	–	–	0.39
v) Interest accrued on Certificate of deposits	–	–	–	–		–		–		–		–
vi) Interest accrued on TREPS	–											
Total – Gross (A)	1,388.85	5,047.78	1,778.22	6,826.00	1,490.48	9,705.33	1,436.11	5,256.71	2,067.20	7,323.91	1,284.09	10,044.11
i) Investments outside India	–	–	–	–	288.52	288.52	–	–	–	–	288.52	288.52
ii) Investments in India	1,388.85	5,047.78	1,778.22	6,826.00	1,201.96	9,416.81	1,436.11	5,256.71	2,067.20	7,323.91	995.57	9,755.59
Total – Gross (B)	1,388.85	5,047.78	1,778.22	6,826.00	1,490.48	9,705.33	1,436.11	5,256.71	2,067.20	7,323.91	1,284.09	10,044.11
Less: Allowance for Impairment loss (C)	–	–	–	–	54.51	54.51	0.98	–	–	–	54.51	55.49
Total – Net D (A–C)	1,388.85	5,047.78	1,778.22	6,826.00	1,435.97	9,650.82	1,435.13	5,256.71	2,067.20	7,323.91	1,229.58	9,988.62

The investments in Government securities for Rs.1,216.77 crore (31 March 2023: Rs. 1,263.94 crore) and investments in Bonds for Rs. 25.84 crore (31 March 2023: Rs. 25.97 crore) as shown under Amortized cost category are Statutory Liquid Assets as required under section 45 - IB of the Reserve Bank of India Act, 1934, with a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent Trust.

8 Other financial assets

	31 March 2024	31 March 2023
		Rs. in crores
Security Deposits	**77.62**	61.52
Term deposits with banks (remaining maturity more than 12 months):		
– Free	**545.00**	1,349.75
– Under lien (refer note 4)	**1.25**	12.47
Interest accrued on Term deposits	**31.70**	9.74
Others #	**151.93**	155.80
Less : Impairment loss allowance	**(0.72)**	–
	806.78	1,589.28

includes receivables related to insurance claims and online payment aggregators.

9 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

Rs. in crores

	Balance as at 1 April 2022	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2023**	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2024**
Tax effect of items constituting deferred tax liabilities:							
– Application of EIR on financial assets	(84.97)	4.87	–	(80.10)	(0.09)		**(80.19)**
– Application of EIR on financial liabilities	(12.42)	3.7400	–	(8.68)	(13.92)		**(22.60)**
– Share based payments	(0.39)	(4.3500)	–	(4.74)	(1.67)		**(6.41)**
– FVTPL financial asset	(13.68)	13.9750	–	0.30	(1.32)		**(1.03)**
– Others #	(131.59)	–	–	(131.59)	44.02		**(87.57)**
	(243.05)	**18.24**	**–**	**(224.82)**	**27.02**		**(197.80)**
Tax effect of items constituting deferred tax assets:							
– Provision for employee benefits	19.67	2.19	4.35	26.21	–	1.67	**27.88**
– Derivatives	52.24	(0.28)	–	51.96	(3.05)	–	**48.91**
– Allowance for ECL	841.60	(277.16)	22.35	586.79	56.95	(17.76)	**625.98**
– Provision on standard assets	152.92	–	–	152.92	(15.98)	–	**136.94**
– Other provisions	13.05	29.54	1.60	44.18	4.14	0.85	**49.17**
	1,079.48	(245.71)	28.30	862.06	42.06	(15.24)	**888.88**
Net deferred tax assets	**836.42**	**(227.47)**	**28.30**	**637.24**	**69.08**	**(15.24)**	**691.08**

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognized in Statement of profit and loss

	31 March 2024	31 March 2023
		Rs. in crores
(a) Current tax:		
In respect of current year	**666.56**	480.00
In respect of prior years	**(1.63)**	6.28
	664.93	486.28
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	**(69.08)**	227.47
In respect of prior years	**–**	–
	(69.08)	227.47
Total Income tax recognized in Statement of profit and loss	**595.85**	713.75

(iii) Income tax recognized in Other Comprehensive Income

Rs. in crores

	31 March 2024	31 March 2023
Deferred tax related to items recognized in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	**1.67**	4.35
Net gain / (loss) on equity instruments through OCI	–	
Net gain / (loss) on debt instruments through OCI	**(17.76)**	22.35
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	**0.85**	1.60
Total Income tax recognized in Other Comprehensive Income	**(15.24)**	28.30

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:

Rs. in crores

	As at 31 March 2024	As at 31 March 2023
Profit before tax	**2,355.47**	2,698.07
Applicable income tax rate	**25.168%**	25.168%
Expected income tax expense	**592.82**	679.05
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	**(0.73)**	(1.04)
Effect of expenses / provisions not deductible in determining taxable profit	**6.44**	26.93
Effect of changes in estimates related to prior years	**(5.03)**	–
Adjustment related to tax of prior years	**(1.63)**	6.28
Others	**3.98**	2.53
Reported income tax expense	**595.85**	713.75
Effective tax rate	**25.30%**	26.45%

10 Property, plant and equipments

Rs. in crores

Particulars	**Land (Freehold)**	**Buildings #**	**Computers and Data processing units**	**Furniture and fixtures**	**Office equipments**	**Vehicles**	**Vehicles under lease**	**Leasehold Improvement**	**Plant & Machineries under lease**	**Sub-Total (a)**	**Right-Of-Use Assets (Leasehold premises) (b)**	**Total (a + b)**
GROSS CARRYING AMOUNT												
Balance as at 1 April 2022	0.81	1.09	128.36	91.65	80.36	92.44	147.15	–	0.19	542.05	265.99	808.04
Additions during the year	–	–	26.74	3.20	10.33	35.05	187.06	–	–	262.38	227.34	489.72
Disposals/deductions during the year	–	–	29.47	5.12	12.67	18.36	10.38	–	–	76.00	34.65	110.65
Balance as at 31 March 2023	**0.81**	**1.09**	**125.63**	**89.73**	**78.02**	**109.13**	**323.83**	**–**	**0.19**	**728.43**	**458.68**	**1,187.11**
Balance as at 1 April 2023	0.81	1.09	125.63	89.73	78.02	109.13	323.83	–	0.19	728.43	458.68	1,187.11
Additions during the year	–	–	36.23	8.20	11.79	34.56	204.53	9.94	–	305.25	86.81	392.06
Disposals/ deductions during the year	–	–	21.73	7.00	7.27	28.37	67.83	–	0.05	132.25	37.87	170.12
Balance as at 31 March 2024	**0.81**	**1.09**	**140.13**	**90.93**	**82.54**	**115.32**	**460.53**	**9.94**	**0.14**	**901.43**	**507.62**	**1,409.05**

Rs. in crores

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold Improvement	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises) (b)	Total (a + b)
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
Balance as at 1 April 2022	–	0.33	87.20	72.41	65.04	60.35	38.92	–	0.13	324.38	100.56	424.94
Additions during the year	–	0.02	23.86	5.25	8.20	17.12	50.20	–	0.00	104.65	70.11	174.76
Disposals/deductions during the year	–	–	29.44	4.83	12.49	16.22	2.36	–	–	65.33	28.46	93.79
Balance as at 31 March 2023	**–**	**0.35**	**81.62**	**72.83**	**60.75**	**61.26**	**86.76**	**–**	**0.13**	**363.70**	**142.21**	**505.91**
Balance as at 1 April 2023	–	0.35	81.62	72.83	60.75	61.26	86.76	–	0.13	363.70	142.21	505.91
Additions during the year	–	0.01	29.09	5.76	7.96	20.67	75.16	0.67	–	139.32	79.19	218.51
Disposals/deductions during the year	–	–	21.66	6.63	7.19	22.16	30.94	–	0.04	88.61	37.87	126.48
Balance as at 31 March 2024	**–**	**0.36**	**89.05**	**71.96**	**61.52**	**59.77**	**130.98**	**0.67**	**0.09**	**414.41**	**183.53**	**597.94**
NET CARRYING AMOUNT												
As at 31 March 2023	**0.81**	**0.74**	**44.01**	**16.91**	**17.27**	**47.87**	**237.07**	**–**	**0.06**	**364.73**	**316.47**	**681.20**
As at 31 March 2024	**0.81**	**0.73**	**51.08**	**18.97**	**21.01**	**55.55**	**329.56**	**9.27**	**0.05**	**487.02**	**324.09**	**811.11**

Secured Non–convertible debentures (NCDs) have an exclusive pari-passu charges on Buildings.

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right–of–Use Assets)

11 Other Intangible assets

Rs. in crores

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1 April 2022	102.72
Additions during the year	17.05
Deductions during the year	–
Balance as at 31 March 2023	**119.77**
Balance as at 1 April 2023	119.77
Additions during the year	10.46
Deductions during the year	–
Balance as at 31 March 2024	**130.23**

Rs. in crores

Particulars	Computer Software
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1 April 2022	92.95
Additions during the year	12.47
Deductions during the year	–
Balance as at 31 March 2023	**105.42**
Balance as at 1 April 2023	105.42
Additions during the year	10.20
Deductions during the year	–
Balance as at 31 March 2024	**115.62**
NET CARRYING AMOUNT	
As at 31 March 2023	**14.35**
As at 31 March 2024	**14.61**

The Company has not revalued its Intangible Assets.

Intangible assets under development

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.10	–	–	–	105.10
Project temporarily suspended	–	–	–	–	–
Total	**105.10**	**–**	**–**	**–**	**105.10**

12 Other non-financial assets

	31 March 2024	31 March 20223
		Rs. in crores
Capital advances	**84.23**	216.01
Prepaid expenses	**67.13**	52.71
Balances with Government Authorities	**377.99**	208.41
Unamortized placement and arrangement fees paid on borrowing instruments	**0.11**	–
Insurance advances	**13.07**	5.94
Other advances	**18.37**	9.80
	560.90	492.87

13 Derivative financial instruments

	31 March 2024		31 March 2023	**Rs. in crores**
	Notional amounts	**Fair value of Liabilities**	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives unhedged: (refer note 53 (III))				
Forward contracts	**–**	**–**	–	–
Currency swaps/Options	**709.00**	**154.30**	1,063.50	144.83
Total (A)	**709.00**	**154.30**	1,063.50	144.83
Currency / interest rate derivatives hedged: (refer note 53 (III))				
Forward contracts	**835.52**	**177.40**	839.91	16.92
Currency swaps/Options	**827.70**	**3.57**	827.70	18.95
Total (B)	**1,663.22**	**180.97**	1,667.61	35.87
Total derivative financial instruments (A+B)	**2,372.22**	**335.27**	2,731.11	180.70

Movement in Cash Flow Hedge Reserve

	31 March 2024	31 March 2023
		Rs. in crores
Balance at the beginning of the year	**(4.74)**	–
Recognised on Cash Flow Hedge Reserve	**(3.39)**	(6.34)
Reclassified to profit or loss	**–**	–
Income Tax relating to gain/ loss on the OCI	**0.85**	1.60
	(7.28)	(4.74)

14 Payables

	31 March 2024	31 March 2023
		Rs. in crores
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	**–**	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**1,459.47**	1,126.57
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	**2.80**	2.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**62.62**	37.12
	1,524.89	1,166.31

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		31 March 2024	31 March 2023
			Rs. in crores
a)	Dues remaining unpaid to any supplier at the year end		
	– Principal	**2.80**	2.62
	– Interest on the above		
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
	– Principal paid beyond the appointed date	**–**	–
	– Interest paid in terms of Section 16 of the MSMED Act		
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
d)	Amount of interest accrued and remaining unpaid		
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
		2.80	2.62

Trade Payables aging schedule

As at 31 March 2024 — **Rs. in crores**

	Particulars	**Outstanding for following periods from due date of payment**				
		Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
i)	MSME	2.80	–	–	–	2.80
ii)	Others	1,476.64	23.03	7.57	14.85	1,522.09
	Total	**1,479.44**	**23.03**	**7.57**	**14.85**	1,524.89
	Disputed dues –					
	– MSME	**–**	**–**	**–**	**–**	–
	– Others	**–**	**–**	**–**		

There is neither an instance where due date is not specified nor there is any unbilled due.

As at 31 March 2023 — **Rs. in crores**

	Particulars	**Outstanding for following periods from due date of payment**				
		Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
i)	MSME	2.62	–	–	–	2.62
ii)	Others	1,094.44	17.64	7.11	44.50	1,163.69
	Total	**1,097.06**	**17.64**	**7.11**	**44.50**	1,166.31
	Disputed dues –					
	– MSME	**–**	**–**	**–**	**–**	–
	– Others	**–**	**–**	**–**	**0.59**	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

15 Debt Securities

	31 March 2024	31 March 2023
		Rs. in crores
At Amortized cost		
Non–convertible debentures (Secured)	**20,848.41**	19,464.32
Non–convertible debentures (Unsecured)	**995.41**	994.95
Commercial Papers (Unsecured)	**4,882.12**	3,936.00
Rupee Denominated Secured Bonds overseas (Masala Bonds)	**–**	349.80
Total	**26,725.94**	24,745.07
Debt securities in India	**26,725.94**	24,395.27
Debt securities outside India	**–**	349.80
Total	**26,725.94**	24,745.07

Note: There is no debt securities measured at FVTPL or designated at FVTPL.

The Secured Non-convertible debentures are secured by pari-passu charges on Buildings (forming part of PPE) and exclusive charges on receivables under loan contracts having carrying value of Rs. 23,571.34 crore (March 2023: Rs. 22,363.93 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

Details of Non-convertible debentures (Secured):

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
A) Issued on private placement basis (wholesale) –				
Repayable on maturity:				
Maturing within 1 years	**7.45%-8.95%**	**4,529.50**	5.25%-8.75%	3,969.70
Maturing between 1 years to 3 years	**6.25%-9.00%**	**9,523.50**	6.25%-9.00%	8,203.00
Maturing between 3 years to 5 years	**7.90%-8.25%**	**754.35**	7.90%-8.25%	752.25
Maturing beyond 5 years	**7.45%-8.48%**	**4,978.00**	7.45%-8.48%	4,978.00
Sub–total at face value		**19,785.35**		17,902.95
Repayable in Half yearly instalments:				
Maturing within 1 year	6.35%	56.25		
Maturing between 1 year to 3 years	6.35%	168.75	6.35%	168.75
Maturing between 3 years to 5 years			6.35%	56.25
Maturing beyond 5 years				
Sub-total at face value		**225.00**		225.00
Total at face value (A)		**20,010.35**		18,127.95
B) Issued on retail public issue –				
Repayable on maturity:				
Maturing within 1 year		**–**	9.10%–9.15%	535.56
Maturing between 1 year to 3 years	**9.20%-9.30%**	**869.15**		–
Maturing between 3 years to 5 years		**–**	9.20%–9.30%	869.15
Maturing beyond 5 years		**–**		
Sub-total at face value (B)		**869.15**		1,404.71
Total at face value (A+B)		**20,879.50**		19,532.66
Less: Unamortized discounting charges		**31.10**		68.34
Total amortized cost		**20,848.41**		19,464.32

Details of Non-convertible debentures (Unsecured) –:

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing beyond 5 years	**8.53%**	**1,000.00**	8.53%	1,000.00
Maturing between 3 years to 5 years		**–**		–
Maturing between 1 year to 3 years		**–**		–
Maturing within 1 year		**–**		–
Total at face value		**1,000.00**		1,000.00
Less: Unamortized discounting charges		**4.59**		5.05
Total amortized cost		**995.41**		994.95

Details of Commercial Papers (Unsecured):

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**7.69%-8.30%**	**4,975.00**	5.50%-8.26%	4,075.00
Total at face value		**4,975.00**		4,075.00
Less: Unamortized discounting charges		**92.88**		139.00
Total amortized cost		**4,882.12**		3,936.00

Rupee Denominated Secured Bonds overseas (Masala Bonds)

Rs. in crores

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing between 1 year to 3 years		–	7.40%	350.00
Maturing between 3 years to 5 years		–		
Total at face value		–		350.00
Less: Unamortized discounting charges		–		0.20
Total amortized cost		–		349.80

16 Borrowings (Other than Debt Securities)

Rs. in crores

	31 March 2024	31 March 2023
At Amortized cost		
a) Term loans		
i) Secured –		
– from banks	**46,242.36**	30,622.15
– External Commercial Borrowings	**2,102.05**	2,550.71
– Associated liabilities in respect of securitization transactions	**5,592.45**	6,718.60
ii) Unsecured –		
– WCDL from banks	**2.47**	85.00
– from other parties	**150.00**	150.01
b) Loans from related parties		
Unsecured –		
– Inter–corporate deposits (ICDs)	**59.50**	437.00
c) Loans repayable on demand		
Secured –		
– Cash credit facilities with banks	**–**	169.97
d) Other loans and advances		
Unsecured –		
– Inter-corporate deposits (ICDs) other than related parties	**170.00**	500.62
Total	**54,318.83**	41,234.06
Borrowings in India	**52,216.78**	38,683.35
Borrowings outside India	**2,102.05**	2,550.71
Total	**54,318.83**	41,234.06

Note: There is no borrowings measured at FVTPL or designated at FVTPL.

The secured term loans from banks and External Commercial Borrowings are secured by exclusive charges on receivables under loan contracts having carrying amount of Rs 51,919.57 crore (March 2023: Rs 30,645.34 crore).

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

Details of term loans from banks (Secured)

Rs. in crores

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	**6.75%-8.95%**	**2,636.00**	5.98%-8.85%	3,020.00
Maturing between 1 year to 3 years	**7.70%-8.30%**	**480.00**	–	–
Total for repayable on maturity		**3,116.00**		3,020.00

Rs. in crores

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
2) Repayable in installments:				
i) Quarterly –				
Maturing within 1 year	**5.15%-8.70%**	**7,687.85**	5.15%-8.89%	4,820.25
Maturing between 1 year to 3 years	**5.70%-8.70%**	**13,757.19**	5.15%-8.62%	6,767.00
Maturing between 3 years to 5 years	**5.75%-8.35%**	**4,880.88**	5.75%-8.62%	1,833.35
Sub-Total		**26,325.92**		13,420.60
ii) Half yearly –				
Maturing within 1 year	**6.25%-8.80%**	**3,504.30**	6.25%-10.50%	3,267.11
Maturing between 1 year to 3 years	**6.97%-8.80%**	**5,443.01**	6.25%-8.40%	5,238.56
Maturing beyond 3 years to 5 years	**7.80%-8.80%**	**2,535.81**	7.45%-8.40%	2,689.03
Maturing beyond 5 years	**8.15%**	**111.12**		
Sub-Total		**11,594.24**		11,194.70
iii) Yearly –				
Maturing within 1 year	**7.59%-9.00%**	**1,585.00**	7.49%-8.72%	460.00
Maturing between 1 year to 3 years	**7.59%-9.00%**	**2,666.67**	7.49%-8.72%	1,649.17
Maturing between 3 years to 5 years	**8.50%-9.00%**	**955.00**	8.35%-8.72%	877.50
Sub-Total		**5,206.67**		2,986.67
Total for repayable in instalments		**43,126.83**		27,601.97
Total (1+2) (As per contractual terms)		**46,242.83**		30,621.97
Add / Less Unamortized Finance Cost		**(0.47)**		0.18
Total Amortized Cost		**46,242.36**		30,622.15

The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate) and Treasury bills plus spread.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company except for certain differences which has been duly reconciled and presented here below.

Summary of reconciliation

Year ended 31 March 2024

Rs. in crores

	Quarter ended			
	June 2024	**September 2023**	December 2023	March 2024
Value as per quarterly returns / statements filed with Banks	2,567.53	2,556.60	2,556.49	**2,557.03**
Difference due to future interest considered in Book debt statements	–	–	–	**–**
Difference in Overdue balance due to credits not considered in returns	34.14	25.59	18.41	**62.93**
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	9.82	5.46	7.89	**7.45**
Value as per Ind AS books of account	2,611.49	2,587.66	2,582.79	**2,627.41**

Year ended 31 March 2023

Rs. in crores

	Quarter ended			
	June 2022	**September 2022**	December 2022	March 2023
Value as per quarterly returns / statements filed with Banks	3,289.51	3,289.57	2,464.49	2,352.97
Difference due to future interest considered in Book debt statements	–	–	–	–
Difference in Overdue balance due to credits not considered in returns	36.43	32.61	22.51	9.55
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	13.81	13.75	8.60	6.58
Value as per Ind AS books of account	3,339.75	3,335.93	2,495.60	2,369.10

Details of External Commercial Borrowings (USD, Euro & JPY)

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing between 3 years to 5 years			-	-
Maturing within 1 year	**6.61%**	**363.59**	6.91%	309.00
Maturing between 1 year to 3 years	**6.61%–8.11%**	**1,743.99**	6.61%–8.11%	2,251.17
Maturing beyond 3 years to 5 years	**–**	**–**	–	–
		2,107.58		2,560.17
Less Unamortized Finance Cost		**5.53**		9.46
		2,102.05		2,550.71

Details of associated liabilities related to Securitization transactions

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing within 1 year	**3.70%–7.55%**	**2,538.53**	3.70%–7.55%	3,467.94
Maturing between 1 year to 3 years	**3.70%–7.55%**	**2,643.24**	3.76%–7.55%	2,921.26
Maturing between 3 years to 5 years	**4.76%–7.55%**	**410.67**	3.70%–7.55%	329.40
Maturing beyond 5 years	**–**	**–**	–	–
		5,592.44		6,718.60
Less Unamortized Finance Cost		**–**		–
		5,592.44		6,718.60

Details of Unsecured term loans from banks

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**9.25%**	**2.47**	8.05%	85.00
Total		**2.47**		85.00
Less Unamortized Finance Cost		**–**		–
Total Amortized Cost		**2.47**		85.00

Details of Unsecured term loans from others

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**8.20%**	**75.00**		–
Maturing between 1 year to 3 years	**8.20%**	**75.00**	8.10%	150.00
Total		**150.00**		150.00
Add Unamortized Finance Cost		**0.00**		0.01
Total Amortized Cost		**150.00**		150.01

Details of Loans from related parties (Unsecured) – Inter–corporate deposits (ICDs)

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.25%-7.80%**	**41.00**	5.40%-7.85%	414.50
Maturing between 1 year to 3 years	**6.25%**	**18.50**	6.25%	22.50
Total		**59.50**		437.00
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	**7.50%-8.00%**	**170.00**	6.40%-7.80%	500.62
Total Amortized Cost		**170.00**		500.62

Details of Loans repayable on demand (Secured) - Cash credit facilities with banks

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year		**–**	8.45%	169.97
Total		**–**		169.97

17 Deposits

Rs. in crores

	31 March 2024	31 March 2023
At amortized cost		
Deposits (Unsecured)		
– Public deposits*	**7,174.74**	5,524.60
Total	**7,174.74**	5,524.60

Note: There is no deposits measured at FVTPL or designated at FVTPL.

*as defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year. However, there was a delay in one instance in transferring an amount of Rs. 1,538.00, required to be transferred, to the Investor Education and Protection Fund by the Company.

Details of Deposits (Unsecured) – Public deposits

Rs. in crores

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**5.65% - 9.15%**	**2,660.39**	4.95% - 9.15%	1,836.02
Maturing between 1 year to 3 years	**5.75% - 8.45%**	**3,588.40**	5.65% - 9.15%	3,269.40
Maturing beyond 3 years	**5.9% - 8.4%**	**948.41**	5.90% - 9.15%	436.41
Total at face value		**7,197.20**		5,541.83
Less: Unamortized discounting charges		**22.46**		17.23
Total amortized cost		**7,174.74**		5,524.60

18 Subordinated liabilities

Rs. in crores

	31 March 2024	31 March 2023
At Amortized cost (Unsecured)		
Subordinated redeemable non–convertible debentures – private placement	**1,601.11**	1,028.73
Subordinated redeemable non–convertible debentures – retail public issue	**2,404.55**	2,413.40
Total	**4,005.66**	3,442.13
Subordinated liabilities in India	**4,005.66**	3,442.13
Subordinated liabilities outside India	**–**	–
Total	**4,005.66**	3,442.13

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortized cost) – Unsecured subordinated redeemable non–convertible debentures

Rs. in crores

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis –				
Repayable on maturity:				
Maturing within 1 year	**9.18%-9.60%**	**215.00**	9.50%-9.70%	127.80
Maturing between 1 year to 3 years	**8.90%-9.10%**	**175.00**	8.90%-9.60%	390.00
Maturing between 3 years to 5 years		**–**		–
Maturing beyond 5 years	**7.35%-8.35%**	**1,212.90**	7.35%-8.20%	512.90
Sub–total at face value (A)		**1,602.90**		1,030.70
B) Issued on retail public issue –				
Repayable on maturity:				
Maturing within 1 year	**7.75%-7.85%**	**59.32**	8.44%-8.80%	12.34
Maturing between 1 year to 3 years	**8.53%-9.00%**	**933.01**	7.75%-7.85%	59.32
Maturing between 3 years to 5 years	**7.90%-9.50%**	**784.12**	7.90%-9.00%	1,380.25
Maturing beyond 5 years	**7.95%-8.05%**	**643.96**	7.95%-9.50%	980.84
Sub–total at face value (B)		**2,420.41**		2,432.75
Total at face value (A+B)		**4,023.31**		3,463.45
Less: Unamortized discounting charges		**17.65**		21.32
Total amortized cost		**4,005.66**		3,442.13

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 19 for the specific purpose for which these were availed.

In respect of all the borrowings, there is no default in payment of either principal or interest.

The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

19 Other financial liabilities

Rs. in crores

	31 March 2024	31 March 2023
Interest accrued but not due on borrowings	**1,753.42**	1,730.03
Unclaimed dividends #	**0.57**	0.60
Unclaimed matured deposits and interest accrued thereon #	**4.37**	4.88
Deposits / advances received against loan agreements	**35.51**	88.79
Insurance premium payable	**3.42**	3.78
Salary, Bonus and performance payable	**8.80**	7.35
Provision for expenses	**210.08**	175.79
Lease liabilities (refer note 40)	**367.92**	349.61
Others	**57.24**	23.45
Total	**2,441.33**	2,384.28

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

20 Provisions

Rs. in crores

	31 March 2024	31 March 2023
Provision for employee benefits		
– Gratuity (refer note 36)	**8.70**	22.15
– Leave encashment	**84.38**	84.00
– Bonus, incentives and performance pay	**112.03**	154.16
Provision for loan commitment	**0.02**	0.43
Total	**205.13**	260.74

21 Other non–financial liabilities

Rs. in crores

	31 March 2024	31 March 2023
Deferred subvention income	**14.37**	22.49
Statutory dues and taxes payable	**125.76**	89.88
Others*	**10.54**	11.71
Total	**150.67**	124.08

* Others include monies adjusted from share capital and other equity on account of shares held by MMFSL ESOP Trust pending transfer to the eligible employees and lease rental advances.

22 Equity Share capital

Rs. in crores

	31 March 2024	31 March 2023
Authorized:		
250,00,00,000 (31 March 2023: 250,00,00,000) Equity shares of Rs. 2/- each	**500.00**	500.00
50,00,000 (31 March 2023: 50,00,000) Redeemable preference shares of Rs. 100/- each	**50.00**	50.00
Issued, Subscribed and paid–up:		
123,55,29,920 (31 March 2023: 123,55,29,920) Equity shares of Rs.2/- each fully paid up	**247.11**	247.11
Less : 11,43,808 (31 March 2023: 19,31,449) Equity shares of Rs.2/- each fully paid up issued to ESOS Trust but not yet allotted to employees, including fresh equity shares allotted to ESOS Trust under rights issue during the year	**0.23**	0.39
Adjusted Issued, Subscribed and paid–up Share capital	**246.88**	246.72

		As at 31 March 2024		As at 31 March 2023	
		No. of shares	**Rs. in crores**	No. of shares	Rs. in crores
a)	**Reconciliation of number of equity shares and amount outstanding:**				
	Issued, Subscribed and paid-up:				
	Balance at the beginning of the year	**1,23,55,29,920**	**247.11**	1,23,55,29,920	247.11
	Add: Fresh allotment of shares:	–	–	–	–
	Balance at the end of the year	**1,23,55,29,920**	**247.11**	1,23,55,29,920	247.11
	Less: Shares issued to ESOS Trust but not yet allotted to employees	**11,43,808**	**0.23**	19,31,449	0.39
	Adjusted Issued, Subscribed and paid–up Share capital	**1,23,43,86,112**	**246.88**	1,23,35,98,471	246.72
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding company: Mahindra & Mahindra Limited	**64,43,99,987**	**128.88**	64,43,99,987	128.88
	Percentage of holding (%)	**52.16%**		52.16%	
c)	**Shareholders holding more than 5 percent of the aggregate shares:**				
	Mahindra & Mahindra Limited	**64,43,99,987**	**128.88**	64,43,99,987	128.88
	Percentage of holding (%)	**52.16%**		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

	Shares held by promoters as at 31 March 2024			Shares held by promoters as at 31 March 2023		
Name of the Promoter	**No. of Shares**	**%of total shares**	**% Change during the year**	No. of Shares	%of total shares	% Change during the year
Mahindra & Mahindra Limited	**64,43,99,987**	**52.16%**	**–**	64,43,99,987	52.16%	–

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity) :

Statutory reserve as per Section 45–IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilized by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserve.

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

Rs. in crores

	31 March 2024	31 March 2023
Dividend paid	**741.32**	444.79
Profit for the relevant year	**1,984.32**	988.75
Dividend as a percentage of profit for the relevant year	**37.4%**	45.0%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

Rs. in crores

	31 March 2024	31 March 2023
Face value per share (Rupees)	**2.00**	2.00
Dividend percentage	**315%**	300%
Dividend per share (Rupees)	**6.30**	6.00
Total Dividend on Equity shares (a)	**778.38**	741.32
Profit after tax for the relevant year (b)	**1,759.62**	1,984.32
Dividend proposed as a percentage of profit after tax (a/b)	**44.2%**	37.4%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

23 Interest income

Rs. in crores

	31 March 2024	31 March 2023
On financial instruments measured at Amortized cost (refer note 2.6)		
Interest on loans	**12,222.88**	9,847.25
Income from bill discounting	**106.07**	102.00
Interest income from investments	**203.87**	231.64
Interest on term deposits with banks	**266.11**	210.08
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	**309.83**	291.60
Total	**13,108.76**	10,682.57

Note: There is no loan asset measured at FVTPL.

24 Fees, charges and commission income

Rs. in crores

	31 March 2024	31 March 2023
Service charges and other fees income	**155.75**	139.22
Fees, commission / brokerage received from mutual fund distribution/other products	**7.17**	10.90
Collection fees related to transferred assets under securitization transactions	**11.75**	17.84
Total	**174.67**	167.96

25 Net gain/(loss) on fair value changes

Rs. in crores

	31 March 2024	31 March 2023
Net gain / (loss) on financial instruments at FVTPL		
On trading portfolio		
– Investments	**2.39**	(1.37)
Others – Mutual fund units	**2.86**	6.96
Total Net gain / (loss) on financial instruments at FVTPL	**5.25**	5.59
Fair value changes:		
– Realized	**–**	5.59
– Unrealized	**5.25**	–
Total Net gain / (loss) on financial instruments at FVTPL	**5.25**	5.59

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

26 Other income

Rs. in crores

	31 March 2024	31 March 2023
Net gain on derecognition of property, plant and equipment	**6.65**	2.89
Net gain on sale investments measured at amortized cost	**1.95**	0.73
Dividend income from Equity investments in subsidiaries	**2.89**	4.12
Income from shared services	**146.17**	119.29
Others	**0.62**	0.26
Total	**158.28**	127.29

27 Finance costs

Rs. in crores

	31 March 2024	31 March 2023
On financial liabilities measured at Amortized cost		
Interest on deposits	**473.41**	524.74
Interest on borrowings	**3,399.09**	2,135.60
Interest on debt securities	**2,191.45**	1,584.36
Interest on subordinated liabilities	**295.79**	291.15
Net loss / (gain) in fair value of derivative financial instruments	**9.47**	(10.77)
Interest expense on lease liabilities (refer note 40)	**26.35**	21.79
Others	**31.38**	29.85
Total	**6,426.94**	4,576.72

Note: There are no financial liabilities measured at FVTPL.

28 Impairment on financial instruments

Rs. in crores

	31 March 2024	31 March 2023
On financial instruments measured at Amortized cost		
Bad debts and write offs	**1,714.89**	2,213.36
Loans	**114.48**	(1,212.71)
Investments	**(0.98)**	(0.64)
Loan commitment	**(0.41)**	0.26
Trade receivables and other contracts	**(5.19)**	(1.04)
Total	**1,822.79**	999.23

Note: There are no financial instruments measured at FVOCI.

29 Employee benefits expenses

Rs. in crores

	31 March 2024	31 March 2023
Salaries and wages	**1,588.35**	1,457.60
Contribution to provident funds and other funds	**87.51**	94.43
Share based payments to employees	**4.49**	4.55
Staff welfare expenses	**32.28**	27.69
Total	**1,712.63**	1,584.27

30 Depreciation, amortization and impairment

Rs. in crores

	31 March 2024	31 March 2023
Depreciation on Property, Plant and Equipment (refer note 10)	**139.32**	104.65
Amortization and impairment of intangible assets (refer note 11)	**10.20**	12.47
Depreciation on Right of Use Asset (refer note 10 and 40)	**79.19**	70.11
Total	**228.71**	187.23

31 Other expenses

Rs. in crores

	31 March 2024	31 March 2023
Rent	**12.78**	14.32
Rates and taxes, excluding taxes on income	**9.76**	6.67
Electricity charges	**18.17**	16.14
Repairs and maintenance	**12.06**	9.83
Communication costs	**51.82**	33.92
Printing and stationery	**12.99**	12.58
Advertisement and publicity	**40.22**	26.78
Directors' fees, allowances and expenses	**3.81**	2.97
Auditor's fees and expenses –		
– Audit fees	**1.48**	1.41
– Other services	**0.46**	0.36
– Reimbursement of expenses	**0.01**	0.04
Legal and professional charges	**149.21**	112.18
Insurance	**52.30**	51.03
Manpower outsourcing cost	**122.03**	182.07
Donations	**0.18**	0.39
Corporate Social Responsibility (CSR) expenses (refer note 46)	**29.98**	44.50
Conveyance and travel expenses	**150.65**	123.51
Other expenses	**238.07**	237.12
Total	**905.98**	875.82

32 Exceptional items

Rs. in crores

	31 March 2024	31 March 2023
Impairment loss provision on equity investment in Mahindra Ideal Finance Limited (MIFL), a subsidiary in Sri Lanka #	**–**	(54.51)
Total	**–**	(54.51)

During the previous year ended 31 March 2023, the Company has recognised an impairment loss provision of Rs. 54.51 crore as an exceptional item in respect of its subsidiary in Sri Lanka, Mahindra Ideal Finance Limited (MIFL) on account of the severe economic crisis situation in Sri Lanka based on valuation report obtained from an independent registered valuer.

33 Earning Per Share (EPS)

Rs. in crores

	31 March 2024	31 March 2023
Profit for the year (Rs in crore)	**1,759.62**	1,984.32
Weighted average number of Equity Shares used in computing basic EPS	**1,23,39,32,506**	1,23,31,47,111
Effect of potential dilutive Equity Shares	**6,47,658**	12,09,941
Weighted average number of Equity Shares used in computing diluted EPS	**1,23,45,80,164**	1,23,43,57,052
Basic Earnings per share (Rs.) (Face value of Rs. 2/– per share)	**14.26**	16.09
Diluted Earnings per share (Rs.)	**14.25**	16.08

34 Accumulated Other Comprehensive Income

Rs. in crores

	31 March 2024	31 March 2023
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	**21.46**	21.46
– Net gain / (loss) on equity instruments through OCI	**–**	–
– Income tax relating to items that will not be reclassified to profit or loss	**–**	–
Balance at the end of the year: Subtotal (A)	**21.46**	21.46
B) Items that will be reclassified to profit or loss		
Balance at the beginning of the year	**(128.50)**	(57.30)
– Net gain / (loss) on debt instruments through OCI	**70.58**	(88.82)
– The effective portion of gains and loss on hedging instruments in a cash flow hedge;	**(3.39)**	(6.34)
– Income tax relating to items that will be reclassified to profit or loss	**(16.91)**	23.95
Balance at the end of the year: Subtotal (B)	**(78.22)**	(128.50)
Accumulated Other Comprehensive Income (A + B)	**(56.76)**	(107.04)

35 Employee Stock Option Plan

The Company had allotted 48,45,025 Equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2010 at par on 3 February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of Rs.50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17 August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at Rs.50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue shall remain same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 65,50,154 equity shares to employees up to 31 March 2024 (31 March 2023: 57,62,513 equity shares), of which 7,87,641 equity shares (31 March 2023: 6,42,714 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by Rs. 0.16 crore for the year ended 31 March 2024 (31 March 2023 : Rs. 0.13 crore).

a) The terms and conditions of the Employees Stock Option Scheme 2010 are as under:

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

During the year ended 31 March 2024, the Company has not granted any stock options (31 March 2023: nil) to the employees under the Employees' Stock Option Scheme 2010.

ii) MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED – RESTRICTED STOCK UNITS PLAN 2023 ("MMFSL RSU PLAN 2023")

During the year ended 31 March 2024, the Company has granted 2,83,171 stock options under the newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited – Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on 28 April 2023.

The terms and conditions of the MMFSL RSU PLAN 2023 are as under:

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs, The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control d) Profit growth e) Return on Assets (ROA) f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 equal tranches @ 33.33% on expiry of 12, 24 and 36 months, up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

Particulars	**Year ended 31 March 2024**
Grant dated 26 October 2023	
Exercise price (Rs.)	**2.00**
Fair value of option (Rs.)	**246.47**

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grant dated 26 October 2023	**Year ended 31 March 2024**
Variables#	
1) Risk free interest rate	**7.29%**
2) Expected life	**4.51 years**
3) Expected volatility	**45.98%**
4) Dividend yield	**2.19%**
5) Price of the underlying share in the market at the time of option grant (Rs.)	**273.60**

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) **i) Summary of stock options - Employee Stock Option Scheme 2010 :**

Particulars	As at 31 March 2024 No. of stock options	As at 31 March 2024 Weighted average exercise price (Rs.) #	As at 31 March 2023 No. of stock options	As at 31 March 2023 Weighted average exercise price (Rs.) #
Options outstanding at the beginning of the year	14,34,983	26.91	21,67,340	26.91
Options granted during the year	–	–	–	–
Adjustment pertaining to Rights Issue	–	–	–	–
Options forfeited / lapsed during the year	12,392	26.00	47,783	26.46
Options expired during the year	22,187	35.33	41,860	31.62
Options exercised during the year	7,87,641	26.63	6,42,714	26.63
Options outstanding at the end of the year	6,12,763	26.97	14,34,983	26.91
Options vested but not exercised at the end of the year	6,12,763	26.97	6,96,553	27.87

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at Rs.2/- per option and adjustment options issued under Rights issue are exercisable at Rs.50/- each, including premium of Rs. 48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

Particulars	As at 31 March 2024 No. of stock options	As at 31 March 2024 Weighted average exercise price (Rs.) #
Options outstanding at the beginning of the year	–	–
Options granted during the year	2,83,171	2.00
Options forfeited / lapsed during the year	–	–
Options expired during the year	–	–
Options exercised during the year	–	–
Options outstanding at the end of the year	2,83,171	2.00
Options vested but not exercised at the end of the year	–	–

d) **Information in respect of options outstanding:**

Exercise price	As at 31 March 2024 No. of stock options	As at 31 March 2024 Weighted average remaining life	As at 31 March 2023 No. of stock options	As at 31 March 2023 Weighted average remaining life
Employee Stock Option Scheme 2010 -				
i) At Rs. 2.00 per option	2,94,002	24 months	6,90,412	35 months
ii) At Rs. 50.00 per option	3,18,761	23 months	7,44,571	34 months
MMFSL RSU PLAN 2023 - - At Rs. 2.00 per option	2,83,171	80 months		
	8,95,934		14,34,983	

e) **Average share price at recognized stock exchange on the date of exercise of the option is as under:**

Year ended 31 March 2024 Date of Exercise	**Year ended 31 March 2024** Weighted average share price (Rs.) #	Year ended 31 March 2023 Date of Exercise	Year ended 31 March 2023 Weighted Average share price (Rs.)
01 April 2023 to 31 March 2024	**275.35**	01 April 2022 to 31 March 2023	215.21

f) **Determination of expected volatility**

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, Rs.4.49 crore (31 March 2023: Rs.4.55 crore) has been included under 'Employee Benefits Expense' as 'Share-based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements to the holding company of Rs.1.69 crore (31 March 2023: Rs. 1.05 crore) in respect of options granted to employees of the Company and excludes net recovery of Rs.0.01 crore (31 March 2023: Rs.0.22 crore) from its subsidiaries for options granted to their employees.

36 Employee benefits

General description of defined benefit plans

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the Gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatality –

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields –

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates –

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk –

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs. 20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk –

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy –

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars	Funded Plan Gratuity Year ended 31 March 2024	2023
I. Amounts recognised in the Statement of Profit & Loss		
Current service cost	**15.55**	13.21
Net Interest cost	**1.02**	2.47
Past service cost	**–**	–
Interest Income	**(6.94)**	–
Adjustment due to change in opening balance of Plan assets	**(8.57)**	(5.51)
Total expenses included in employee benefits expense	**1.06**	10.17
II. Amount recognized in Other Comprehensive income		
Remeasurement (gains)/losses:		
a) Actuarial (gains)/losses arising from changes in –		
– financial assumptions	**(6.64)**	(17.27)
– experience adjustments	**–**	–
b) Return on plan assets, excluding amount included in net interest expense/(income)	**–**	–
Total amount recognized in other comprehensive income	**(6.64)**	(17.27)
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	**125.73**	104.26
Add/(less) on account of business combination/transfers		
Current service cost	**15.55**	13.21
Past service cost	**–**	–
Interest expense	**9.43**	7.63
Remeasurement (gains)/losses arising from changes in –		
– demographic assumptions	**(0.10)**	0.19
– financial assumptions	**2.57**	(1.52)
– experience adjustments	**(4.23)**	13.44
Benefits paid	**(2.54)**	(11.48)
Closing defined benefit obligation	**146.41**	125.73
IV. Change in the fair value of plan assets during the year		
Opening Fair value of plan assets	**103.59**	65.06
Interest income	**15.35**	5.16
Expected return on plan assets	**(8.41)**	(5.16)
Contributions by employer	**21.15**	44.50
Adjustment due to change in opening balance of Plan assets	**8.57**	5.51
Actual Benefits paid	**(2.54)**	(11.48)
Closing Fair value of plan assets	**137.71**	103.59
V. Net defined benefit obligation		
Defined benefit obligation	**146.40**	125.73
Fair value of plan assets	**137.70**	103.58
Surplus/(Deficit)	**(8.70)**	(22.15)
Current portion of the above	**–**	–
Non current portion of the above	**(8.70)**	(22.15)

Particulars	Funded Plan Gratuity Year ended 31 March 2024	2023
VI. Expected contribution for the next reporting year	**27.71**	16.31
Actuarial assumptions and Sensitivity		
I. Actuarial assumptions		
Discount Rate (p.a.)	**7.22%**	7.50%
Attrition rate	**27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above**	22.00 for age up to 30, 16.00for age 31-44, 8.00 for 45 and above
Expected rate of return on plan assets (p.a.)	**7.50%**	7.32%
Rate of Salary increase (p.a.)	**7.00%**	7.00%
In–service Mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:		
One percentage point increase in discount rate	**(9.95)**	(7.04)
One percentage point decrease in discount rate	**11.17**	7.16
One percentage point increase in Salary growth rate	**11.17**	7.16
One percentage point decrease in Salary growth rate	**(9.87)**	(7.14)
III. Maturity profile of defined benefit obligation		
Within 1 year	**21.00**	24.23
Between 1 and 5 years	**118.33**	120.21

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company's contribution to provident fund, superannuation fund and national pension scheme aggregating to Rs 78.39 crore (31 March 2023: Rs.70.23 crore) has been recognized in the Statement of profit and loss under the head Employee benefits expense.

37 Additional disclosures

i) During the financial years ended 31 March 2024 and 31 March 2023, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Company and there is no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

As at 31 March 2024

	Name of Struck off Company	Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2024 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	0.00	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	–	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	–	External
10	MRA REFINO PRIVATE LIMITED	Receivables	–	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	–	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	–	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Receivables	0.00	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	–	External
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	0.00	External
24	DREAMS BROKING PRIVATE LIMITED	Share held by struck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Share held by struck off Company	689*	External

* Number of Equity Shares

As at 31 March 2023

	Name of Struck off Company	Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2023 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASHWANI ENTERPRISES PRIVATE LIMITED	Receivables	0.04	External
2	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.03	External
3	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	0.01	External
4	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.06	External
5	BRILLIANT RISIE PRIVATE LIMITED	Receivables	0.07	External
6	ALCROOKS AND COOK PRIVATE LIMITED	Receivables	–	External
7	OM DHAR ENGINEERING PRIVATE LIMITED	Receivables	–	External
8	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.02	External
9	M_S GARHWAL AIRCON SERVICES PRIVATE LIMITED	Receivables	0.07	External
10	IGI CORPORATION PVT LTD	Receivables	–	External
11	MRA REFINO PRIVATE LIMITED	Receivables	0.02	External
12	GR AUDITYA RENEWABLE ENERGIES PRIVATE LIMITED	Receivables	0.06	External
13	JCR INFRABUILT PRIVATE LIMITED	Receivables	0.04	External
14	NOVOCON SOLUTION PVT LTD	Receivables	0.00	External
15	DEVINE DEVBUILD PRIVATE LIMITED	Receivables	–	External
16	ENGINEERS REALTY PRIVATE LIMITED	Receivables	–	External
17	PUNEETH TECHNO PROJECTS PRIVATE LIMITED	Receivables	0.03	External
18	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.07	External
19	ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.04	External
20	GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.02	External
21	SSNG BUSINESS PRIVATE LIMITED	Receivables	–	External
22	NAVADHARA SUPER MARKET PRIVATE LIMITED	Receivables	–	External
23	NIRBAN LOGISTICS PRIVATE LIMITED	Receivables	–	External
24	ASVRJ LOGISTIC PVT LTD	Receivables	0.01	External
25	SPXPRESS LOGISTICS PRIVATE LIMITED	Receivables	0.07	External
26	SLTT INDIA PRIVATE LIMITED	Receivables	0.03	External
27	DHARAA MOBILITY PVT LTD	Receivables	–	External
28	AUTO WORLD PRIVATE LIMITED	Receivables	0.83	External
29	RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	–	External
30	ARSH BUILDWELL PRIVATE LIMITED	Receivables	–	External
31	ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	–	External

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Name of Struck off Company	Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2023 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
32 VENHAN TECHNOLOGIES PRIVATE LIMITED	Receivables	0.18	External
33 SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.13	External
34 CZONE ENGINEERS PRIVATE LIMITED	Receivables	0.05	External
35 M/S. ASHWA ARTS PRIVATE LIMITED	Receivables	0.01	External
36 CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.07	External
37 ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.04	External
38 XPERTO MARKETING SOLUTION PVT LTD	Receivables	–	External
39 RAMA TENT HOUSE PRIVATE LIMITED	Receivables	0.09	External
40 MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.06	External
41 4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.02	External
42 PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	0.01	External
43 SHIRIDI SRISAI SOLUTIONS PVT LTD	Receivables	0.06	External
44 DEVBHUMI AVIATION PVT LTD	Receivables	–	External
45 VH SQUARE HEALTHCARE PVT LTD	Receivables	0.08	External
46 SHREE BIO CROP INDIA PRIVATE LIMITED	Receivables	–	External
47 LIANCE CONSULTANT&ENGINEERS PRIVATE LIMITED	Payables	(0.00)	External
48 DREAMS BROKING PRIVATE LIMITED	Shares held by struck off Company	476*	External
49 UNICKON FINCAP PRIVATE LIMITED	Shares held by struck off Company	689*	External

* Number of Equity Shares

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vi) Utilisation of Borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

ix) All the secured non-convertible debentures of the Company including those issued during the year ended 31 March 2024 are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/ Lease, owned Assets and book debts. Further, the Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Term Sheet/ Offer document/ Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon.

The asset cover available as on 31 March 2024 in respect of listed secured debt securities is 1.08 (March 2023: 1.09).

38 Transactions in the nature of change in ownership in group entities

Pursuant to Share Purchase Agreement dated 21 October 2022 entered into by the Company with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) and on receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI), the Company has completed the acquisition of 20,61,856 Equity shares of Rs.10 each of MIBL, at a price of Rs. 1001 per share on 22 September 2023 involving a pay-out of Rs.206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Company effective from 22 September 2023.

39 Capital management

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, effective from the financial year ended 31 March 2020, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Regulatory capital

		Rs. in crores
	As at 31 March 2024	As at 31 March 2023
Tier – I capital	**16,308.04**	15,307.93
Tier – II capital	**2,462.39**	2,045.12
Total Capital	**18,770.43**	17,353.05
Aggregate of Risk Weighted Assets	**99,531.86**	77,061.91
Tier – I capital ratio	**16.39%**	19.87%
Tier - II capital ratio	**2.47%**	2.65%
Total Capital ratio	**18.86%**	22.52%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following –

(a) preference shares other than those which are compulsorily convertible into equity;

(b) revaluation reserves at discounted rate of fifty five percent;

(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(d) hybrid debt capital instruments; and

(e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on–balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

40 Leases

I) In the cases where assets are taken on operating lease (as lessee) –

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at 1 April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognized at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

The weighted average incremental borrowing rate of 7.97% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

a) Maturity Analysis – Contractual Undiscounted Cash Flow:

		Rs. in crores
	As at 31 March 2024	As at 31 March 2023
Less than 1 year	**86.64**	86.22
1 – 3 years	**151.97**	126.98
3 – 5 years	**116.52**	105.37
More than 5 years	**107.04**	129.18
Total undiscounted lease liabilities	**462.17**	447.75

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

			Rs. in crores
		Amount for the year ended/ As at	
		31 March 2024	31 March 2023
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 30 "Depreciation, amortization and impairment")	**79.19**	70.11
ii)	Interest expense on lease liabilities (presented under note - 27 "Finance costs")	**26.35**	21.79
iii)	Expense relating to short-term leases (included in Rent expenses under note 31 "Other expenses")	**2.50**	5.74
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 31 "Other expenses")	**10.28**	8.73
v)	Payments for principal portion of lease liability	**68.50**	55.57
vi)	Additions to right-of-use assets during the year (refer note 10)	**86.81**	227.34
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset - - Property taken on lease for office premises (presented under note - 10 "Property, plant and equipments")	**324.09**	316.47
viii)	Lease liabilities (presented under note - 19 "Other financial liabilities")	**367.92**	349.61

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18 June 2021, Ind AS 116 - Leases paragraph 46B was amended to extend the application of practical expedient related to Covid-19-Related Rent Concessions to lease payments originally due on or before 30th June 2022. The Company had applied this practical expedient to all such rent concessions received during the year ended 31 March 2023 (up to 30 June 2022) from certain Lessors that meet the conditions specified in paragraph 46B. The amount of rent concessions recognized in the statement of profit or loss for the year ended 31 March 2023 is Rs. 0.15 crore.

II) In the cases where assets are given on operating lease (as lessor) –

Key terms of the lease are as below:

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value-added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick-up and drop, replacement vehicle etc

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

Other details are as follows:

Rs. in crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
i) New vehicles to retail customers on operating lease –		
Gross carrying amount	**457.80**	321.13
Depreciation for the year	**75.03**	49.25
Accumulated Depreciation	**128.31**	73.91
ii) Used and refurbished vehicles to travel operators/taxi aggregators –		
Gross carrying amount	**2.71**	2.71
Depreciation for the year	**0.12**	0.24
Accumulated Depreciation	**2.68**	1.38

The total future minimum lease rentals receivable for the non–cancellable lease period as at the Balance sheet date is as under:

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
i) New vehicles to retail customers on operating lease –		
Not later than one year	**140.89**	87.95
Later than one year but not later than five years	**279.08**	169.72
	419.97	**257.67**
ii) Used and refurbished vehicles to travel operators/taxi aggregators –		
Not later than one year	**–**	**0.20**
Later than one year but not later than five years	**–**	**0.12**
	–	0.32

Since there is no contingent rent applicable in respect of these lease arrangements, the Company has not recognized any income as contingent income during the year.

III) In the cases where assets are given on finance lease (as lessor) -

Rentals receivable on finance lease:

Particulars	As at 31 March 2024	As at 31 March 2023
Gross Rental Receivable	**722.92**	297.95
Less: Unearned Income	**121.60**	77.00
Net Receivable before charging allowance for Impairment loss	**601.32**	220.95
Less: Allowance for Impairment losses	**4.02**	6.48
Total Net Receivables	**597.30**	214.47

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	274.11	448.81	–	722.92
Less: Unearned Income	58.96	62.64	–	121.60
Net Receivable before charging allowance for Impairment loss	215.15	386.17	–	601.32

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2024 or 31 March 2023.

42 Frauds reported during the year

i) There were 160 cases (31 March 2023: 91 cases) of frauds amounting to Rs.142.63 crore (31 March 2023: Rs.2.68 crore) reported during the year. The Company has recovered an amount of Rs.5.34 crore (31 March 2023: Rs.0.65 crore) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

The above fraud amounting to Rs. 142.63 crore for the year ended 31 March 2024 includes an amount of fraud instance mentoned under point ii) below.

ii) During the quarter and year ended March 31, 2024, the Company detected a fraud at its Branch in Aizawl, Mizoram ("the Branch"), in respect of retail vehicle loans disbursed by the Company. The fraud was perpetrated in the Branch through collusion amongst some Branch employees, with segregated duties, by forgery of KYC and asset related documents and involvement of other external people including vehicle dealers, leading to embezzlement of the Company's funds.

The Company has appointed a law firm and an accounting firm to undertake a fact-finding assessment of the aforesaid suspected irregularities ("Assessment"). Based on the results of the Assessment by the accounting firm and the management, 2,887 loan accounts were identified by the Management as potentially fraudulent in nature. These loans had an outstanding net recoverable balance of Rs.135.86 crore as of 31st March 2024, which have been fully provided.

43 On 16 March 2024, the Company experienced a cyber security incident resulting in non-availability of certain applications and systems for a period of 4 days. The Company engaged cybersecurity specialists to assist in the investigation of and response to the incident and remediation and restoration of the impacted applications and systems. By 22 March 2024, the Company built back the impacted applications and systems from immutable backups. The core systems remained unimpacted and peripheral systems were restored by 25 March 2024. The investigation by the cybersecurity specialists has been completed and they have confirmed that all the servers containing data pertaining to books of accounts have no evidence of unauthorized access or exfiltration. The Company may incur costs associated with the incident, which are currently indeterminable. The Company continues to closely monitor the situation.

44 Contingent liabilities and commitments (to the extent not provided for)

Rs. in crores

	31 March 2024	31 March 2023
i) Contingent liabilities		
Claims against the Company not acknowledged as debts	**183.61**	179.31
Guarantees	**1,451.69**	1,983.72
	1,635.30	2,163.03
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**47.58**	**201.00**
Commitment towards Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL)	**–**	**206.39**
Other commitments - loan sanctioned but not disbursed	**28.00**	**154.30**
	75.58	561.69
Total	**1,710.88**	2,724.72

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, Sales Tax / VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

45 Transfer of financial assets

Transferred financial assets that are not derecognized in their entirety

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" under Note no.16.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Rs. in crores

Particulars	**As at 31 March 2024**	As at 31 March 2023
Securitizations –		
Carrying amount of transferred assets measured at amortized cost	**5,561.43**	6,726.19
Carrying amount of associated liabilities	**5,592.45**	6,718.60
	–	
Fair value of transferred assets (A)	**5,397.94**	6,511.34
Fair value of associated liabilities (B)	**5,698.61**	6,781.18
Net position (A–B)	**(300.67)**	(269.84)

46 Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the Financial Services Sector CSR Council ('FSS CSR Council') and to monitor the CSR Policy periodically.

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from FSS CSR Council.

Any unspent amount at the end of the financial year will be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has set up the Mahindra Finance CSR Foundation (incorporated on 2nd April, 2019) as a wholly-owned subsidiary company registered under Section 8 of the Companies Act, 2013 to promote and support CSR projects and activities of the Company and its subsidiary companies. The Company implements its CSR programs through the Mahindra Finance CSR Foundation.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Gram panchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution / donations made towards CSR activities is charged to Corporate Social Responsibility (CSR) expenses, in the statement of Profit and Loss.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/ activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year ended 31 March 2024, the Company has incurred an expenditure of Rs.24 crore (31 March 2023: Rs. 41 crore) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs.1.23 crore (31 March 2023: Rs. 3.50 crore) towards the CSR activities undertaken by the Company.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/ activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs.29.96 crore (31 March 2023: Rs. 37.13 crore).

b) Amount approved by the Board to be spent during the year : Rs.29.96 crore (31 March 2023: Rs. 37.13 crore).

c) Amount spent by the Company during the year on :

						Rs. in crore
	For the year ended 31 March 2024			For the year ended 31 March 2023		
Particulars	**In cash**	**Yet to be paid in cash**	**Total**	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction / acquisition of any asset	**–**	**–**	**–**	–	–	–
ii) On purpose other than (i) above*	**25.27**	**–**	**25.27**	45.07	–	45.07

* The amount spend is including Rs.0.02 crores excess spent on other than related to an ongoing projects.

The current year expenditure includes **Rs.Nil** (31 March 2023: Rs.0.57 crore) as salary cost in respect of certain employees who have been exclusively engaged in CSR administrative activities which qualifies as CSR expenditure under section 135 of the Companies Act, 2013.

d) Amount of shortfall at the end of the year: Rs. 4.71 crores (for relating to an ongoing project)

In case of S. 135(5) unspent amount **Rs. in crore**

Opending balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year*	Amount required to be transferred to unspent bank account related to ongoing project	Closing Balance
–	–	29.96	25.25	4.71	4.71

*** Related to ongoing project.**

e) Nature of CSR activities: Contributions / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and CSR activities undertaken by the Company.

f) Provision made with respect to a liability already incurred by entering into a contractual obligation : Nil

47 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

48 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

49 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31 March 2024 **Rs. in crore**

Particulars	1 April 2023	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2024
Debt securities	24,745.07	1,966.42		14.45	–	26,725.94
Borrowings (Other than debt securities)	41,234.06	13,157.98	(76.49)	3.28	–	54,318.83
Deposits	5,524.60	1,655.37	–	(5.23)	–	7,174.74
Subordinated liabilities	3,442.13	559.85	–	3.68	–	4,005.66
Lease liabilities	349.61	(94.85)	–	26.35	86.81	367.92
Total	75,295.47	17,244.77	(76.49)	42.53	86.81	92,593.09

Year ended 31 March 2023

Particulars	1 April 2022	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2023
Debt securities	18,252.71	6,496.00	–	(3.64)	–	24,745.07
Borrowings (Other than debt securities)	26,005.17	15,328.39	(96.85)	(2.65)	–	41,234.06
Deposits	8,426.19	(2,905.23)	–	3.64	–	5,524.60
Subordinated liabilities	3,129.85	309.99	–	2.29	–	3,442.13
Lease liabilities	185.26	(56.80)	–	–	221.15	349.61
Total	55,999.18	19,172.35	(96.85)	(0.36)	221.15	75,295.47

50 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

50.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's Investments in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in market price would increase profit before tax by approximately Rs 88.90 crore (31 March 2023 : Rs 103.36 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its derivative Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract, cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Rs. in crores

	JPY	US Dollar	Total
As at 31 March 2024			
Financial Assets	**–**	**–**	**–**
Financial Liabilities	**1270.88**	**831.17**	**2,102.05**
As at 31 March 2023			
Financial Assets	–	–	–
Financial Liabilities	1,732.32	818.39	2,550.71

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Rs. in crores

	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31 March 2024	**INR/JPY**	**(+/-) 1.00%**	**(+/-) 12.74**
	INR/USD	**(+/-) 1.00%**	**(+/-) 8.34**
Year ended 31 March 2023	INR/JPY	(+/-) 1.00%	(+/-) 17.38
	INR/USD	(+/-) 1.00%	(+/-) 8.22

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps, wherever necessary.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. in crores

	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended 31 March 2024	**INR**	**100**	**379.99**
Year ended 31 March 2023	INR	100	228.78

d) Off-setting of balances

The table below summarizes the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet:

Financial assets subject to offsetting

Rs. in crores

Particulars	Offsetting recognized on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognized in balance sheet
Loan assets			
At 31 March' 2024	**99,292.33**	**97.15**	**99,195.18**
At 31 March' 2023	79,557.32	102.59	79,454.73

Financial liabilities subject to offsetting

Rs. in crores

Particulars	Offsetting recognized on the balance sheet		
	Gross liabilities before offset	Financial assets netted	Liabilities recognized in balance sheet
Other financial liabilities			
At 31 March' 2024	**2,538.48**	**97.15**	**2,441.33**
At 31 March' 2023	2,486.87	102.59	2,384.28

50.2 Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

i) Credit Quality of Financial assets

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

Rs. in crores

Particulars	31 March 2024	31 March 2023
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	**79,565.25**	62,401.65
Past Due but not impaired:		
- 1-30 days past due	**6,799.24**	4,835.98
- 31-90 days past due	**5,099.84**	4,852.73
Impaired (more than 90 days)	**3,440.93**	3,655.10
Total Gross carrying value as at reporting date	**94,905.26**	75,745.46

Rs. in crores

Particulars	31 March 2024	31 March 2023
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	**3,533.97**	4,331.40
Past Due but not impaired:		
- 1-30 days past due	**1,194.40**	55.05
- 31-90 days past due	**40.94**	20.54
Impaired (more than 90 days)	**43.10**	49.69
Total Gross carrying value as at reporting date	**4,812.41**	4,456.68

Rs. in crores

Particulars	31 March 2024	31 March 2023
Gross carrying value of Trade Advances		
Less than 60 days past due	**2,853.29**	2,480.06
61-90 days past due	**18.94**	53.43
Impaired (more than 90 days)	**6.87**	6.93
Total Gross carrying value as at reporting date	**2,879.10**	2,540.42

Rs. in crores

Particulars	31 March 2024	31 March 2023
Gross carrying value of Financial Investments measured at amortized cost		
Neither Past due nor impaired	**1,263.87**	1,436.11
Past Due but not impaired:		
- 1-30 days past due	**–**	–
- 31-90 days past due	**–**	–
Impaired (more than 90 days)	**–**	–
Total Gross carrying value as at reporting date	**1,263.87**	1,436.11

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

ii) Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets (except Trade advances) into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31- 90 days past due

The Company categorizes Trade advances into stages primarily based on the Days Past Due status.

Stage 1 : 0-60 days past due

Stage 2 : 61- 90 days past due

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances, and other receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the company.

iii) Definition of default

The Company considers a financial asset to be in “default” and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes more than 90 days past due on its contractual payments.

Since the Company’s portfolio predominantly includes retail vehicle loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the company has considered the event of default when overdue is more than 90 days past due. The same is also in line with the regulator’s definition of default when overdue is more than 90 days past due.

iv) Exposure at default

“Exposure at Default” (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

v) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a) Loss Given Default (LGD):

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default occurred.

  Generally, common LGD is applied on the exposures in all the three stages.

  While, the general approach / methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.

- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation instead of seperate classification as overlay provision;

- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;
- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances.

Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

b) Probability of Default (PD):

- It is an estimate of likelihood of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is calculated .
- For Stage 2 assets , life time PD is calculated for which a PD term structure is built.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level.

- Financial assets that are not credit impaired at the reporting date:

  ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:

  ECL for Stage 2 : Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- Financial assets that are credit impaired at the reporting date:

  ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.

  For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:

- Stage 3 assets with ageing up to 18 months (< =540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)

  Required Carrying value-A ={EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- Stage 3 assets with ageing more than 18 months (>540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)

  Required Carrying value-B ={EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- Undrawn loan commitments:

  ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

ECL on Lease business portfolio:

The customer segment catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

Since the Lease business comprising Operating and Finance lease was relatively new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Compnay has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the simialrities in products offered, customer segments catered and average tenure of lease contracts.

vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective product categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook.

viii) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for SICR.

As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In case of government endorsed instalment moratoriums, it cannot be assumed that those borrowers that are granted moratoriums have suffered a SICR. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes. Therefore, we consider that use of government-endorsed instalment moratoriums by a borrower would not on its own trigger the counting of days past due for the 30 days past due backstop used to determine SICR or the 90 days past due backstop used to determine default.

Moreover, the acceptance of such moratorium may indicate short-term liquidity or cash flow problems but is likely to provide little information to differentiate borrower's lifetime credit risk. Thus, the grant of such moratorium cannot be considered as the sole indicator that SICR has occurred or even as the basis to adjust the borrower's probability of default.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include:

i. A Stage 3 customer having other loans which are in Stage 1 or 2.

ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans

iii. Retail vehicle loans, where asset has been repossessed.

iv. Cases where Company suspects fraud and legal proceedings are initiated.

v. SME loans where the Company has resorted to its rights under the SARFAESI Act.

Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision up to 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.

The Company regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

x) Inputs to the model

a. Observed Default Rates (ODRs) over past 60 months for each product category

b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years

c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered

b. These are converted into quarterly numbers applying cubic spline technique

c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.

d. These combinations are further tested for statistical robustness.

e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.

f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

a. Agriculture is considered as one of 3 variables compulsorily.

b. Second Variable is from GDP / Government consumption related below parameters:

Description
Real GDP (% change pa)
Nominal GDP (PPP$)
Real government consumption (LCU)
Real GDP (PPP US$ at 2010 prices)
Nominal GDP (LCU)
Nominal government consumption (LCU)
Nominal GDP (US$)
Nominal government consumption (US$)

c. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.

E. Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance lease** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2024	**86,364.49**	**5,099.84**	**3,440.93**	**94,905.26**
Expected credit loss rate	**0.68%**	**11.45%**	**63.32%**	
Carrying amount as at 31 March 2024 (net of impairment provision)	**85,777.59**	**4,515.67**	**1,262.22**	**91,555.49**
Gross Balance as at 31 March 2023	67,237.63	4,852.73	3,655.10	75,745.46
Expected credit loss rate	0.79%	10.69%	59.12%	
Carrying amount as at 31 March 2023 (net of impairment provision)	66,704.76	4,334.15	1,494.32	72,533.23

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2024	**4,728.37**	**40.94**	**43.10**	**4,812.41**
Expected credit loss rate	**0.66%**	**11.51%**	**62.85%**	
Carrying amount as at 31 March 2024 (net of impairment provision)	**4,697.08**	**36.23**	**16.01**	**4,749.32**
Gross Balance as at 31 March 2023	4,386.46	20.53	49.69	4,456.68
Expected credit loss rate	0.36%	9.58%	57.10%	
Carrying amount as at 31 March 2023 (net of impairment provision)	4,370.63	18.56	21.32	4,410.51

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

Rs. in crores

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31 March 2024	**2,853.29**	**18.94**	**6.87**	**2,879.10**
Expected credit loss rate	**0.40%**	**5.63%**	**100.00%**	
Carrying amount as at 31 March 2024 (net of impairment provision)	**2,841.88**	**17.87**	**–**	**2,859.75**
Gross Balance as at 31 March 2023	2,480.06	53.43	6.93	2,540.42
Expected credit loss rate	0.40%	5.96%	100.00%	
Carrying amount as at 31 March 2023 (net of impairment provision)	2,470.14	50.25	–	2,520.39

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended 31 March 2024 and that were still subject to enforcement activity was Rs 3.36 crore (31 March 2023:56.64 crore).

The expected credit loss allowance provision for **Financial Investments measured at amortized cost** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31 March 2024	**1,263.87**	**–**	**–**	**1,263.87**
Expected credit loss rate	**–**			**–**
Carrying amount as at 31 March 2024 (net of impairment provision)	**1,263.87**	**–**	**–**	**1,263.87**
Gross Balance as at 31 March 2023	1,436.11	–	–	1,436.11
Expected credit loss rate	0.07%			
Carrying amount as at 31 March 2023 (net of impairment provision)	1,435.13	–	–	1,435.13

Level of Assessment - Aggregation Criteria

The Company recognizes the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration (e.g. vehicle loans in unorganized sectors) the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Retail Loans including Finance Lease is, as follows :

Gross exposure reconciliation

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	47,020.88	9,112.22	4,864.19	60,997.28
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	2,547.61	(2,325.74)	(221.86)	–
- Transfers to Stage 2	(2,472.22)	2,579.47	(107.24)	–
- Transfers to Stage 3	(797.21)	(1,205.08)	2,002.29	–
- Loans that have been derecognized during the period	(6,854.18)	(2,183.64)	(1,580.34)	(10,618.16)
New loans originated during the year	40,659.66	665.40	216.59	41,541.65
Write-offs	(8.49)	(29.73)	(1,356.62)	(1,394.84)
Impact of changes on items within the same stage	(12,858.42)	(1,760.15)	(161.90)	(14,780.47)
Gross carrying amount balance as at 31 March 2023	67,237.62	4,852.75	3,655.11	75,745.46

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2023	**67,237.62**	**4,852.75**	**3,655.11**	**75,745.48**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**1,044.29**	**(934.81)**	**(109.48)**	**–**
- Transfers to Stage 2	**(3,856.09)**	**3,935.32**	**(79.23)**	**–**
- Transfers to Stage 3	**(1,395.58)**	**(694.54)**	**2,090.12**	**–**
- Loans that have been derecognized during the period	**(8,792.29)**	**(1,259.48)**	**(1,226.79)**	**(11,278.56)**
New loans originated during the year	**48,192.62**	**736.93**	**305.20**	**49,234.75**
Write-offs	**(2.37)**	**(9.21)**	**(972.10)**	**(983.68)**
Impact of changes on items within the same stage	**(16,063.71)**	**(1,527.12)**	**(221.90)**	**(17,812.73)**
Gross carrying amount balance as at 31 March 2024	**86,364.49**	**5,099.84**	**3,440.93**	**94,905.26**

Reconciliation of ECL balance

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	428.22	1,158.94	2,799.86	4,387.02
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	423.51	(295.80)	(127.71)	–
- Transfers to Stage 2	(22.51)	84.24	(61.73)	–
- Transfers to Stage 3	(7.26)	(153.27)	160.53	–
- Loans that have been derecognized during the period	(62.42)	(277.73)	(909.65)	(1,249.80)
New loans originated during the year	322.20	71.09	135.69	528.98
Write-offs	(0.08)	(3.78)	(780.88)	(784.74)
Impact of changes on items within the same stage	(547.84)	(65.27)	953.23	340.12
ECL allowance balance as at 31 March 2023	533.82	518.42	2,169.34	3,221.58

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2023	533.82	518.42	2,169.34	3,221.58
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	164.62	(99.87)	(64.75)	–
- Transfers to Stage 2	(30.62)	77.47	(46.85)	–
- Transfers to Stage 3	(11.08)	(74.20)	85.28	–
- Loans that have been derecognized during the period	(69.61)	(134.58)	(724.50)	(928.69)
New loans originated during the year	326.49	82.34	192.56	601.39
Write-offs	(0.02)	(0.98)	(574.92)	(575.92)
Impact of changes on items within the same stage	(326.70)	215.57	1,142.55	1,031.42
ECL allowance balance as at 31 March 2024	586.90	584.17	2,178.71	3,349.78

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was Rs 1006.22 crore (31 March 2023: Rs 1395.13 crore).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows :

Gross exposure reconciliation

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	2,015.08	80.42	44.97	2,140.48
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	53.12	(52.62)	(0.50)	–
- Transfers to Stage 2	(14.93)	15.36	(0.43)	–
- Transfers to Stage 3	(8.22)	(6.08)	14.30	–
- Loans that have been derecognised during the period	(1,237.62)	(14.15)	(3.34)	(1,255.11)
New loans originated during the year	3,871.70	4.70	2.17	3,878.56
Write-offs	–	(1.69)	(5.16)	(6.85)
Impact of changes on items within the same stage	(292.67)	(5.41)	(2.32)	(300.40)
Gross carrying amount balance as at 31 March 2023	4,386.46	20.53	49.69	4,456.68

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2023	4,386.46	20.53	49.69	4,456.68
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	–
- Transfers to Stage 2	(42.40)	43.43	(1.03)	–
- Transfers to Stage 3	(30.33)	(7.40)	37.73	–
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at 31 March 2024	4,728.37	40.94	43.10	4,812.41

Reconciliation of ECL balance

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	7.43	11.03	23.34	41.80
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	7.33	(6.93)	(0.40)	–
- Transfers to Stage 2	(0.11)	0.46	(0.35)	–
- Transfers to Stage 3	(0.06)	(1.39)	1.45	–
- Loans that have been derecognised during the period	(2.08)	(1.62)	(2.43)	(6.13)
New loans originated during the year	13.78	0.35	1.37	15.50
Write-offs	–	(0.23)	(3.28)	(3.51)
Impact of changes on items within the same stage	(10.44)	0.32	8.67	(1.45)
ECL allowance balance as at 31 March 2023	15.85	1.99	28.37	46.21

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2023	15.85	1.99	28.37	46.21
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	–
- Transfers to Stage 2	(0.23)	0.88	(0.65)	–
- Transfers to Stage 3	(0.15)	(0.81)	0.96	–
- Loans that have been derecognized during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	–	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at 31 March 2024	8.08	5.02	19.37	32.47

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was Rs.40.48 crore (31 March 2023: Rs.7.46 crore).

The increase in ECL provisions was driven by increase in the gross size of the portfolio.

An analysis of changes in the outstanding exposure and the corresponding ECLs in relation to other undrawn commitments is as follows:

Gross exposure reconciliation

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1 April 2022	44.77	–	–	44.77
New Exposures	154.30	–	–	154.30
Exposure derecognized or matured/ lapsed (excluding write-offs)	(44.77)	–	–	(44.77)
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
Write-offs	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
Closing balance of outstanding exposure as at 31 March 2023	154.30	–	–	154.30

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1 April 2023	**154.30**	**–**	**–**	**154.30**
New Exposures	**28.00**	**–**	**–**	**28.00**
Exposure derecognized or matured/ lapsed (excluding write-offs)	**(154.30)**	**–**	**–**	**(154.30)**
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
Closing balance of outstanding exposure as at 31 March 2024	**28.00**	**–**	**–**	**28.00**

Reconciliation of ECL balance

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	0.17	–	–	0.17
New Exposures	0.43	–	–	0.43
Exposure derecognized or matured/ lapsed (excluding write-offs)	(0.17)	–	–	(0.17)
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Loans that have been derecognized during the period	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
ECL allowance balance as at 31 March 2023	0.43	–	–	0.43

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2023	**0.43**	**–**	**–**	**0.43**
New Exposures	**0.02**	**–**	**–**	**0.02**
Exposure derecognized or matured/ lapsed (excluding write-offs)	**(0.43)**	**–**	**–**	**(0.43)**
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Loans that have been derecognized during the period	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
ECL allowance balance as at 31 March 2024	**0.02**	**–**	**–**	**0.02**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortized cost is as follows:

Gross exposure reconciliation

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	1,531.81	–	–	1,531.81
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Investments that have been derecognized during the period	(496.66)	–	–	(496.66)
New Investments originated during the year	408.29	–	–	408.29
Write-offs	–	–	–	–
Impact of changes on items within the same stage	(7.33)	–	–	(7.33)
Gross carrying amount balance as at 31 March 2023	1,436.11	–	–	1,436.11

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2023	**1,436.11**	**–**	**–**	**1,436.11**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Investments that have been derecognized during the period	**(163.42)**	**–**	**–**	**(163.42)**
New Investments originated during the year	**124.98**	**–**	**–**	**124.98**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**(8.82)**	**–**	**–**	**(8.82)**
Gross carrying amount balance as at 31 March 2024	**1,388.85**	**–**	**–**	**1,388.85**

Reconciliation of ECL balance

As at 31 March 2023

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	1.61	–	–	1.61
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Investments that have been derecognized during the period	(1.61)	–	–	(1.61)
New Investments originated during the year	55.49	–	–	55.49
Write-offs	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
ECL allowance balance as at 31 March 2023	55.49	–	–	55.49

As at 31 March 2024

Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2023	**55.49**	**–**	**–**	**55.49**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Investments that have been derecognized during the period	**(0.98)**	**–**	**–**	**(0.98)**
New Investments originated during the year	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
ECL allowance balance as at 31 March 2024	**54.51**	**–**	**–**	**54.51**

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended 31 March 2024 and that were still subject to enforcement activity was nil (31 March 2023 : nil).

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

The Company's loan portfolio is predominantly to finance retail automobile loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

Rs. in crores

Particulars	31 March 2024	31 March 2023
Concentration by Geographical region in India:		
North	**33,372.40**	25,317.81
East	**21,039.12**	17,970.43
West	**28,805.94**	23,496.90
South	**19,379.31**	15,957.42
Total Gross Carrying Value	**1,02,596.77**	82,742.56

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral:

Rs. in crores

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Upto 50%	**6,365.54**	5,552.29	**1,720.06**	1,088.20
51 - 70%	**13,653.35**	11,237.76	**917.03**	724.50
71 - 100%	**56,893.97**	43,909.81	**300.27**	1,014.19
Above 100%	**17,352.61**	14,176.26	**233.26**	81.41
	94,265.47	74,876.12	**3,170.63**	2,908.30

Gross value of credit impaired loans to value of collateral:

Rs. in crores

Loan To Value	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Upto 50%	**102.93**	53.62	**7.46**	14.92
51 - 70%	**117.61**	67.32	**1.34**	0.89
71 - 100%	**481.88**	263.31	**1.30**	21.71
Above 100%	**2,738.51**	3,270.85	**33.01**	12.17
	3,440.93	3,655.10	**43.10**	49.69

The below tables provide an analysis of the current fair values of collateral held for Stage 3 assets. The value of collateral has not been considered while recognizing the loss allowances.

Fair value of collateral held against Credit Impaired assets

Rs. in crores

31 March 2024	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	**3,440.93**	**2,578.87**	**–**	**–**	**–**	**(381.64)**	**2,197.23**	**1,243.70**	**2,178.71**
SME Loans	**43.10**	**–**	**25.98**	**43.52**	**0.07**	**(62.88)**	**6.69**	**36.42**	**19.37**

31 March 2023	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	3,655.10	2,162.13	–	–	–	(220.15)	1,941.98	1,713.12	2,169.34
SME Loans	49.69	1.00	37.45	109.41	0.76	(109.10)	39.52	10.17	28.37

50.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in crores

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2024				
Trade Payable :	**1,524.89**	**–**	**–**	**–**
Debt Securities :				
- Principal	**9,470.21**	**10,534.00**	**753.59**	**5,968.14**
- Interest	**1,906.89**	**2,413.39**	**1,033.67**	**1,443.25**
Borrowings (Other than Debt Securities):				
- Principal	**18,603.73**	**26,821.75**	**8,782.23**	**111.12**
- Interest	**3,227.24**	**3,352.80**	**481.18**	**0.79**
Deposit :				
- Principal	**2,656.97**	**3,574.77**	**943.00**	**–**
- Interest	**504.35**	**682.63**	**253.51**	**–**
Subordinated liabilities:				
- Principal	**274.05**	**1,103.38**	**444.86**	**2,183.37**
- Interest	**338.32**	**572.77**	**413.36**	**695.31**
Other financial liabilities:	**1,898.47**	**304.93**	**129.36**	**108.58**
Total	**40,405.12**	**49,360.42**	**13,234.76**	**10,510.56**

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
As at 31 March 2023				
Trade Payable :	1,166.31	–	–	–
Debt Securities :				
- Principal	8,930.26	8,371.75	1,677.65	5,978.00
- Interest	1,918.22	2,229.15	1,253.08	1,931.27
Borrowings (Other than Debt Securities):				
- Principal	16,514.38	18,999.66	5,728.83	0.45
- Interest	2,344.83	2,198.32	349.08	–
Deposit :				
- Principal	1,836.02	3,269.40	436.41	–
- Interest	395.60	675.37	140.48	–
Subordinated liabilities:				
- Principal	140.14	449.32	1,380.25	1,493.73
- Interest	294.46	541.38	449.18	527.86
Other financial liabilities:	1,867.54	288.90	112.95	114.89
Total	35,407.76	37,023.25	11,527.91	10,046.20

b) Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Rs. in crores

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2024				
Gross settled:				
Foreign exchange forward contracts				
- Payable	**0.97**	**199.74**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Interest Rate swaps				
- Payable	**–**	**3.15**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Currency swaps				
- Payable	**–**	**164.23**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Total Payable	**0.97**	**367.12**	**–**	**–**
Total Receivable	**–**	**–**	**–**	**–**

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2023				
Gross settled:				
Foreign exchange forward contracts				
- Payable	0.13	20.65	–	–
- Receivable	–	–	–	–
Interest Rate swaps				
- Payable	–	23.61	–	–
- Receivable	–	–	–	–
Currency swaps				
- Payable	50.09	101.83	–	–
- Receivable	–	–	–	–
Total Payable	50.22	146.09	–	–
Total Receivable	–	–	–	–

50.4 a) Financial Instruments regularly measured using Fair Value - recurring items

Rs. in crores

Type of instrument	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets / financial liabilities	Category	As at 31 March 2024	As at 31 March 2023					
1) Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(180.97)	(35.87)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2) Currency options	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(154.30)	(144.83)	Level 2	Black Scholes valuation model	Strike rate, spot rate, time to maturity, volatility and risk free interest rate		
3) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	52.86	–	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	757.41	94.12	Level 1	Quoted market price			
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	967.73	1,973.02	Level 1	Quoted market price			
6) Investment in equity instruments-Quoted	Financial Assets	Financial instrument measured at FVTPL	0.22	0.06	Level 1	Quoted market price			

Type of instrument	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets / financial liabilities	Category	As at 31 March 2024	As at 31 March 2023					
7) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	42.39	42.39	Level 3	Discounted Cash Flow	The discounted cash flow method used the future free cash flows of the Company discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
8) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	4,914.08	5,117.89	Level 1	Quoted market price			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

50.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Rs. in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
Year ended 31 March 2024			
Opening balance	**42.38**	**–**	**42.38**
Total gains or losses recognized:			
In Profit or loss			
a) in profit or loss	–	–	–
b) in other comprehensive income	–	–	–
Fair value of -			
Purchases made during the year	–	–	–
Disposals made during the year	–	–	–
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	–	–
Closing balance	**42.38**	**–**	**42.38**
Year ended 31 March 2023			
Opening balance	**42.38**	**–**	**42.38**
Total gains or losses recognized:			
In Profit or loss			
a) in profit or loss	–	–	–
b) in other comprehensive income	–	–	–

Rs. in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
Fair value of -			
Purchases made during the year	–	–	–
Issues made during the year	–	–	–
Disposals made during the year	–	–	–
Transfers into Level 3	–	–	
Transfers out of Level 3	–	–	–
Closing balance	**42.38**	**–**	**42.38**

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Company has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

Rs. in crores

Particulars	31 March 2024	31 March 2023
Equity investment in Smartshift Logistic Solutions Private Limited (formerly Known as Orizonte Business Solutions Limited)		
Fair Value of Investments	**42.38**	42.38

There are no disposal of investment during the year ended 31 March 2024 and 2023 respectively.

50.4 d) Financial Instruments measured at amortized cost

Rs. in crores

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March 2024					
Financial assets					
a) Cash and cash equivalent	**311.07**	**311.07**	**311.07**		
b) Bank balances other than cash and cash equivalent	**2,378.04**	**2,378.04**	**2,378.04**		
c) Trade Receivables	**24.74**	**24.74**	**–**	**24.74**	
d) Loans and advances to customers	**99,195.18**	**98,655.46**	**–**		**98,655.46**
e) Financial investments - at amortized cost	**1,388.85**	**1,404.49**	**1,232.48**	**172.01**	
f) Other financial assets	**806.78**	**825.42**	**–**	**825.42**	
Total	**1,04,104.66**	**1,03,599.22**	**3,921.59**	**1,022.17**	**98,655.46**
Financial liabilities					
a) Trade Payables	**1,524.89**	**1,524.89**	**–**	**1,524.89**	**–**
b) Debt securities	**26,725.94**	**27,965.63**	**27,965.63**		**–**
c) Borrowings other than debt securities	**54,318.83**	**54,482.68**	**–**	**54,482.68**	**–**
d) Deposits	**7,174.74**	**7,686.98**	**–**	**7,686.98**	**–**
e) Subordinated Liabilities	**4,005.66**	**4,347.98**	**4,347.98**		**–**
f) Other financial liability	**2,441.33**	**2,434.77**	**–**	**2,434.77**	**–**
Total	**96,191.39**	**98,442.93**	**32,313.61**	**66,129.32**	**–**
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	249.75	249.75	249.75		
b) Bank balances other than cash and cash equivalent	2,582.31	2,582.31	2,582.31		
c) Trade Receivables	21.84	21.02	–	21.02	
d) Loans and advances to customers	79,454.73	78,968.47	–		78,968.47
e) Financial investments - at amortized cost	1,435.13	1,444.62	1,299.40	145.22	
f) Other financial assets	1,589.28	1,645.04	–	1,645.04	
Total	85,333.04	84,911.21	4,131.46	1,811.28	78,968.47
Financial liabilities					
a) Trade Payables	1,166.31	1,166.31	–	1,166.31	–
b) Debt securities	24,745.07	25,365.56	25,365.56		–
c) Borrowings other than debt securities	41,234.06	41,412.52	–	41,412.52	–
d) Deposits	5,524.60	5,943.63	–	5,943.63	–
e) Subordinated Liabilities	3,442.13	3,764.28	3,764.28		–
f) Other financial liability	2,384.28	2,376.74	–	2,376.74	–
Total	78,496.45	80,029.04	29,129.84	50,899.20	–

There were no transfers between Level 1 and Level 2.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables and investment & borrowings in commercial papers. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

Financial Investments

For Government Securities, the market value of the respective Government Stock as on date of reporting has been considered for fair value computations. Since market quotes are not available in the absence of any trades, the carrying amount of Secured redeemable non-convertible debentures is considered as the fair value.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure and cumulative/non-cumulative scheme.

Except for the above, carrying value of other financial assets/liabilities represent reasonable estimate of fair value.

51 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

Rs. in crores

	As at 31 March 2024			As at 31 March 2023		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	311.07	–	311.07	249.75	–	249.75
Bank balance	2,378.04	–	2,378.04	2,582.31	–	2,582.31
Derivative financial instruments	–	–	–	–	–	–
Trade receivables	24.74	–	24.74	21.84	–	21.84
Loans	37,167.83	62,027.35	99,195.18	32,000.40	47,454.33	79,454.73
Investments	2,398.52	7,252.30	9,650.82	2,784.59	7,204.03	9,988.62
Other financial assets	158.72	648.06	806.78	170.95	1,418.33	1,589.28
Current tax assets (Net)	–	609.78	609.78	–	504.36	504.36
Deferred tax Assets (Net)	–	691.08	691.08	–	637.24	637.24
Property, plant and equipment	–	811.11	811.11	–	681.20	681.20
Intangible assets under development	–	105.10	105.10	–	–	–
Other Intangible assets	–	14.61	14.61	–	14.35	14.35
Other non-financial assets	464.16	96.74	560.90	271.18	221.69	492.87
Total Assets	42,903.08	72,256.13	115,159.21	38,081.02	58,135.53	96,216.55
Liabilities						
Financial Liabilities						
Derivative financial instruments	0.93	334.34	335.27	49.36	131.34	180.70
Payables	–	–	–	–	–	–
i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,524.89	–	1,524.89	1,166.31	–	1,166.31
Debt Securities	9,470.21	17,255.73	26,725.94	8,775.60	15,969.47	24,745.07
Borrowings (Other than Debt Securities)	18,603.73	35,715.10	54,318.83	16,514.37	24,719.69	41,234.06
Deposits	2,656.96	4,517.78	7,174.74	1,834.08	3,690.52	5,524.60
Subordinated Liabilities	274.05	3,731.61	4,005.66	140.12	3,302.01	3,442.13
Other financial liabilities	1,898.47	542.86	2,441.33	1,867.54	516.74	2,384.28
Non-Financial Liabilities	–	–		–	–	–
Current tax liabilities (Net)	119.26	–	119.26	51.75	13.92	65.67
Provisions	123.18	81.95	205.13	167.25	93.49	260.74
Other non-financial liabilities	145.51	5.16	150.67	114.30	9.78	124.08
Total Liabilities	34,817.19	62,184.53	97,001.72	30,680.68	48,446.96	79,127.64
Net	8,085.89	10,071.60	18,157.49	7,400.34	9,688.57	17,088.91
Other undrawn commitments	28.00	–	28.00	154.30	–	154.30
Total commitments	28.00	–	28.00	154.30	–	154.30

52 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) Holding Company	Mahindra & Mahindra Limited
b) Subsidiary Companies:	Mahindra Insurance Brokers Limited
(entities on whom control is exercised)	Mahindra Rural Housing Finance Limited
	Mahindra Ideal Finance Limited
	Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust
	MRHFL Employees Welfare Trust
	Mahindra Finance CSR Foundation
c) Fellow Subsidiaries:	Mahindra USA, Inc
(entities with whom the Company has transactions)	NBS International Limited
	Mahindra First Choice Wheels Limited
	Mahindra Defence Systems Limited
	Mahindra Integrated Business Solutions Limited
	Meru Mobility Tech Private Limited
	Mahindra Construction Co. Limited
	Bristlecone India Limited
	Gromax Agri Equipment Limited
	Mahindra Electric Mobility Limited
	Mahindra Holidays & Resorts India Limited
	New Democratic Electoral Trust
	Mahindra Susten Pvt Limited
	Mahindra & Mahindra Contech Pvt Limited
	Mahindra Two wheeler Limited
	Mahindra Sumit Agriscience Limited
	Swaraj Engines Limited
	Mahindra Heavy Engines Limited
	Mahindra Teqo Pvt Limited
	Fifth Gear Ventures Limited
	Carnot Technologies Pvt Limited
	Naandi Community Water Services Pvt Limited
	Mahindra Solarise Pvt Limited
	Mahindra Agri Solutions Limited
	Mahindra HZPC Pvt Limited
	Mahindra University
	Mahindra Last Mile Mobility Limited
	Mahindra Lifespace Developers Limited
d) Joint Ventures/ Associates:	Mahindra Finance USA, Inc
(entities on whom control is exercised)	Mahindra Manulife Investment Management Pvt. Ltd.
	Mahindra Manulife Trustee Pvt. Ltd.
e) Joint Ventures/ Associates of Holding Company:	Tech Mahindra Limited
(entities with whom the Company has transactions)	Smartshift Logistics Solutions Pvt Ltd.
	PSL Media & Communications Ltd
f) Key Management Personnel:	Dr. Anish Shah
	Mr. Ramesh Iyer *(Ceased to be a director w.e.f. 29 April 2024)*
	Mr.Raul Rebello
	Mr. Dhananjay Mungale
	Mr. C. B. Bhave
	Ms. Rama Bijapurkar

Mr. Milind Sarwate
Dr. Rebecca Nugent
Mr. Siddhartha Mohanty *(Ceased to be a director w.e.f. 12 May 2023)*
Mr. Diwakar Gupta *(Appointed w.e.f. 3 February 2023)*
Mr.Ashwani Ghai *(Appointed w.e.f. 23 June 2023)*
Mr. Amar Jyoti Barua *(Appointed w.e.f. 28 July 2023)*
Mr. Amit Kumar Sinha *(Ceased to be a director w.e.f. 28 July 2023)*
Mr. Amit Raje *(Ceased to be a director w.e.f. 28 July 2022)*

g) **Relatives of Key Management Personnel** (where there are transactions)

Ms. Janaki Iyer
Mr. Risheek Iyer
Ms. Girija Subramanian

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

												Rs. in crores
RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Subvention / Incentive income												
- Mahindra & Mahindra Limited	28.61	72.97	–	–	–	–	–	–	–	–	–	–
- Mahindra Last Mile Mobility Ltd.	–	–	–	–	7.94	–	–	–	–	–	–	–
- Mahindra Electric Mobility Limited	–	–	–	–	–	2.35	–	–	–	–	–	–
Lease rental income												
- Mahindra & Mahindra Limited	100.64	59.08	–	–	–	–	–	–	–	–	–	–
- Mahindra Electric Mobility Limited	–	–	–	–	–	0.30	–	–	–	–	–	–
- Mahindra & Mahindra Contech Private Limited	–	–	–	–	0.01	0.04	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	0.39	0.13	–	–	–	–	–	–
- Mahindra Susten Private Limited	–	–	–	–	0.39	0.29	–	–	–	–	–	–
- Mahindra Heavy Engines Limited	–	–	–	–	0.28	0.21	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	0.61	0.19	–	–	–	–	–	–
- Mahindra Solarize Private Limited	–	–	–	–	0.13	0.17	–	–	–	–	–	–
- Mahindra Integrated Business Solutions Limited	–	–	–	–	0.24	0.08	–	–	–	–	–	–
- Mahindra Teqo	–	–	–	–	0.17	0.08	–	–	–	–	–	–
- Mahindra HZPC Pvt Ltd	–	–	–	–	0.06	–	–	–	–	–	–	–
- Mahindra Last Mile Mobility Ltd	–	–	–	–	0.74	–	–	–	–	–	–	–
- Mahindra Summit Agriscience Limited	–	–	–	–	1.44	0.09	–	–	–	–	–	–
- Mahindra Two Wheelers Limited	–	–	–	–	0.10	0.10	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	0.03	–	–	–	–	–	–	–
- Mahindra Lifespace Developers Ltd.	–	–	–	–	0.14	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	0.51	–	–	–	–	–	–	–
- Mahindra Agri Solutions Ltd	–	–	–	–	0.67	–	–	–	–	–	–	–

	Rs. in crores											
RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Interest income												
- Mahindra & Mahindra Limited	1.85	1.47	–	–	–	–	–	–	–	–	–	–
Income from sharing services												
- Mahindra & Mahindra Limited	–	0.18	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	4.83	5.29	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	2.35	3.30	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	0.59	0.62	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	–	0.01	–	–	–	–
Other Income												
- Mahindra & Mahindra Limited	0.88	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	0.07	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	0.00	–	–	–	–	–	–	–	–	–
Dividend Income												
- Mahindra Rural Housing Finance Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	2.89	4.12	–	–	–	–	–	–	–	–
Interest expense												
- Mahindra & Mahindra Limited	0.05	0.47	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	15.87	14.78	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	2.43	10.80	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	–	0.15	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	0.07	0.04	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	8.97	8.02	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	0.06	0.05	–	–
- Mr Raul Rebello	–	–	–	–	–	–	–	–	0.00	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	0.16	0.28
Other expenses												
- Mahindra & Mahindra Limited	52.10	53.44	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	–	3.67	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	24.37	22.83	–	–	–	–	–	–
- Mahindra Defence Systems Ltd	–	–	–	–	1.52	2.28	–	–	–	–	–	–
- Bristlecone India Limited	–	–	–	–	0.24	0.02	–	–	–	–	–	–
- Mahindra Integrated Business Solutions Limited	–	–	–	–	59.33	45.42	–	–	–	–	–	–
- Mahindra Finance CSR Foundation	–	–	–	0.20	–	–	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	0.65	0.30	–	–	–	–	–	–

	Rs. in crores											
RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
- Meru Mobility Tech Private Limited	–	–	–	–	0.01	0.02	–	–	–	–	–	–
- Mahindra Solarize Private Limited	–	–	–	–	–	0.05	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	0.03	0.03	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	12.27	–	–	–	–	–	–	–
- Others	–	–	–	–	0.07	0.66	–	–	–	–	–	–
Donations												
- National Democratic Electoral Trust	–	–	–	–	–	–	–	–	–	–	–	–
Remuneration												
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	8.15	7.09	–	–
- Mr Raul Rebello	–	–	–	–	–	–	–	–	3.90	–	–	–
- Mr Amit Raje	–	–	–	–	–	–	–	–	–	8.37	–	–
Sitting fees and commission												
- Mr C. B. Bhave	–	–	–	–	–	–	–	–	0.53	0.52	–	–
- Mr Dhananjay Mungale	–	–	–	–	–	–	–	–	0.53	0.53	–	–
- Ms Rama Bijapurkar	–	–	–	–	–	–	–	–	0.50	0.48	–	–
- Mr Milind Sarwate	–	–	–	–	–	–	–	–	0.57	0.56	–	–
- Dr Rebecca Nugent	–	–	–	–	–	–	–	–	0.46	0.42	–	–
- Mr Diwakar Gupta	–	–	–	–	–	–	–	–	0.50	0.12	–	–
- Mr Ashwani Ghai	–	–	–	–	–	–	–	–	0.30	–	–	–
- Mr Siddhartha Mohanty	–	–	–	–	–	–	–	–	0.04	–	–	–
Reimbursement from parties												
- Mahindra & Mahindra Limited	2.64	16.20	–	–	–	–	–	–	–	–	–	–
- Gromax Agri Equipment Limited	–	–	–	–	3.10	4.09	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	0.94	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	0.07	–	–	–	–	–	–	–	–	–
Reimbursement to parties												
- Mahindra Insurance Brokers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	1.17	0.32	–	–	–	–	–	–	–	–
- Mahindra USA, Inc	–	–	–	–	2.65	2.56	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	0.06	–	–	–	–	–
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	147.55	130.34	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	0.18	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	0.02	–	–	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	–	–	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	9.61	9.77	–	–	–	–	–	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Sale of fixed assets												
- Mahindra Rural Housing Finance Limited	–	–	0.67	0.02	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Limited	0.23	–	–	–	–	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	0.19	–	–	–	–	–	–	–
Investments made												
- Mahindra Rural Housing Finance Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	206.39	–	–	–	–	–	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Finance USA, Inc	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Ideal Finance Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Finance CSR Foundation	–	–	–	–	–	–	–	–	–	–	–	–
- New Democratic Electoral Trust	–	–	–	–	–	–	–	–	–	–	–	–
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	–	–	–	–	–	–	–	–
Sale of Investments												
- Mahindra Insurance Brokers Limited	–	–	–	–	–	–	–	–	–	–	–	–
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	–	–	13.50	47.50	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Limited	–	2.10	–	–	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	0.65	0.86	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	135.00	–	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	0.85	0.80	–	–
- Mr Raul Rebello	–	–	–	–	–	–	–	–	0.00	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	2.17	2.18
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	–	–	23.00	93.65	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	–	1.55	–	–	–	–	–	–
- Mahindra & Mahindra Limited	4.19	13.01	–	–	–	–	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	0.80	0.91	–	–
- Mr Raul Rebello	–	–	–	–	–	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	2.05	1.83
Dividend paid												
- Mahindra & Mahindra Limited	386.64	231.98	–	–	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	–	–	1.08	0.92	–	–	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	0.98	0.59	–	–
- Ms Rama Bijapurkar	–	–	–	–	–	–	–	–	0.02	0.01	–	–
- Mr Dhananjay Mungale	–	–	–	–	–	–	–	–	0.01	0.00	–	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
- Mr Raul Rebello	–	–	–	–	–	–	–	–	0.00	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	0.00	0.00
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	37.00	93.00	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	74.50	–	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	200.00	–	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	–	4.26	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	140.00	–	–	–	–	–	–	–
Balances as at the end of the period												
Receivables												
- Mahindra & Mahindra Limited	8.77	22.56	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	0.17	0.21	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	1.95	0.01	–	–	–	–	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	–	0.01	–	–	–	–
- NBS International Limited	–	–	–	–	0.40	0.92	–	–	–	–	–	–
- Mahindra & Mahindra Contech Private Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Susten Private Limited	–	–	–	–	0.01	–	–	–	–	–	–	–
- Gromax Agri Equipment Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Integrated Business Solutions Limited	–	–	–	–	0.02	–	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	0.03	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	0.08	0.06	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	0.00	0.04	–	–	–	–	–	–
- Mahindra Two Wheelers Limited	–	–	–	–	0.01	–	–	–	–	–	–	–
- Mahindra Summit Agriscience Limited	–	–	–	–	–	0.03	–	–	–	–	–	–
- Mahindra Teqo	–	–	–	–	0.01	0.01	–	–	–	–	–	–
- Mahindra Heavy Engines Limited	–	–	–	–	0.00	–	–	–	–	–	–	–
- Mahindra Solarize Private Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Lifespace Developers Ltd.	–	–	–	–	0.14	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	0.45	–	–	–	–	–	–	–
- Mahindra Last Mile Mobility Ltd.	–	–	–	–	2.61	–	–	–	–	–	–	–
- Mahindra Agri Solutions Ltd	–	–	–	–	0.02	–	–	–	–	–	–	–

												Rs. in crores
RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Loan given (including interest accrued but not due)												
- Mahindra Construction Co. Ltd.	–	–	–	–	–	–	–	–	–	–	–	–
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposits given (including interest accrued but not due)												
- Mahindra Construction Co. Ltd.	–	–	–	–	–	–	–	–	–	–	–	–
Investments												
- Mahindra Rural Housing Finance Limited	–	–	799.30	799.30	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	206.84	0.45	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	195.30	195.30	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	0.50	0.50	–	–	–	–
- Mahindra Finance CSR Foundation	–	–	0.00	0.00	–	–	–	–	–	–	–	–
- Mahindra Finance USA, Inc	–	–	–	–	–	–	210.55	210.55	–	–	–	–
- Mahindra Ideal Finance Ltd	–	–	77.97	77.97	–	–	–	–	–	–	–	–
- New Democratic Electoral Trust	–	–	–	–	0.02	0.02	–	–	–	–	–	–
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	9.50	9.50	–	–	–	–	–	–
Subordinate debt held (including interest accrued but not due)												
- Mahindra Rural Housing Finance Limited	–	–	–	–	–	–	–	–	–	–	–	–
Payables												
- Mahindra & Mahindra Limited	3.38	1.56	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	1.14	–	–	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	2.74	5.76	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	0.90	–	–	–	–	–	–	–
- Mahindra USA, Inc	–	–	–	–	0.42	0.37	–	–	–	–	–	–
- Mahindra Integrated Business Solutions Limited	–	–	–	–	1.17	0.59	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Defence Systems Ltd	–	–	–	–	0.38	0.59	–	–	–	–	–	–
- Bristlecone India Limited	–	–	–	–	0.02	–	–	–	–	–	–	–
- Others	–	–	–	–	0.00	–	–	–	–	–	–	–
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	63.96	100.64	–	–	–	–	–	–	–	–

Rs. in crores

RELATED PARTY TRANSACTIONS	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
- Tech Mahindra Limited	–	–	–	–	–	217.26	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	–	152.28	–	–	–	–	–	–
Debentures (including interest accrued but not due)												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	–	4.48	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	155.46	157.48	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	0.88	0.21	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	145.63	5.29	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	0.86	0.01	–	–
- Mr Raul Rebello	–	–	–	–	–	–	–	–	0.00	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	2.38	0.06

Key Management Personnel as defined in Ind AS 24 - Related Party Disclosures

iii) Details of related party transactions with Key Management Personnel (KMP) are as under:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

Rs. in crores

Name of the KMP	Nature of transactions	31 March 2024	31 March 2023
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a director w.e.f 29 April 2024)	Gross Salary including perquisites	7.69	6.77
	Commission	–	–
	Stock Option	–	–
	Others - Contribution to Funds	0.46	0.39
		8.15	7.16
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed w.e.f. 1 May 2023)	Gross Salary including perquisites	3.67	–
	Commission	–	–
	Stock Option	–	–
	Others - Contribution to Funds	0.23	–
		3.90	–
Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit)			
(Ceased to be a director w.e.f 28 July 2022)	Gross Salary including perquisites	–	4.02
	Commission	–	–
	Stock Option	–	4.35
	Others - Contribution to Funds	–	0.07
		–	8.44
Mr. Dhananjay Mungale (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.17	0.18
		0.50	0.48

Rs. in crores

Name of the KMP	Nature of transactions	31 March 2024	31 March 2023
Ms. Rama Bijapurkar (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.14	0.13
		0.47	0.43
Mr. C.B. Bhave (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.17	0.17
		0.50	0.47
Mr. Milind Sarwate (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.21	0.21
		0.54	0.51
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.10	0.07
		0.43	0.37
Diwakar Gupta (Independent Director)			
(Appointed w.e.f. 3 February 2023)	Commission	0.08	–
	Sitting fees	0.15	0.03
		0.23	0.03
Siddharta Mohanty (LIC of India representative)			
(Ceased to be a director w.e.f 12 May 2023)	Commission	0.31	–
	Sitting fees	–	–
		0.31	–
Ashwani Ghai (LIC of India representative)			
(Appointed w.e.f. 23 June 2023)	Commission	–	–
	Sitting fees	0.04	–
		0.04	–

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31 March 2024

Rs. in crores

Particulars	**Relationship**	**Balance as on 1 April 2023**	**Advances/ investments**	**Repayments/ sale**	**Balance as on 31 March 2024**
(A) Loans and advances		**–**	**–**	**–**	**–**
		–	**–**	**–**	**–**
(B) Unsecured redeemable non-convertible subordinate debentures		**–**	**–**	**–**	**–**
		–	**–**	**–**	**–**
(C) Investments:					
Mahindra Insurance Brokers Limited	Subsidiary	**0.45**	**206.39**	**–**	**206.84**
Mahindra Rural Housing Finance Limited	Subsidiary	**799.30**	**–**		**799.30**
Mahindra Manulife Investment Management Private Limited	Joint Venture	**195.30**	**–**	**–**	**195.30**
Mahindra Manulife Trustee Private Limited	Joint Venture	**0.50**	**–**	**–**	**0.50**
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	**0.00**		**–**	**0.00**
Mahindra Finance USA, LLC	Joint Venture	**210.55**	**–**	**–**	**210.55**
Mahindra Ideal Finance Limited, Sri Lanka (considered as Subsidiary w.e.f. 8 July 2021) (Formerly known as Ideal Finance Limited)	Subsidiary	**77.97**	**–**	**–**	**77.97**
Smartshift Logistics Solutions Private Limited	Fellow Associate	**9.50**	**–**	**–**	**9.50**
New Democratic Electoral Trust	Fellow subsidiary	**0.02**	**–**	**–**	**0.02**
		1,293.59	**206.39**	**–**	**1,499.98**
Total		**1,293.59**	**206.39**	**–**	**1,499.98**

As at 31 March 2023

Rs. in crores

Particulars		Relation	Balance as on 1 April 2022	Advances/ investments	Repayments/ sale	Balance as on 31 March 2023
(A)	**Loans and advances**		–	–	–	–
			–	–	–	–
(B)	**Unsecured redeemable non-convertible subordinate debentures**					
			–	**–**	**–**	**–**
(C)	**Investments**					
	Mahindra Insurance Brokers Limited	Subsidiary	0.45	–	–	0.45
	Mahindra Rural Housing Finance Limited	Subsidiary	799.30	–	–	799.30
	Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30			195.30
	Mahindra Manulife Trustee Private Limited	Joint Venture	0.50			0.50
	Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00	–	–	0.00
	Mahindra Finance USA, LLC	Joint Venture	210.55	–	–	210.55
	Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	77.97	–	–	77.97
	Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	–	–	9.50
	New Democratic Electoral Trust	Fellow subsidiary	0.02	–	–	0.02
			1,293.59	**–**	**–**	**1,293.59**
	Total		**1,293.59**	**–**	**–**	**1,293.59**

Notes:

i) Above loans & advances and investments have been given for general business purposes of the recipient and figures are at historical cost.

ii) There were no guarantees given / securities provided during the year.

53 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

Rs. in crores

Sr. No.	Particulars	As at 31 March 2024		As at 31 March 2023	
	Liabilities	**Amount Outstanding**	**Amount Overdue**	Amount Outstanding	Amount Overdue
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures:				
	- Secured	**21,738.40**	**–**	20,716.06	–
	- Unsecured	**1,076.51**	**–**	1,076.04	–
	(b) Deferred Credits	**–**	**–**	–	–
	(c) Term Loans	**46,474.21**	**–**	30,820.00	–
	(d) Inter-corporate loans and Other Borrowings	**236.57**	**–**	984.66	–
	(e) Commercial Paper	**4,882.12**	**–**	3,936.00	–
	(f) Public Deposits	**6,109.41**	**–**	5,309.42	–
	(g) Fixed Deposits accepted from Corporates	**1,434.77**	**–**	564.80	–
	(h) External Commercial Borrowings	**2,156.61**	**–**	2,583.92	–
	(i) Associated liabilities in respect of securitisation transactions	**5,597.65**	**–**	6,723.77	–
	(j) Subordinate debt (including NCDs issued through Public issue)	**4,270.15**	**–**	3,705.34	–
	(k) Other Short Term Loans and credit facilities from banks	**2.47**	**–**	255.87	–
2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a) In the form of Unsecured debentures	**–**	**–**	–	–
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	**–**	**–**	–	–
	(c) Other public deposits	**6,109.41**	**–**	5,309.42	–

		Amount Outstanding	
Asset side:		**As at 31 March 2024**	As at 31 March 2023
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured	**–**	–
	(b) Unsecured	**4,992.85**	4,607.48
4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	**–**	–
	(b) Operating lease	**16.75**	2.18
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	**–**	–
	(b) Repossessed Assets	**–**	–
	(iii) Other loans counting towards AFC activities:		
	(a) Loans where assets have been repossessed	**108.37**	70.23
	(b) Loans other than (a) above	**94,101.95**	74,796.68

Asset side:	Amount Outstanding As at 31 March 2024	As at 31 March 2023
5) Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity	**–**	–
(b) Preference	**–**	–
(ii) Debentures and Bonds	**11.83**	8.92
(iii) Units of mutual funds	**52.86**	–
(iv) Government Securities	**583.03**	588.58
(v) Investments in Certificate of Deposits with Banks	**967.73**	1,973.02
(vi) Investments in Commercial Papers	**757.41**	94.12
2. Unquoted:		
(i) Shares:		
(a) Equity	**–**	–
(b) Preference	**–**	–
(ii) Debentures and Bonds	**–**	–
(iii) Units of mutual funds	**–**	–
(iv) Government Securities	**–**	–
(v) Certificate of Deposits with Banks	**–**	–
(vi) Commercial Papers	**–**	–
(vii) Investments in Pass Through Certificates under securitization transactions	**–**	119.95
(viii) Investment in Triparty Repo Dealing System (TREPS)	**124.98**	–
Long Term Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity	**0.22**	0.06
(b) Preference	**–**	–
(ii) Debentures and Bonds (Bonds of FCI NCDs of NABARD)	**479.18**	377.40
(iii) Units of mutual funds	**–**	–
(iv) Government Securities	**5193.63**	5550.13
2. Unquoted:		
(i) Shares:		
(a) Equity	**1478.36**	1271.97
(b) Preference	**–**	–
(ii) Debentures and Bonds	**1.59**	1.59
(iii) Units of mutual funds	**–**	–
(iv) Government Securities	**–**	–
(v) Investments in Pass Through Certificates under securitization transactions	**–**	2.88

6) Borrower group-wise classification assets financed as in (3) and (4) above:

Category	As at 31 March 2024 Amount net of provisions			As at 31 March 2023 Amount net of provisions		
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	–	–	–	–	–	–
(b) Companies in the same group	–	–	–	–	–	–
(c) Other related parties	–	–	–	–	–	–
2. Other than related parties	94,210.32	5,009.60	99,219.92	74,866.91	4,609.66	79,476.57
Total	**94,210.32**	**5,009.60**	**99,219.92**	74,866.91	4,609.66	79,476.57

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2024 Market Value/ Break up or fair value or NAV	As at 31 March 2024 Book Value (net of provisions)	As at 31 March 2023 Market Value/ Break up or fair value or NAV	As at 31 March 2023 Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	1,084.11	1,084.11	877.72	877.72
(b) Companies in the same group	448.76	448.76	448.76	448.76
(c) Other related parties	–	–	–	–
2. Other than related parties	8,172.46	8,117.95	8,717.63	8,662.14
Total	**9,705.33**	**9,650.82**	10,044.11	9,988.62

8) Other information:

Particulars	As at 31 March 2024 Amount	As at 31 March 2023 Amount
i) Gross Non-Performing Assets:		
(a) Related parties	–	–
(b) Other than related parties	3,490.90	3,717.10
ii) Net Non-Performing Assets:		
(a) Related parties	–	–
(b) Other than related parties	1,285.96	1,507.08
iii) Assets acquired in satisfaction of debt:	1.81	1.65

54 Balance sheet disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

The Reserve Bank of India, vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'.

I) Capital

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR (%)	18.86%	22.52%
CRAR-Tier I Capital (%)	16.39%	19.87%
CRAR-Tier II Capital (%)	2.47%	2.65%
Amount of subordinated debt raised as Tier-II capital (Rs. in crore)	700.00	380.00
Amount raised by issue of Perpetual Debt Instruments	–	–

II) Investments

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
Value of Investments		
(i) Gross Value of Investments		
(a) In India	9,416.81	9,755.59
(b) Outside India	288.52	288.52
(ii) Provisions for Depreciation		
(a) In India	–	0.98
(b) Outside India	54.51	54.51
(iii) Net Value of Investments		
(a) In India	9,416.81	9,754.61
(b) Outside India	234.01	234.01
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	55.49	1.61
(ii) Add: Provisions made during the year	–	54.51
(iii) Less: Write-off/write-back of excess provisions during the year	(0.98)	(0.63)
(iv) Closing balance	54.51	55.49

III) Derivatives

a) Forward Rate Agreement (FRA) / Cross Currency, Interest Rate Swap (IRS)

Rs. in crores

	As at 31 March 2024	As at 31 March 2023
(i) The notional principal of swap agreements	2,372.22	2,731.11
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	–	–
(iii) Collateral required by the Company upon entering into swaps	–	–
(iv) Concentration of credit risk arising from the swaps	–	–
(v) The fair value of the swap book (Asset/ (Liability (net))	(335.27)	(180.70)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures –

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D / CFO / Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures –

d) Foreign currency non-repatriate loans availed:

Rs. in crores

		As at 31 March 2024		As at 31 March 2023	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	– For hedging		2,372.22		2,731.11
(ii)	Marked to Market Positions [1]				
	(a) Asset (+) Estimated gain	–		–	
	(b) Liability (-) Estimated loss	(332.58)	(2.69)	(162.83)	(17.87)
(iii)	Credit Exposure [2]	–	–	–	–
(iv)	Unhedged Exposures	–	–	–	–

IV) Disclosures relating to Securitisation

a) Disclosures in the notes to the accounts in respect of securitization transactions as required under Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021

Rs. in crores

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1)	No. of Special Purpose Entities (SPEs) holding assets for securitisation transactions originated by the NBFC (only the Special Purpose Vehicles (SPVs) relating to outstanding securitization exposures to be reported here)	16	21
2)	Total amount of securitised assets as per books of the SPEs	5,592.45	6,718.60
3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet -		
	a) Off-balance sheet exposures		
	First loss-		
	- Credit enhancement in form of corporate undertaking	1,449.61	1,981.38
	Others	–	–
	b) On-balance sheet exposures		
	First loss-		
	- Cash collateral term deposits with banks	443.78	122.08
	Others-		
	- Retained interest in pass through certificates (excluding accrued interest)	–	–
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First loss	–	–
	Others -	–	–
	- Excess Interest Spread	679.46	678.83
	(ii) Exposure to third party securitizations		
	First loss	–	–
	Others	–	–
	b) On-balance sheet exposures		
	(i) Exposure to own securitisations		
	First loss	–	–
	Others -	–	–
	- Cash collateral term deposits with banks	–	–
	(ii) Exposure to third party securitizations		
	First loss	–	–
	Others	–	–
5)	Sale consideration received for the securitised assets (for transactions executed during the year)	2,928.80	3,954.85
	Gain/loss on sale on account of securitisation	Nil	Nil
6)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. * The Company has assumed Role of Servicer for all outstanding securitization transactions. Servicing fee received during the financial year is disclosed.	13.16	18.96
7)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement:		
	a) Opening Balance Outstanding	2,103.46	2,023.10
	b) Additions during the year (Fresh Transactions)	378.69	427.31
	c) Top Up during the year	–	538.82
	d) Reductions during the year (Matured Transactions)	588.76	346.95
	e) Withdrawal during the year	–	538.82
	f) Closing Balance Outstanding	1,893.39	2,103.46
	Excess Interest Spread (EIS) (Amount Held In Trust):		
	a) Opening Balance Outstanding	965.56	679.46
	b) Additions during the year (Fresh Transactions)	3.70	15.04
	c) Top Up during the year	252.14	465.94
	d) Reductions during the year (Matured Transactions)	325.27	194.88
	e) Withdrawal during the year	–	–
	f) Closing Balance Outstanding	896.13	965.56
8)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc # # (may mention average default rate of previous 5 years		
	a) Agriculture & allied activities*	8.58%	9.46%
	b) Auto Loans *	6.33%	6.84%
	* % of NPA to total advances to that asset class		
9)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
10)	Investor complaints -		
	a) Directly/Indirectly received	Nil	Nil
	b) Complaints outstanding	Nil	Nil

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

During the current year and the previous year, the Company has not sold any financial assets to Securitization /Reconstruction Company for asset reconstruction.

V) Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

During the current year and the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

During the current year and the previous year, the Company has not transferred or acquired any stressed loans.

VI) Exposures

a) **Exposure to Real Estate Sector** (refer note no. 56 (A) (1))

b) **Exposure to Capital Market** (refer note no. 56 (A) (2))

c) **Details of financing of parent company products**

Of the total financing activity undertaken by the Company during the financial year 2023-24, 51 % (31 March 2023: 50%) of the financing was towards parent company products.

d) **Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC**

During the current year and the previous year, the Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) /Group Borrower Limit (GBL).

e) **Unsecured Advances**

As at 31 March 2024, the amount of unsecured advances stood at Rs. 5,027.31 crore (31 March 2023: Rs.4,638.98 crore). There are no advances secured against intangible assets.

VII) Miscellaneous

a) **Registration obtained from other financial sector regulators**

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b) **Disclosure of Penalties and strictures imposed by RBI and other regulators**

During the year under review, monetary penalty of ₹ 6.77 crore was levied by the RBI vide its order dated 5th April 2023 for deficiencies in regulatory compliances with the RBI directions on fair practices which was reported in note. no. 53 (VII)(b)(ii) of Standalone Financial Statements of the Company for the year ended 31st March 2023.

c) **Related Party Transactions**

(refer note 52)

d) **Rating assigned by credit rating agencies and migration of ratings during the year**

Credit Rating -

During the year under review, CRISIL Ratings Limited (CRISIL), has reaffirmed the credit rating of the Company's Long Term Bank Facilities, Non- Convertible Debentures, Subordinated Debt, Bank Facilities and Fixed Deposit as 'CRISIL AAA/ Stable'. The rating on the Company's Short-term Bank facilities and Commercial Paper has been reaffirmed at 'CRISIL A1+' which indicates very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term Debt instruments, Subordinated Debt programme, Bank Facilities and Fixed Deposit Programme as 'IND AAA/Stable' and Principal protected market linked debenture as IND PP-MLD AAA /Stable. The Company's Short Term Bank Loans, Commercial Paper has been rated at IND A1+.

During the year under review, CARE Ratings, also reaffirmed the 'CARE AAA; Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme.

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/stable' rating of the Company's Long-term Subordinated Debt Issue.

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

'A1+' ratings indicate very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

VIII) Net Profit of Loss for the period,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

IX) Revenue recognition

Refer note no. 2.6 under Summary of Significant Accounting Policies.

X) Indian Accounting Standard 27 (Ind AS 27) - Consolidated and Separate Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS)

XI) Provisions and Contingencies

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	(0.98)	(0.64)
Provision towards non-performing assets (Stage 3 assets)	(4.93)	(680.32)
Provision made towards Income tax	664.93	486.28
Other Provision and Contingencies	(0.41)	0.26
Provision for diminution in the fair value of restructured advances	–	–
Provision for Standard Assets (Stage 1 and Stage 2 assets)	112.83	(533.81)

Draw Down from Reserves

Year ended March 31, 2024: Nil

Year ended March 31, 2023: Nil

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) **Concentration of Deposits (for deposit taking NBFCs)**

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
Total Deposits of twenty largest depositors	963.28	389.59
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	13.4%	7.1%

b) **Concentration of Advances**

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
Total Advances to twenty largest borrowers	1,354.63	1,587.51
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.3%	1.9%

c) **Concentration of Exposures**

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
Total Exposure to twenty largest borrowers / customers	1,354.63	1,587.51
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.3%	1.9%

d) **Concentration of NPAs**

Rs. in crores

Particulars	As at 31 March 2024	As at 31 March 2023
Total Exposure to top four NPA accounts	18.42	34.90

e) Sector-wise NPAs*

Particulars		As at 31 March 2024 Percentage of NPAs to Total Advances in that sector	As at 31 March 2023 Percentage of NPAs to Total Advances in that sector
i)	Agriculture & allied activities	4.5%	5.3%
ii)	Auto loans	3.5%	4.7%
iii)	MSME	0.9%	1.1%
iv)	Corporate borrowers	0.8%	1.6%
v)	Unsecured personal loans	2.2%	1.6%
vi)	Other personal loans	–	–
vii)	Services	–	–

* NPA represent stage 3 assets

f) Movement of NPAs*

Rs. in crores

Particulars			As at 31 March 2024	As at 31 March 2023
i)	Net NPAs to Net Advances (%)		1.28%	1.87%
ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	3,717.10	4,976.30
	(b)	Additions during the year	2,214.13	2,071.13
	(c)	Reductions during the year	(2,440.33)	(3,330.33)
	(d)	Closing balance	3,490.90	3,717.10
iii)	Movement of Net NPAs			
	(a)	Opening balance	1,507.08	2,085.95
	(b)	Additions during the year	774.62	811.31
	(c)	Reductions during the year	(995.74)	(1,390.19)
	(d)	Closing balance	1,285.96	1,507.08
iv)	Movement of provisions for NPAs			
	(a)	Opening balance	2,210.03	2,890.35
	(b)	Provisions made during the year	1,439.50	1,259.84
	(c)	Write-off/write-back of excess provisions	(1,444.59)	(1,940.16)
	(d)	Closing balance	2,204.94	2,210.03

* NPA represent stage 3 assets

XIII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in crores

Name of the Joint Venture/Subsidiary	Other Partner in the JV / Subsidiary	Country	Total Assets As at 31 March 2024	Total Assets As at 31 March 2023
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	4,795.35	4,608.95
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	204.38	127.67

XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored -

Domestic	Overseas
N/A	N/A

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities
As at March 31 2024

Rs. in crores

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	26.91	28.18	85.26	132.65	174.22	527.43	1,682.31	3,574.78	943.00	–	7,174.74
Advances	897.06	911.12	5,058.09	3,443.27	3,509.18	8,491.03	14,858.08	44,294.00	15,741.87	1,991.48	99,195.18
Investments	524.90	–	326.30	322.18	153.12	–	1,072.02	2,812.22	1,422.11	3,017.97	9,650.82
Borrowings	2,136.00	481.59	814.96	2,496.41	5,529.99	5,291.91	11,233.53	36,720.67	9,980.68	8,262.63	82,948.37
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency liabilities	–	181.80	–	–	–	–	181.80	1,738.46	–	–	2,102.06

As at March 31, 2023

Rs. in crores

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	20.45	26.92	85.01	111.78	198.78	576.05	815.09	3,255.96	434.56	–	5,524.60
Advances	860.73	767.79	4277.12	3036.57	3031.59	7,494.47	12,532.13	34,642.52	11,914.42	897.39	79,454.73
Investments	–	314.41	173.48	230.42	332.00	637.13	1,097.15	2,349.75	1,749.79	3,104.49	9,988.62
Borrowings	890.97	55.10	1467.94	2192.55	3529.14	5,133.65	11,851.74	25,360.28	8,939.53	7,449.65	66,870.55
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency liabilities	–	–	–	–	309.00	–	–	2,241.71	–	–	2,550.71

55 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

(A) Public disclosure on liquidity risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31 March 2024

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	60,013.25	836.5%	61.9%

As at 31 March 2023

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	17	48,569.35	879.1%	61.38%

ii) Top 20 large deposits (amount in Rs. in Crores and % of total deposits)

As at 31 March 2024

Description	Amount (Rs. in crores)	% of Total deposits
Total for Top 20 large deposits	963.28	13.4%

As at 31 March 2023

Description	Amount (Rs. in crores)	% of Total deposits
Total for Top 20 large deposits	389.59	7.1%

iii) Top 10 borrowings (amount in Rs. in crores and % of total borrowings)

As at 31 March 2024

Description	Amount (Rs. in crores)	% of Total borrowings
Total for Top 10 borrowings	48,642.29	52.74%

As at 31 March 2023

Description	Amount (Rs. in crores)	% of Total borrowings
Total for Top 10 borrowings	41,451.18	55.31%

iv) Funding Concentration based on significant instrument/product

		As at 31 March 2024		As at 31 March 2023	
Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of Total liabilities	Amount (Rs. in crores)	% of Total liabilities
1	Non-convertible debentures (Secured)	21,843.82	22.52%	20,459.27	25.86%
2	Term loans from banks (including FCNR loans)	46,244.83	47.67%	30,707.15	38.81%
3	External Commercial Borrowings	2,102.05	2.17%	2,550.71	3.22%
4	Associated liabilities in respect of securitization transactions	5,592.45	5.77%	6,718.60	8.49%
5	Public deposits	7,174.74	7.40%	5,524.60	6.98%
6	Subordinated redeemable non-convertible debentures	4,005.66	4.13%	3,442.13	4.35%
7	Commercial Papers (Unsecured)	4,882.12	5.03%	3,936.00	4.97%
8	Inter-corporate deposits (ICDs)	–	–	937.62	1.18%
		91,845.67	94.68%	74,276.08	93.87%
	Funding Concentration pertaining to insignificant instruments/products	379.50	0.39%	669.78	0.85%
	Total borrowings under all instruments/products	92,225.17	95.08%	74,945.86	94.72%

v) Stock Ratios

As at 31 March 2024

Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	4,882.12	5.29%	5.03%	4.24%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	3,624.55	3.93%	3.74%	3.15%

As at 31 March 2023

Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	3,936.00	5.25%	4.97%	4.09%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	3,292.49	4.39%	4.16%	3.42%

vi) Institutional set-up for liquidity risk management

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. The Company maintains a positive cumulative mismatch in all buckets. As on March 31, 2024, the Company maintained a liquidity buffer of approximately Rs.7,963 crore.

Definition of terms as used in the table above:

a) *Significant counterparty:*

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) *Significant instrument/product:*

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) *Total liabilities:*

Total liabilities include all external liabilities (other than equity).

d) *Public funds:*

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, Debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) *Other short-term liabilities:*

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

56) Disclosure requirements under Scale Based Regulation (SBR) - A Revised Regulatory Framework for NBFCs as per circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April 2022

The Reserve Bank of India, vide its circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021 outlined the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and thereafter issued another circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022, requiring NBFCs to make certain additional disclosures in their financial statements in accordance with the SBR framework.

Section - I

A) Exposure

1) Exposure to Real Estate Sector Rs. in crores

Category	As at 31 March 2024	As at 31 March 2023
i) Direct exposure		
a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	–	–
b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	–	–
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	–	–
b. Commercial Real Estate	–	–
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	–	–
Total Exposure to Real Estate Sector	–	–

2) Exposure to Capital Market

Rs. in crores

	Category	As at 31 March 2024	As at 31 March 2023
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	–	–
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	–	–
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	–	–
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	–	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	–	–
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
(vii)	Bridge loans to companies against expected equity flows / issues	–	–
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
(ix)	Financing to stockbrokers for margin trading	–	–
(x)	All exposures to Alternative Investment Funds:		
	i) Category I	–	–
	ii) Category II	–	–
	iii) Category III	–	–
	Total Exposure to Capital Market	–	–

3) Sectoral exposure

Rs. in crores

	Sectors	As at 31 March 2024			As at 31 March 2023		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1)	Agriculture & allied activities	15,588.35	720.86	4.6%	14,218.54	795.36	5.6%
2)	Industry						
	i) Micro and Small	2,792.61	34.55	1.2%	2,051.24	26.81	1.3%
	ii) Medium	689.40	2.31	0.3%	585.07	3.34	0.6%
	iii) Large	1,330.40	6.24	0.5%	1,915.44	19.54	1.0%
	iv) Others - Trade advances to Dealers	2,879.10	6.87	0.2%	2,599.15	6.93	0.3%
	Total of Industry	7,691.51	49.97	0.6%	7,150.90	56.62	0.8%
3)	Services						
	i) Transport Operators	29,340.33	1,259.11	4.3%	26,471.29	1,402.71	5.3%
	ii) Others	–	–	–	–	–	–
	Total of Services	29,340.33	1,259.11	4.3%	26,471.29	1,402.71	5.3%
4)	Retail / Personal loans						
	i) Consumer Durables	78.38	5.59	7.1%	170.45	5.08	3.0%
	ii) Vehicle/Auto Loans	47,930.09	1,410.28	2.9%	33,553.44	1,390.74	4.1%
	iii) Personal loans	427.72	5.52	1.3%	388.72	3.66	0.9%
	iv) Others	1,540.40	39.57	2.6%	970.82	62.93	6.5%
	Total of Retail /Personal loans	49,976.59	1,460.96	2.9%	35,083.43	1,462.41	4.2%
5)	Others (if any; to specify)				–	–	
		102,596.77	3,490.90	3.4%	82,924.16	3,717.10	4.5%

i) The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii) In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

4) Intra-group exposures

Rs. in crores

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
i)	Total amount of intra-group exposures	1,532.87	1,532.87
ii)	Total amount of top 20 intra-group exposures	1,532.87	1,532.87
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.36%	1.65%

5) Unhedged foreign currency exposure

Details of its unhedged foreign currency exposures:

As at 31 March 2024:Nil

As at 31 March 2023: Nil

Policies to manage currency induced risk:

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract and cross currency swaps.

B) Related Party Disclosure (refer Annexure - 1)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr no	Particulars	As at 31 March 2024	As at 31 March 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	**158**	179
2	Number of complaints received during the year	**17857**	16549
3	Number of complaints disposed during the year	**17610**	16570
3.1	Of which, number of complaints rejected by the NBFC	**–**	–
4	Number of complaints pending at the end of the year	**405**	158
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	**853**	407
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	**262**	385
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	**299**	16
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	**1**	6
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	**–**	–

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 31 March 2024					
Loan and advances	88	10238	–8%	122	7
Staff behaviour	46	2565	13%	111	16
Levy of charges without prior notice/ excessive charges/ foreclosure charges	1	843	–31%	12	–
Fixed deposit related	–	32	–35%	–	–
Difficulty in operation of accounts	–	279	1368%	2	–
Others	23	3900	115%	158	12
Total	158	17857	8%	405	35
Year ended 31 March 2023					
Loan and advances	82	11176	–14%	88	4
Staff behaviour	49	2269	12%	46	–
Levy of charges without prior notice/ excessive charges/ foreclosure charges	6	1225	–14%	1	1
Fixed deposit related	–	49	–93%	–	–
Difficulty in operation of accounts	–	19	–17%	–	–
Others	42	1811	–2%	23	–
Total	179	16549	–13%	158	5

Section - II

A) Breach of covenant

During the current year and previous year there is no instances of breach of covenant of loan availed or debt securities issued

B) Divergence in Asset Classification and Provisioning

Disclosure of details of divergence, if either or both of the following conditions are satisfied:

a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

As per the RBI inspection report for the reference period 31 March 2023, the assessment of Divergence in Asset Classification and Provisioning is below the threshold as defined under a) and b) above and hence the details as required in tabular form is not presented here.

Section - III

A) Disclosure for NBFCs-UL

Mandatory listed within three years of identification as NBFC-UL - Not Applicable for the Company

Annexure - 1

Related Party Disclosure for the year ended 31 March 2024

Rs. in crore

		1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate*			5. Directors		
Sr No.	Item/Related Party	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–	–	(37.50)	63.96	102.48	(340.00)	–	582.69	–	–	–	–	–	–
2	Deposits	(4.19)	–	4.51	(9.50)	155.46	163.06	135.65	146.50	147.15	–	–	–	–	–	–
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Investmets	–	–	–	206.39	1,084.10	1,084.10	–	9.52	9.52	–	406.35	406.35	–	–	–
6	Purchase of fixed/ other assets	147.55	–	–	0.20	–	–	9.61	–	–	–	–	–	–	–	–
7	Sale of fixed/other assets	0.23	–	–	0.67	–	–	0.19	–	–	–	–	–	–	–	–
8	Interest paid	0.05	–	–	15.87	–	–	11.46	–	–	–	–	–	–	–	–
9	Interest received	1.85	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Others															
	- Dividend paid	386.64	–	–	1.08	–	–	–	–	–	–	–	–	–	–	–
	- Lease rental income	100.64	–	–	–	–	–	5.90	–	–	–	–	–	–	–	–
	- Subvention/ Incentive	28.61	–	–	–	–	–	7.94	–	–	–	–	–	–	–	–
	- Other Transactions	55.62	12.15	–	12.30	3.26	–	104.21	9.41	–	0.65	–	–	–	–	–
	Total	717.00	12.15	4.51	189.52	1,306.78	1,349.64	(65.03)	165.43	739.36	0.65	406.35	406.35	–	–	–

		6. Relatives of Directors			7. Key Management Personnel			8. Relatives of Key Management Personnel			9. Others			Total		
Sr No.	Item/Related Party	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–	–	–	–	–	–	–	–	–	–	–	(377.50)	63.96	685.17
2	Deposits	–	–	–	0.05	0.86	0.86	0.12	2.38	2.39	–	–	–	122.14	305.20	317.97
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Investments	–	–	–	–	–	–	–	–	–	–	–	–	206.39	1,499.97	1,499.97
6	Purchase of fixed/ other assets	–	–	–	–	–	–	–	–	–	–	–	–	157.36	–	–
7	Sale of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	1.09	–	–
8	Interest paid	–	–	–	0.06	–	–	0.16	–	–	–	–	–	27.60	–	–
9	Interest received	–	–	–	–	–	–	–	–	–	–	–	–	1.85	–	–
10	Others															
	- Dividend paid	–	–	–	1.00	–	–	0.00	–	–	–	–	–	388.73	–	–
	- Lease rental income	–	–	–	–	–	–	–	–	–	–	–	–	106.54	–	–
	- Subvention/ Incentive	–	–	–	–	–	–	–	–	–	–	–	–	36.56	–	–
	- Other Transactions	–	–	–	15.47	–	–	–	–	–	–	–	–	188.25	24.81	–
	Total	–	–	–	16.59	0.86	0.86	0.28	2.38	2.39	–	–	–	859.01	1,893.95	2,503.11

Annexure - 1

Related Party Disclosure for the year ended 31 March 2023

Rs. in crore

		1. Parent (as per ownership or control)			**2. Subsidiaries**			**3. Fellow Subsidiaries**			**4. Associate**			**5. Directors**		
Sr No.	Item/Related Party	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–	–	93.00	100.64	101.02	(4.26)	369.54	377.21	–	–	–	–	–	–
2	Deposits	(10.91)	4.48	15.85	(46.15)	157.48	200.62	(0.69)	5.50	6.27	–	–	–	(0.12)	0.01	0.01
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	2.39	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Investments	–	–	–	–	877.72	877.72	–	9.52	9.52	–	406.35	406.35	–	–	–
6	Purchase of fixed/ other assets	130.34	–	–	–	–	–	9.77	–	–	–	–	–	–	–	–
7	Sale of fixed/other assets	–	–	–	0.02	–	–	–	–	–	–	–	–	–	–	–
8	Interest paid	0.47	–	–	14.78	–	–	19.00	–	–	–	–	–	0.05	–	–
9	Interest received	1.47	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Others															
	- Dividend paid	231.98	–	–	0.92	–	–	–	–	–	–	–	–	0.61	–	–
	- Lease rental income	59.08	–	–	–	–	–	1.68	–	–	–	–	–	–	–	–
	- Subvention/Incentive	72.97	–	–	–	–	–	2.35	–	–	–	–	–	–	–	–
	- Other Transactions	67.44	24.12	–	16.90	0.21	–	78.28	8.37	–	0.62	0.01	–	18.08	–	–
	Total	555.23	28.60	15.85	79.47	1,136.05	1,179.36	106.13	392.93	392.99	0.62	406.36	406.35	18.62	0.01	0.01

		6. Relatives of Directors			**7. Key Management Personnel**			**8. Relatives of Key Management Personnel**			**9. Others**			**Total**		
Sr No.	Item/Related Party	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	–	–		–	–	–	–	–	–	–	–	–	88.74	470.18	478.23
2	Deposits	0.35	0.06	0.06	–	–	–	–	–	–	–	–	–	(57.52)	167.53	222.81
3	Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Advances	–	–	–	–	–	–	–	–	–	–	–	–	2.39	–	–
5	Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	1,293.58	1,293.58
6	Purchase of fixed/ other assets	–	–	–	–	–	–	–	–	–	–	–	–	140.11	–	–
7	Sale of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	0.02	–	–
8	Interest paid	0.28	–	–	–	–	–	–	–	–	–	–	–	34.58	–	–
9	Interest received	–	–	–	–	–	–	–	–	–	–	–	–	1.47	–	–
10	Others															
	- Dividend paid	0.00	–	–	–	–	–	–	–	–	–	–	–	233.51	–	–
	- Lease rental income	–	–	–	–	–	–	–	–	–	–	–	–	60.76	–	–
	- Subvention/Incentive	–	–	–	–	–	–	–	–	–	–	–	–	75.32	–	–
	- Other Transactions	–	–	–	–	–	–	–	–	–	–	–	–	181.33	32.71	–
	Total	0.63	0.06	0.06	–	–	–	–	–	–	–	–	–	760.70	1,964.00	1,994.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

57 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no.RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR), of 85% by 1 December 2023, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

Liquidity Coverage Ratio (LCR) for the year ended 31 March 2024

Rs. in crores

	Particulars	Quarter ended 31 March 2024		Quarter ended 31 December 2023		Quarter ended 30 September 2023		Quarter ended 30 June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
	Cash Outflows								
2	Deposits (for deposit taking companies)	117.50	117.50	144.92	144.92	163.70	163.70	172.94	172.94
3	**Unsecured wholesale funding**	1,433.15	1,433.15	856.29	856.29	956.20	956.20	869.62	869.62
4	Secured wholesale funding	1,675.10	1,675.10	1,058.74	1,058.74	1,249.03	1,249.03	1,397.62	1,397.62
5	Additional requirements, of which	–	–	–	–	–	–	–	–
	i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–	–	–	–	–
	ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
	iii) Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	**Other contractual funding obligations**	2,029.11	2,029.11	1,745.90	1,745.90	1,743.28	1,743.28	1,952.53	1,952.53
7	Other contingent funding obligations	109.07	109.07	215.15	215.15	320.75	320.75	156.55	156.55
8	**TOTAL CASH OUTFLOWS**	5,363.94	5,363.94	4,021.00	4,021.00	4,432.97	4,432.97	4,549.26	4,549.26
	Cash Inflows								
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	5,671.24	5,671.24	6,271.58	6,271.58	5,925.09	5,925.09	5,024.14	5,024.14
11	**Other cash inflows**	849.23	849.23	880.79	880.79	888.20	888.20	745.38	745.38
12	TOTAL CASH INFLOWS	6,520.47	6,520.47	7,152.37	7,152.37	6,813.29	6,813.29	5,769.52	5,769.52
	TOTAL ADJUSTED VALUES								
13	TOTAL HQLA	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
14	TOTAL NET CASH OUTFLOWS	(1,156.53)	(1,156.53)	(3,131.37)	(3,131.37)	(2,380.32)	(2,380.32)	(1,220.26)	(1,220.26)
	25% of Total Cash Out Flow	1,340.98	1,340.98	1,005.25	1,005.25	1,108.24	1,108.24	1,137.31	1,137.31
15	**LIQUIDITY COVERAGE RATIO (%)**	401%	360%	566%	509%	455%	409%	514%	462%

Computation of Net cash outflows

Rs. in crores

	Net Cash outflows over the 30 days period	Quarter ended 31 March 2024		Quarter ended 31 December 2023		Quarter ended 30 September 2023		Quarter ended 30 June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	6,168.53	6,168.53	4,624.15	4,624.15	5,097.92	5,097.92	5,231.65	5,231.65
B	Stressed Cash Inflows @ 75% of Inflows	4,890.35	4,890.35	5,364.28	5,364.28	5,109.97	5,109.97	4,327.14	4,327.14
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	1,278.18	1,278.18	(740.13)	(740.13)	(12.05)	(12.05)	904.51	904.51
D	25% of Stressed Cash Outflows	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
E	Greater Value of C or D	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	349%	313%	492%	443%	396%	356%	447%	402%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.
2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.
3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4) Components of High Quality Liquid Assets (HQLA)

Particulars		Quarter ended 31 March 2024		Quarter ended 31 December 2023		Quarter ended 30 September 2023		Quarter ended 30 June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I	Assets to be included as HQLA without any haircut:								
	- Cash	107.61	107.61	143.90	143.90	124.07	124.07	156.36	156.36
	- Government securities	4,917.56	4,425.80	5,194.90	4,675.41	4,565.56	4,109.00	5,321.93	4,789.74
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	350.39	297.83	350.39	297.83	351.47	298.75	366.87	311.84
	- Commercial Papers	–	–	–	–	–	–	–	–
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	–	–	–	–	–	–	–	–
	TOTAL	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93

57 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR. NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR) from 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

Liquidity Coverage Ratio (LCR) for the year ended 31 March 2023

Rs. in crores

Particulars		Quarter ended 31 March 2023		Quarter ended 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 June 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	4,988.13	4,471.23	5,696.33	5,116.13	5,080.11	4,568.31	5,838.19	5,241.28
Cash Outflows									
2	Deposits (for deposit taking companies)	193.49	193.49	391.76	391.76	480.84	480.84	449.92	449.92
3	**Unsecured wholesale funding**	981.27	981.27	645.06	645.06	234.54	234.54	369.13	369.13
4	Secured wholesale funding	2,359.63	1,417.96	2,254.70	1,987.03	2,981.62	2,841.62	2,802.90	2,802.90
5	Additional requirements, of which	–	–	–	–	–	–	–	–
	i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–	–	–	–	–
	ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
	iii) Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	**Other contractual funding obligations**	1,967.74	1,967.74	1,921.76	1,921.76	1,672.77	1,672.77	1,525.67	1,525.67
7	Other contingent funding obligations	80.92	80.92	44.23	44.23	44.23	44.23	44.23	44.23
8	**TOTAL CASH OUTFLOWS**	**5,583.05**	**4,641.38**	**5,257.51**	**4,989.84**	**5,414.00**	**5,274.00**	**5,191.85**	**5,191.85**
Cash Inflows									
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	5,059.11	5,059.11	5,882.42	5,882.42	6,201.42	6,201.42	4,714.34	4,714.34
11	**Other cash inflows**	3,798.33	3,798.33	3,476.79	3,476.79	2,331.06	2,331.06	2,416.97	2,416.97
12	TOTAL CASH INFLOWS	8,857.44	8,857.44	9,359.21	9,359.21	8,532.48	8,532.48	7,131.31	7,131.31
	TOTAL ADJUSTED VALUES								
13	TOTAL HQLA	4,988.13	4,471.23	5,696.33	5,116.13	5,080.11	4,568.31	5,838.19	5,241.28
14	**TOTAL NET CASH OUTFLOWS**	**(3,274.39)**	**(4,216.06)**	**(4,101.70)**	**(4,369.37)**	**(3,118.47)**	**(3,258.48)**	**(1,939.46)**	**(1,939.46)**
	25% of Total Cash Out Flow	1,395.76	1,160.35	1,314.38	1,247.46	1,353.50	1,318.50	1,297.96	1,297.96
15	**LIQUIDITY COVERAGE RATIO (%)**	357%	385%	433%	410%	375%	346%	450%	404%

Computation of Net cash outflows

Rs. in crores

Net Cash outflows over the 30 days period		Quarter ended 31 March 2023 Total Unweighted Value (average)	Quarter ended 31 March 2023 Total Weighted Value (average)	Quarter ended 31 December 2022 Total Unweighted Value (average)	Quarter ended 31 December 2022 Total Weighted Value (average)	Quarter ended 30 September 2022 Total Unweighted Value (average)	Quarter ended 30 September 2022 Total Weighted Value (average)	Quarter ended 30 June 2022 Total Unweighted Value (average)	Quarter ended 30 June 2022 Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	6,420.51	5,337.59	6,046.13	5,738.31	6,226.10	6,065.10	5,970.63	5,970.63
B	Stressed Cash Inflows @ 75% of Inflows	6,643.08	6,643.08	7,019.40	7,019.40	6,399.36	6,399.36	5,348.48	5,348.48
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	(222.57)	(1,305.49)	(973.27)	(1,281.09)	(173.25)	(334.26)	622.15	622.15
D	25% of Stressed Cash Outflows	1,605.13	1,334.40	1,511.53	1,434.58	1,556.53	1,516.28	1,492.66	1,492.66
E	Greater Value of C or D	1,605.13	1,334.40	1,511.53	1,434.58	1,556.53	1,516.28	1,492.66	1,492.66
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	311%	335%	377%	357%	326%	301%	391%	351%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.
2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.
3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4) Components of High Quality Liquid Assets (HQLA)

Rs. in crores

Particulars		Quarter ended 31 March 2023 Total Unweighted Value (average)	Quarter ended 31 March 2023 Total Weighted Value (average)	Quarter ended 31 December 2022 Total Unweighted Value (average)	Quarter ended 31 December 2022 Total Weighted Value (average)	Quarter ended 30 September 2022 Total Unweighted Value (average)	Quarter ended 30 September 2022 Total Weighted Value (average)	Quarter ended 30 June 2022 Total Unweighted Value (average)	Quarter ended 30 June 2022 Total Weighted Value (average)
I	Assets to be included as HQLA without any haircut:								
	- Government securities	4,626.27	4,163.65	5,484.95	4,936.46	5,004.31	4,503.87	5,576.33	5,018.70
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	361.86	307.58	178.44	151.67	75.81	64.43	261.86	222.58
	- Commercial Papers	–	–	32.94	28.00	–	–	–	–
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	–	–	–	–	–	–	–	–
	TOTAL	4,988.13	4,471.23	5,696.33	5,116.13	5,080.12	4,568.30	5,838.19	5,241.28

58 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year ended 31 March 2022, to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5 May 2021

Format - B: For the year ended 31 March 2024

Rs. in crores

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year* (E)
Personal Loans	327.36	14.18	1.76	111.18	200.24
Corporate persons ^	21.85	–	–	6.33	15.52
Of which, MSMEs	–	–	–	–	–
Others					–
- Vehicle loans for commercial purpose	469.85	17.23	6.40	176.62	269.60
Total	819.06	31.41	8.16	294.13	485.36

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till 30 September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs))

No. of accounts restructured*	Amount (Rs in Crores)**
756	51.36

*** accounts restructured are retail loans used for commercial purpose.**

**** represents the closing balance of loan accounts as at 31 March 2024 out of the loans restructured in earlier years.**

i) **Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Individuals and Small Businesses).**

Format - B: For the year ended 31 March 2023

Rs. in crores

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year* (E)
Personal Loans	779.18	57.82	35.94	167.95	517.47
Corporate persons ^	34.80	–	–	5.57	29.23
Of which, MSMEs	–	–	–	–	–
Others					
- Vehicle loans for commercial purpose	1,176.13	89.45	167.67	157.59	761.42
Total	1,990.11	147.27	203.61	331.11	1,308.12

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of One Time Restructuring 2.0, above includes restructuring implemented till 30 September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs))

No. of accounts restructured*	Amount (Rs in Crores)**
1391	118.57

*** accounts restructured are retail loans used for commercial purpose.**
**** represents the closing balance of loan accounts as on 31 March 2023**

59 The Company is in the category of Upper Layer (NBFC-UL) as per the criteria defined by the Reserve Bank of India under Scale Based Regulations (SBR). The Company has put in place a Board approved policy and implemented the enhanced regulatory framework for adhering to new set of regulations under SBR framework.

60 As required under the Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013 which was effective from 1 April 2023, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate alternate control tools have been deployed to monitor the direct data changes effected at the data base level.

Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the company as per the statutory requirements for record retention.

61 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

Year ended 31 March 2024

Rs. in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard							
	Stage 1	93,946.14	606.40	93,339.74	93,759.90	375.04	231.36
	Stage 2	5,159.73	590.25	4,569.48	3,983.02	16.37	573.88
Subtotal for standard		**99,105.87**	**1,196.65**	**97,909.22**	**97,742.92**	**391.41**	**805.24**
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,551.19	663.18	888.01	2,438.39	275.85	387.33
Doubtful - up to 1 year	Stage 3	1,103.85	705.90	397.95	1,490.90	693.73	12.17
1 to 3 years	Stage 3	669.62	669.62	–	672.81	493.54	176.08
More than 3 years	Stage 3	5.63	5.63	–	5.63	5.59	0.04
Subtotal for doubtful		**1,779.10**	**1,381.15**	**397.95**	**2,169.34**	**1,192.86**	**188.29**

Rs. in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)		(6)	(7) = (4) - (6)
Loss	Stage 3	160.61	160.61	–	246.12	246.12	(85.51)
Subtotal for NPA	Stage 3	**3,490.90**	**2,204.94**	**1,285.96**	**4,853.85**	**1,714.83**	**490.11**
Subtotal for Business Assets		**102,596.77**	**3,401.59**	**99,195.18**	**102,596.77**	**2,106.24**	**1,295.35**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	22.13	55.32	(33.18)	22.13	55.32	–
	Stage 2	2.28	0.05	2.23	2.28	0.05	–
	Stage 3	0.61	0.16	0.44	0.61	0.16	–
Subtotal		**25.02**	**55.53**	**(30.51)**	**25.02**	**55.53**	**–**
Total	Stage 1	93,968.27	661.72	93,306.56	93,782.03	430.36	231.36
	Stage 2	5,162.01	590.30	4,571.71	3,985.30	16.42	573.88
	Stage 3	3,491.51	2,205.10	1,286.40	4,854.46	1,714.99	490.11
Total		**102,621.79**	**3,457.12**	**99,164.67**	**102,621.79**	**2,161.77**	**1,295.35**

Year ended 31 March 2023

Rs. in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard							
	Stage 1	74,124.59	614.10	73,510.49	73,995.70	350.49	263.61
	Stage 2	4,928.18	523.68	4,404.50	3,873.31	139.11	384.57
Subtotal for standard		**79,052.77**	**1,137.78**	**77,914.99**	**77,869.01**	**489.60**	**648.18**
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,569.72	583.87	985.85	2,687.04	293.35	290.52
Doubtful - up to 1 year	Stage 3	1,135.92	624.43	511.49	1,144.18	590.47	33.96
1 to 3 years	Stage 3	979.74	970.00	9.74	981.13	793.34	176.66
More than 3 years	Stage 3	6.70	6.70	–	6.86	6.56	0.14
Subtotal for doubtful		**2,122.36**	**1,601.13**	**521.23**	**2,132.17**	**1,390.36**	**210.77**
Loss	Stage 3	25.03	25.03	–	81.65	81.65	(56.62)
Subtotal for NPA		**3,717.10**	**2,210.03**	**1,507.07**	**4,900.86**	**1,765.36**	**444.67**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	–	1.41	(1.41)		–	1.41
	Stage 2	–	–	–		–	–
	Stage 3	–	–	–		–	–
Subtotal		**–**	**1.41**	**(1.41)**		**–**	**1.41**
Total	Stage 1	74,124.59	615.51	73,509.08	73,995.70	350.49	265.02
	Stage 2	4,928.18	523.68	4,404.50	3,873.31	139.11	384.57
	Stage 3	3,717.10	2,210.03	1,507.07	4,900.86	1,765.36	444.67
Total		**82,769.87**	**3,349.22**	**79,420.65**	**82,769.87**	**2,254.96**	**1,094.26**

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2024 and 31 March 2023, no amount is required to be transferred to 'Impairment Reserve' for both the financial years. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

ii) As at 31 March 2024 and 31 March 2023, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

iii) Policy for sales / transfers out of amortized cost business model portfolios

Sale/transfer of portfolios out of amortized cost business model:

As a short-term financing arrangement, the Company has been transferring or selling certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering into securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. As a part of annual budgetary planning and with the objective of better liquidity and risk management, the Company, at the beginning of the year, obtains approval of Asset Liability Committee and Risk Management Committee of the Board of Directors for undertaking securitization transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

These transactions are carried out after complying with RBI guidelines on securitization of standard assets. The consideration received through such securitization transactions is utilized for funding regular vehicle loan disbursements to customers who service their loans through fixed instalments over a specified period of loan tenor. Besides using securitization as alternate financing tool, it is also being used as a effective Balance sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers.

When the assets in the form of loan receivables are sold / transferred to an SPV/Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows.

The Company remains exposed to credit risk, being the expected losses that will be incurred on the securitized loan portfolio to the extent of the credit enhancement provided. Any increase in losses as compared to the expected loss shall require the Company to present its credit enhancement / cash collateral to help compensate the investors. This is as per the requirement of the Reserve Bank of India. Thus, the Company as per Ind AS 109 has retained substantially all the risks and rewards of ownership of the financial asset.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Accordingly, these financial assets are not derecognized by the Company from the financial statements prepared under Ind AS. Since the contractual terms of these financial assets give rise to cash flows, that are solely payments of principal and interest, on specified dates, these assets meet the SPPI criterion and are thus continued to be recognized in the books at amortized cost.

62 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

63 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 63

In terms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells** Chartered Accountants Firm's Registration No: 117365W	For **Mukund M. Chitale & Co.** Chartered Accountants Firm's Registration No: 106655W	**Amarjyoti Barua** Director [DIN: 09202472]	**Raul Rebello** Managing Director & CEO [DIN: 10052487]
Rupen K. Bhatt Partner Membership No: 046930	**M. M. Chitale** Partner Membership No: 14054	**Vivek Karve** Chief Financial Officer	**Brijbala Batwal** Company Secretary Membership No F5220
Mumbai 4 May 2024		Mumbai 4 May 2024	

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Insurance Brokers Limited

Report on the Audit of Ind AS Financial Statements

1. **Opinion**

We have audited the accompanying Ind AS financial statements of Mahindra Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. **Information other than the Ind AS financial statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report and Management Discussion and Analysis but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 33.1 to the financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Based on our procedures performed we did not notice any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 24111383BKBGMX4156

Date : April 16, 2024
Place : Mumbai

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKERS LIMITED

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, other Intangible assets, Intangible asset under development, Right-of-use Assets.

B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and Right-of-use Assets of the company have been physically verified by the Management, in the phased manner during the year. The company is in the process of reconciling the same with the fixed asset register. The discrepancies if any, arising out of reconciliation will be considered in the books of accounts in the period in which the reconciliation is complete.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no immovable properties held in the name of the Company. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right-of -Use assets) or other intangible assets during the year.

e) No proceedings have been initiated or is pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) The company is in the business of providing insurance broking services and does not hold any inventory. Therefore, the provision of paragraph 3(ii)(a) of the said order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, the provision of paragraph 3(ii)(b) of the said order is not applicable to the Company.

(iii) The Company has made investments in, provided guarantees (letter of comfort) and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has provided loans during the year.

Particulars	Amount (in Lakhs)
Loan	
Aggregate amount during the year	20,200
Balance outstanding at the balance sheet	35,525

b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans and investments made, and guarantees and security provided by it, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which are outstanding, at the end, for a period of more than six months from the date they became payable.

b) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of the statue	Nature of the dues	Amount (Rs. In Lakhs)	Period to which amount relates	Forum where the dispute is pending
Income tax	Disallowance of donation	16.61	AY 2016-17	JCIT/CIT
Tax Deducted at Source	Interest on TDS	5.23	F.Y. 2011-12 to F.Y. 2023-2024	Rectification filed with the AO
Tax Deducted at Source	Short deduction of TDS	2.74	F.Y. 2011-12 to F.Y. 2023-2024	Rectification filed with the AO

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) No funds have been raised on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(e) of the Order is not applicable to the Company.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) a) During the course of our examination of books of accounts and as far as records/details made available and verified by us and according to the information and explanations given to us, five instances of fraud on the Company (Amounting to Rs. 6.46 Lakhs) were reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) According to the information and explanations given to us, there are four Core Investment Companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 24111383BKBGMX4156

Date: April 16, 2024
Place: Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKER LIMITED

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls With reference to Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Ind AS financial statements of **Mahindra Insurance Broker Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control criteria with reference to Ind AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

4. A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

5. Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 24111383BKBGMX4156

Date: April 16, 2024
Place: Mumbai

BALANCE SHEET AS AT 31 MARCH 2024

₹ in Lakhs

		Note No.	As at 31 March 2024	As at 31 March 2023
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	1	**1,191.10**	893.42
	(b) Right of use assets	21	**2,343.45**	2,787.71
	(c) Other Intangible Assets	2	**337.80**	47.09
	(d) Intangible Assets Under Development	22	**33.67**	263.61
	(e) Financial Assets			
	(i) Investments	3	**2,450.00**	12,650.00
	(ii) Loans	4	**12,200.00**	15,325.00
	(iii) Other Financial Assets	5	**558.97**	1,231.43
	(f) Deferred Tax Assets (net)	6 (d)	**1,035.06**	688.05
	(g) Other Non-current Assets	7	**8,651.42**	3,815.41
	SUB-TOTAL		**28,801.47**	37,701.72
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Investments	3	**16,401.38**	2,300.00
	(ii) Trade Receivables	8	**14,842.37**	7,622.77
	(iii) Cash and Cash Equivalents	9	**1,252.13**	1,731.69
	(iv) Loans	4	**23,325.00**	16,550.00
	(v) Other Financial Assets	5	**3,016.94**	832.34
	(b) Other Current Assets	7	**2,734.83**	1,486.75
	SUB-TOTAL		**61,572.65**	30,523.55
	TOTAL ASSETS		**90,374.12**	68,225.27
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	10	**1,030.93**	1,030.93
	(b) Other Equity	11	**64,225.77**	52,289.75
	SUB-TOTAL		**65,256.70**	53,320.68
	LIABILITIES			
1	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	Lease liabilities	25	**2,395.10**	2,745.67
	(b) Provisions	12	**974.80**	922.71
	SUB-TOTAL		**3,369.90**	3,668.38
2	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) total outstanding dues of Micro enterprises and small enterprises	13	**20.44**	2.33
	(b) total outstanding dues of credtiors other than Micro enterprises and small enterprises	13	**8,356.99**	3,199.40
	(ii) Lease liabilities	25	**309.89**	381.43
	(iii) Other Financial Liabilities	14	**65.44**	80.41
	(b) Provisions	12	**2,715.16**	2,460.13
	(c) Other Current Liabilities	15	**10,279.60**	5,112.51
	SUB-TOTAL		**21,747.52**	11,236.21
	TOTAL EQUITY AND LIABILITIES		**90,374.12**	68,225.27

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Hemant Sikka
Director
DIN: 00922281

Jyotin Mehta
Director
DIN: 00033518

Anjali Raina
Director
DIN: 02327927

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 16, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

₹ in Lakhs

	Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
I	Revenue from operations	16	**105,766.16**	39,449.69
II	Other Income	17	**3,729.00**	3,200.96
III	**Total Income (I + II)**		**109,495.16**	42,650.65
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**11,647.50**	11,873.38
	(b) Finance costs	25	**239.89**	193.72
	(c) Depreciation and amortisation expense	25.2	**1,025.09**	1,026.46
	(d) Other expenses	19	**79,832.90**	24,952.04
	Total Expenses [(a) + (b) + (c) + (d)]		**92,745.38**	38,045.60
V	**Profit before tax (III - IV)**		**16,749.78**	4,605.05
VI	**Tax Expense**			
	(1) Current tax	6 (a)	**4,726.00**	1,292.00
	(2) Deferred tax	6 (a)	**(328.40)**	(131.02)
	Total tax expense [(1) + (2)]		**4,397.60**	1,160.98
VII	**Profit for the year [(V-VI]**		**12,352.18**	3,444.07
VIII	**Other comprehensive income**		**(55.34)**	(13.02)
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	Remeasurements of the defined benefit plans		**(73.95)**	(17.40)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6 (b)	**18.61**	4.38
IX	**Total comprehensive income for the year (VII+VIII)**		**12,296.84**	3,431.05
X	**Earnings per equity share**			
	(1) Basic	20	**119.82**	33.41
	(2) Diluted	20	**119.82**	33.41

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Hemant Sikka
Director
DIN: 00922281

Jyotin Mehta
Director
DIN: 00033518

Anjali Raina
Director
DIN: 02327927

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 16, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

₹ in Lakhs

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities			
Cash receipts towards brokerage		**105,766.17**	39,449.69
Other Receipts		**2,150.71**	2,704.15
Payment towards expenses		**(91,415.41)**	(36,783.21)
Income taxes paid		**(9,547.95)**	(2,951.78)
(Increase) in trade and other receivables		**(7,284.61)**	(995.43)
(Increase)/decrease in other assets		**(1,540.15)**	87.02
(Decrease)/increase in trade and other payables		**5,160.75**	(2,864.48)
Increase/(decrease) in provisions		**307.10**	(453.33)
Increase in other liabilities		**4,568.75**	3,226.05
		8,165.36	1,418.68
Cash generated from operations		**8,165.36**	1,418.68
Cash flows from investing activities			
Amounts advanced to related parties		**(20,200.00)**	(27,100.00)
Repayments by related parties		**16,550.00**	25,940.00
Amounts advanced - other investments		**(42,400.00)**	(5,425.00)
Repayments - other investments		**38,660.54**	7,090.69
Payments for property, plant and equipment	1	**(900.14)**	(664.90)
Proceeds from disposal of property, plant and equipment		**124.68**	27.36
Payments for intangible assets/intangible assets under developments		**(119.18)**	(53.51)
Net cash (used in) by investing activities		**(8,284.10)**	(185.36)
Cash flows from financing activities			
Dividends paid to owners of the Company	11	**(360.82)**	(515.47)
Net cash (used in) from financing activities		**(360.82)**	(515.47)
Net increase/(decrease) in cash and cash equivalents		**(479.56)**	717.85
Cash and cash equivalents at the beginning of the year		**1,731.69**	1,013.84
Effects of exchange rate changes on the balance of cash held in foreign currencies			
Cash and cash equivalents at the end of the year		**1,252.13**	1,731.69

Note:
The above cash flow statement has been prepared under the “direct method” as set out in ‘Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows’

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
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Vivek Karve
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Director
DIN: 02327927

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 16, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

Particulars	₹ in Lakhs
Issued, Subscribed and Fully Paid up:	
Balance as at 1 April 2022	**1,030.93**
Changes due to prior period errors	–
Restated balance as at 1 April 2022	1,030.93
Changes during the year	–
Balance as at 31 March 2023	**1,030.93**
Balance as at 1 April 2023	1,030.93
Changes due to prior period errors	–
Restated balance as at 1 April 2023	1,030.93
Changes during the year	–
Balance as at 31 March 2024	**1,030.93**

B. Other Equity

₹ in Lakhs

	Reserves and Surplus			**Items of other comprehensive income**	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss) (net) on defined benefit plans	**Total**
As at 1 April 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Changes in accounting policy/prior period errors	–	–	–	–	–
Restated balance as at 1 April 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Profit for the year	–	–	3,444.07	–	3,444.07
Other Comprehensive Income / (Loss)			–	(13.02)	(13.02)
Dividend paid on Equity Shares	–	–	(515.47)	–	(515.47)
As at 31 March 2023	1,589.50	1,658.43	49,414.85	(373.03)	52,289.75
Changes in accounting policy/prior period errors	**–**	**–**	**–**	**–**	**–**
Restated balance as at 1 April 2023	**1,589.50**	**1,658.43**	**49,414.85**	**(373.03)**	**52,289.75**
Profit for the year			**12,352.18**	**–**	**12,352.18**
Other Comprehensive Income / (Loss)			**–**	**(55.34)**	**(55.34)**
Dividend paid on Equity Shares	**–**	**–**	**(360.82)**	**–**	**(360.82)**
As at 31 March 2024	**1,589.50**	**1,658.43**	**61,406.21**	**(428.37)**	**64,225.77**

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	Vivek Karve	Hemant Sikka	Jyotin Mehta
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 06840707	DIN: 00922281	DIN: 00033518

Anjali Raina	Vedanarayanan Seshadri	Niranjan Karde	Saurabh V. Dharadhar
Director	**Managing Director & Principal Officer**	**Company Secretary**	**Chief Financial Officer & Ethics Officer**
DIN: 02327927	DIN: 08864477	Mem No.: ACS 26372	

Place: Mumbai
Date: April 16, 2024

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

1 Company overview

Mahindra Insurance Brokers Limited is a Public Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018. The Company is an Insurance Regulatory and Development Authority of India (IRDAI) registered broker in the category “Composite” for life, general and re-insurance business.

The immediate parent Company is Mahindra & Mahindra Financial Services Limited and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in Mumbai, India.

2 Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (the 'Act'), in conformity with the Accounting Priniciples generally accepted in India and other relevant provisions of the Act.

a. Statement of compliance and basis of preparation

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting policy hitherto in use.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. Based on nature of services and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/ non-current classification of assets and liabiities.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on April 16, 2024.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts are rounded-off to the nearest lacs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
– Financial assets and liabilities which are generally derivative instruments	Fair value
– Liabilities for cash-settled share-based payment arrangements	Fair value
– Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has established policies and procedures with respect to the measurement of fair values. The Chief Financial Officer and person entrusted has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, including assessments that these valuations meet the requirements of Ind AS 113. Significant valuation issues are reported to audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Following are areas that involved a higher degree of judgement or complexity in determining the carrying amount of some assets and liabilities. Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment in the year ending March 31, 2024 is included in relevant notes.

– Estimation of current tax expense and payable
– Estimated useful life of property, plant and equipments
– Estimated useful life of intangible assets
– Estimation of defined benefit obligation
– Impairment of trade receivables
– Impairment of financial assets
– Estimation of share based payments
– Provisions and contingent liabilities
– Going concern

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Material accounting policies

a. Property, plant and equipments :

Recognition and measurement

All the items classified under property, plant and equipment are stated at cost of acquisition (including incidental expenses) less accumulated depreciation and any accumulated impairment losses, if any.

Cost of acquisition comprises of purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located.

When significant parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part

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will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives as specified in the Schedule II of the Act or estimated by the management using straight-line method and is recognised in the statement of profit and loss except:

i. Motor cars where useful life is estimated at 4 years as against 8 years per Schedule II since the employees to whom these cars have been allotted as part of their terms of employment are entitled to change their vehicles every four years, and

ii. Property, Plant & Equipments having value individually less than INR 5000 where useful life is estimated at less than one year having regard to the nature of these assets and the difficulty in estimating the useful life.

   Further, residual value for all assets is considered Nil having regard to the difficulty in reasonably estimating the same and, in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of asset	**Estimated Useful Life**
Plant and equipment (including computers)	2-6 years
Office equipments	5 years
Furniture and fixtures	10 years
Leasehold Premises	Over the period of lease
Vehicles	4 years

Depreciation methods, useful lives are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Derecognition of Property, Plant & Equipments

Property, Plant & Equipments are derecognised on disposal or when no future benefits are expected from its use. Assets retired from active use and held for disposal are stated at lower of their carrying amount or fair value less cost of sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposable proceeds and the net carrying amount of the assets) is recognised in Other Income / netted off from any loss on disposal in the statement of Profit & Loss in the year the asset is derecognised.

b. Intangible Assets :

Intangible Assets are initially recognised at cost. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation

Subsequent to initial recognition, amortisation of intangible assets with finite useful lives is calculated on cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives for the current and comparative periods are as follows:

Class of assets	**Estimated Useful Life**
Computer software	**3 years**

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Intangible assets under development

The Company capitalizes the expenditure on intangible asset under development in accordance with the accounting policy. Initial capitalization of costs is based on management’s judgement that technological and economic feasibility is confirmed and the capability to demonstrate the ability to use or sell the intangible assets, the probability of generating future economic benefit and the ability to measure reliably the attributable expenditure.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss in the year when the asset is derecognised.

c. Impairment of assets other than financial assets :

Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

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d. Foreign currency :

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Financial instruments :

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– Amortised cost;

– fair value through other comprehensive income (FVOCI) - debt investment;

– fair value through other comprehensive income (FVOCI) - equity investment;

– fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI - equity investment). This election is made on investment-by-investment basis.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets.

On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial Assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain and loss derecognition is recognised in the statement of profit and loss.
- Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
- Equity investment at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI. On derecognition, gains and losses are not reclassified to statement of profit and loss.
- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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Income is recognised on an effective interest basis for debt instruments other than those which are classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the “Other income” line item.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The dividends on mandatorily redeemable preference shares are recognised in the statement of profit and loss as interest expense. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Compound financial instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument’s maturity date. Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity remains in equity until the conversion option is exercised, in which case, the balance recognised in equity is transferred to [share premium/other equity]. Where the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity is transferred to [retained profits/other equity]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial instruments

The Company recognises a loss allowance for expected credit losses (ECL) on:

– Financial assets measured at amortised cost;

– Financial assets measured at FVOCI - debt investments;

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 month ECL represents the portion of lifetime ECL that

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is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

f. Revenue Recognition :

Revenue is measured at the transaction value of the consideration received or receivable. Amount disclosed as revenue are exclusive of GST and net of revenue on policy cancellations and endorsements.

Rendering of services

Brokerage Income is accounted for net of GST amount on rendition of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier.

The Company recognises revenue from rendering of consultancy services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Dividend and interest income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g. Employee Benefits :

Superannuation Fund, ESIC and Labour Welfare Fund

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the statement of profit and loss.

Provident Fund

Contributions to Provident Fund are charged to the statement of profit and loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to the members at the rate declared by the Government of India.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

Cash Settled Share Based Payments

Cash Settled Share Based Payments, the fair value of the amount payable to employees is recognized as 'employee benefit expenses' with corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The fair value of the option at the grant date is calculated by an independent valuer basis Black Scholes Model. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefit expenses.

h. Taxation :

Income tax expense comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

i. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) A present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent asset is disclosed where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

j. Leases :

The Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities; both in the "balance sheet" as separate line items, in the statement of financial position.

k. Segment Reporting :

Operating Segments are reported consistently with the internal reporting provided to the Managing Director. The highest decision making executive is reposnsible for allocating resources to and assessing the performance of the operating segments. The highest decision making body is Managing Director.

l. Earnings per share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

m. Cash and Cash Equivalents :

Cash and Cash Equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short term deposits with an original maturity of three months or less, which are subject to significant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 1 - Property, Plant and Equipment

₹ in Lakhs

Description of Assets		Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**						
	Balance as at 1 April 2023	**1,166.66**	**214.41**	**232.40**	**139.98**	**917.07**	**2,670.52**
	Additions	7.52	197.37	114.73	143.54	436.98	900.14
	Disposals	13.22	–	174.30	128.01	203.13	518.66
	Balance as at 31 March 2024	**1,160.96**	**411.78**	**172.83**	**155.51**	**1,150.92**	**3,052.00**
II.	**Accumulated depreciation and impairment**						
	Balance as at 1 April 2023	**834.63**	**135.03**	**216.79**	**95.46**	**495.17**	**1,777.08**
	Depreciation/Impairment expense for the year	177.39	92.38	27.89	48.71	200.98	547.35
	Eliminated on disposal of assets	13.05	–	174.02	128.02	148.44	463.53
	Balance as at 31 March 2024	**998.97**	**227.41**	**70.66**	**16.15**	**547.71**	**1,860.90**
III.	**Net carrying amount (I-II)**	**161.99**	**184.37**	**102.17**	**139.36**	**603.21**	**1,191.10**

₹ in Lakhs

Description of Assets		Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	Gross Carrying Amount						
	Balance as at 1 April 2022	842.65	214.41	232.39	139.99	714.42	2,143.86
	Additions	325.14	–	–	–	302.32	627.46
	Disposals	1.13	–	–	–	99.68	100.81
	Balance as at 31 March 2023	1,166.66	214.41	232.39	139.99	917.06	2,670.51
II.	Accumulated depreciation and impairment						
	Balance as at 1 April 2022	655.30	85.48	177.85	70.20	428.67	1,417.50
	Depreciation/Impairment expense for the year	180.05	49.55	38.94	25.26	157.88	451.68
	Eliminated on disposal of assets	0.71	–	–	–	91.38	92.09
	Balance as at 31 March 2023	834.64	135.03	216.79	95.46	495.17	1,777.09
III.	Net carrying amount (I-II)	332.02	79.38	15.60	44.53	421.89	893.42

The company shifted its corporate office to the new premises during H1 of F24. Hence, accelerated depreciation on all tangible assets in the previous corporate office is provided over a period of four months starting from March 23. Consequently, accelerated depreciation of Rs.124.27 lakhs (P.Y. Rs.39.54 lakhs) has been provided.

The company has not revalued its property, plant & equipment during the year or previous financial year.

Note No. 2 - Other Intangible Assets

₹ in Lakhs

Description of Assets		**Computer Software**
I.	**Gross Carrying Amount**	
	Balance as at 1 April 2023	345.11
	Additions	349.12
	Disposals	75.25
	Balance as at 31 March 2024	**618.98**
II.	**Accumulated amortisation and impairment**	
	Balance as at 1 April 2023	298.02
	Amortisation/Impairment expense for the year	58.41
	Eliminated on disposal of assets	75.25
	Balance as at 31 March 2024	**281.18**
III.	**Net carrying amount (I-II)**	**337.80**

₹ in Lakhs

Description of Assets		Computer Software
Intangible Assets		
I.	Gross Carrying Amount	
	Balance as at 1 April 2022	307.67
	Additions	37.44
	Disposals	–
	Balance as at 31 March 2023	345.11
II.	Accumulated amortisation and impairment	
	Balance as at 1 April 2022	275.02
	Amortisation/Impairment expense for the year	23.00
	Eliminated on disposal of assets	–
	Balance as at 31 March 2023	298.02
III.	Net carrying amount (I-II)	47.09

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 3 - Investments

₹ in Lakhs

Particular	As at 31 March 2024		As at 31 March 2023	
	Amounts	Amounts	Amounts	Amounts
	Current	Non-Current	Current	Non-Current
Investments Carried at Amortised Cost				
Investment in Fixed Deposits with Mahindra & Mahindra Financial Services Limited	**11,550.00**	**2,450.00**	2,300.00	12,650.00
TOTAL INVESTMENTS CARRIED AT AMORTISED COST	**11,550.00**	**2,450.00**	2,300.00	12,650.00
Investments Carried at Fair Value Through Profit and Loss				
Quoted Investments				
Investments in Mutual Funds	**4,851.38**	**–**	–	–
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	4,851.38	**–**	–	–
TOTAL INVESTMENTS	**16,401.38**	**2,450.00**	2,300.00	12,650.00

Investments in Mutual Funds	As at 31 March 2024		As at 31 March 2023	
Particulars	**Units**	**Amt in ₹ in lakhs**	Units	Amt in ₹ in lakhs
Mahindra Manulife Liquid Reg-G	**311,428.45**	**4,851.38**	–	–
Total	**311,428.45**	**4,851.38**	–	–
Quoted				
Aggregate book value	**311,428.45**	**4,838.33**	–	–
Aggregate market value	**311,428.45**	**4,851.38**	–	–
Unquoted				
Aggregate book value	**–**	**–**	–	–

Note No. 4 - Loans

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Loans to related parties (Refer Note Below)				
– Unsecured, considered good	**23,325.00**	**12,200.00**	16,550.00	15,325.00
TOTAL LOANS	**23,325.00**	**12,200.00**	16,550.00	15,325.00

Note: Intercorporate Deposits (ICDs) placed with related parties.

₹ in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
ICDs with Mahindra & Mahindra Financial Services Limited	**5,950.00**	9,700.00
ICDs with Mahindra Rural Housing Finance Limited	**29,575.00**	22,175.00
TOTAL	**35,525.00**	31,875.00

The above Intercorporate Deposits have been given for general business purpose of the recipient.

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	% of total	Amount outstanding	% of total
ICDs with Promoters	**5,950.00**	**17%**	9,700.00	30%
ICDs with Related Parties	**29,575.00**	**83%**	22,175.00	70%
TOTAL	**35,525.00**		31,875.00	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 5 - Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
Financial assets at amortised cost				
Interest Accrued but not due	**2,858.59**	**236.67**	832.34	954.82
Security Deposits	**–**	**262.30**	–	216.61
Bank Deposit with more than 12 months maturity*	**–**	**60.00**	–	60.00
Others	**158.35**	**–**	–	–
TOTAL	**3,016.94**	**558.97**	832.34	1,231.43

* The Bank Deposit with more than 12 months maturity is under lien to the IRDAI as per the IRDAI (Insurance Brokers) Regulations 2018.

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
In respect of current year	**4,726.00**	1,292.00
In respect of prior years	**–**	–
	4,726.00	1,292.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(328.40)**	(131.02)
	(328.40)	(131.02)
Total income tax expense	**4,397.60**	1,160.98

(b) Income Tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**18.61**	4.38
Unrecognised tax loss used to reduce current tax expense	**–**	–
Others	**–**	–
	18.61	4.38
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**18.61**	4.38
Total income tax expense	**18.61**	4.38

(c) Reconciliation of estimated income tax expense at tax rate to income tax expenses in the statement of Profit and Loss:

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	**16,749.78**	4,605.05
Income tax expense calculated at prevailing tax rate	**4,215.92**	1,159.08
Effect of expenses that is non-deductible in determining taxable profit	**503.82**	284.47
Effect of tax incentives and concessions (other allowances)	**(322.14)**	(282.59)
Income tax expense recognised in profit and loss	**4,397.60**	1,160.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 6 - Current Tax and Deferred Tax (Cont)

(d) Movement in deferred tax balances

₹ in Lakhs

Particulars	**For the year ended 31 March 2024**			
	Opening Balance	**Recognised in Profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**324.08**	**(15.57)**	**18.61**	**327.12**
Property, Plant and Equipment	**143.40**	**20.56**	**–**	**163.96**
Amortization and Interest in respect of lease payments	**50.93**	**(22.09)**	**–**	**28.84**
Provisions	**169.64**	**345.50**	**–**	**515.14**
	688.05	**328.40**	**18.61**	**1,035.06**
Net Tax Asset	**688.05**	**328.40**	**18.61**	**1,035.06**

₹ in Lakhs

Particulars	For the year ended 31 March 2023			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee Benefits	333.86	(14.16)	4.38	324.08
Property, Plant and Equipment	130.38	13.02	–	143.40
Amortization and Interest in respect of lease payments	3.18	47.75	–	50.93
Provisions	85.23	84.41	–	169.64
	552.65	131.02	4.38	688.05
Net Tax Asset	552.65	131.02	4.38	688.05

Note No. 7 - Other assets

₹ in Lakhs

Particulars	**As at 31 March 2024**		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
(a) Advances other than capital advances				
(i) Earnest Money Deposit	**5.00**	**–**	6.20	–
(ii) Balances with government authorities (other than income taxes)	**2,112.19**	**–**	673.47	–
(iii) Advance for expenses	**17.37**	**–**	27.16	–
(iv) Other assets	**600.27**	**5.09**	779.92	0.59
(b) Capital Advance	**–**	**24.92**	–	15.35
(c) Advance payment of tax	**–**	**8,621.41**	–	3,799.47
Total Other Assets	**2,734.83**	**8,651.42**	1,486.75	3,815.41

Note No. 8 - Trade receivables

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
	Current	Current
Trade receivables		
(a) Secured, considered good	**–**	–
(b) Unsecured, considered good	**14,842.37**	7,622.77
(c) Significant increase in credit risk	**–**	–
(d) Credit Impaired	**517.09**	452.09
Less: Allowance for Expected Credit Loss	**(517.09)**	(452.09)
Total	**14,842.37**	7,622.77
Of the above, trade receivables from:		
– Related Parties	**–**	9.73
– Others	**14,842.37**	7,613.04
Total	**14,842.37**	7,622.77

There is neither an instance where due date is not specified nor there are any unbilled dues.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 8 - Trade receivables (Cont)

₹ in Lakhs

Particulars	As at 31 March 2024					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed						
(a) Considered good	**14,513.64**	**139.41**	**163.41**	**25.91**	**–**	**14,842.37**
(b) Significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(c) Credit Impaired	**129.72**	**34.45**	**5.83**	**9.07**	**338.02**	**517.09**
Total	**14,643.36**	**173.86**	**169.24**	**34.98**	**338.02**	**15,359.46**
Less: Allowance for Expected Credit Loss	**–**	**–**	**–**	**–**	**–**	**(517.09)**
Total Undisputed Trade Receivables	**–**	**–**	**–**	**–**	**–**	**14,842.37**
Disputed						
(a) Considered good	**–**	**–**	**–**	**–**	**–**	**–**
(b) Significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(c) Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**–**	**–**	**–**	**–**	**–**
Less: Allowance for Expected Credit Loss	**–**	**–**	**–**	**–**	**–**	**–**
Total Disputed Trade Receivables	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**–**	**–**	**–**	**–**	**–**	**14,842.37**

₹ in Lakhs

Particulars	As at 31 March 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
(a) Considered good	7,121.70	349.69	15.06	136.32	–	7,622.77
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	93.55	11.80	8.99	10.40	327.35	452.09
Total	7,215.25	361.49	24.05	146.72	327.35	8,074.86
Less: Allowance for Expected Credit Loss	–	–	–	–	–	(452.09)
Total Undisputed Trade Receivables	–	–	–	–	–	7,622.77
Disputed						
(a) Considered good	–	–	–	–	–	–
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	–	–	–	–	–	–
Total	–	–	–	–	–	–
Less: Allowance for Expected Credit Loss	–	–	–	–	–	–
Total Disputed Trade Receivables	–	–	–	–	–	–
Total Trade Receivables	–	–	–	–	–	7,622.77

Note No. 9 - Cash and Bank Balances

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
Cash and cash equivalents		
(a) Balances with banks	**1,148.07**	830.25
(b) Cash on hand	**4.06**	1.44
Total Cash and cash equivalent (A)	**1,152.13**	831.69
Other Bank Balances		
Balances with Banks:		
Term Deposits with original maturity upto 3 months (B)	**100.00**	900.00
Total Cash and cash equivalent (A) + (B)	**1,252.13**	1,731.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 10 - Equity Share Capital

(a) Equity Share Capital

Particulars	As at 31 March 2024 No. of shares	As at 31 March 2024 ₹ in Lakhs	As at 31 March 2023 No. of shares	As at 31 March 2023 ₹ in Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93
Total	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93

(b) Shares held by promoters

Promoter Name	As at 31 March 2024 No. of shares	% of total shares	% change during the year	As at 31 March 2023 No. of shares	% of total shares	% change during the year
Mahindra and Mahindra Financial Services Limited						
- Equity shares of Rs. 10/- each with voting rights	**1,03,09,280**	**100%**	**20%**	82,47,424	80%	0%

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Closing Balance
(a) Equity Shares with Voting rights*					
Year ended 31 March 2024					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount ₹ in Lakhs	1,030.93	–	–	–	1,030.93
Year ended 31 March 2023					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount ₹ in Lakhs	1,030.93	–	–	–	1,030.93

*** Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares: Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2024			
Mahindra and Mahindra Financial Services Limited, the Holding Company	**1,03,09,280**	**–**	**–**
As at 31 March 2023			
Mahindra and Mahindra Financial Services Limited, the Holding Company	82,47,424	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 10 - Equity Share Capital (Cont)

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	**As at 31 March 2024**		As at 31 March 2023	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	**1,03,09,280**	**100%**	82,47,424	80%
Inclusion Resource Pte Limited	**–**	**0%**	20,61,856	20%

Note No. 11 - Other Equity

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilized in accordance with the provisions of the Companies Act, 2013.

₹ in Lakhs

Particulars	**Reserves and Surplus**			**Items of other comprehensive income**	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss) / gain (net) on defined benefit plans	Total
As at 1 April 2022	**1,589.50**	**1,658.43**	**46,486.25**	**(360.01)**	**49,374.17**
Profit for the Year	–	–	3,444.07	–	3,444.07
Other Comprehensive Loss	–	–	–	(13.02)	(13.02)
Dividend paid on Equity Shares	–	–	(515.47)	–	(515.47)
As at 1 April 2023	**1,589.50**	**1,658.43**	**49,414.85**	**(373.03)**	**52,289.75**
Profit for the Year	–	–	12,352.18	–	12,352.18
Other Comprehensive Loss	–	–	–	(55.34)	(55.34)
Dividend paid on Equity Shares	–	–	(360.82)	–	(360.82)
As at 31 March 2024	**1,589.50**	**1,658.43**	**61,406.21**	**(428.37)**	**64,225.77**

Details of dividend

₹ in Lakhs

Particulars	**31-March-24**	31-March-23
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2023: Rs. 3.50 per share (31 March 2022: Rs. 5.00 per share)	**360.82**	515.47
Total	**360.82**	515.47

Note: The Board of Directors in their meeting on April 16, 2024 recommended final dividend of Rs. 15.00 per equity share for the financial year ended March 31, 2024. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the company and if approved would result in a net cash outflow of approximately Rs. 1546.39 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 12 - Provisions

₹ in Lakhs

Particulars		As at 31 March 2024		As at 31 March 2023	
		Current	**Non-Current**	Current	Non-Current
(a)	**Provision for employee benefits**				
	– Gratuity (Note 27)	**221.77**	**540.84**	201.53	481.69
	– Leave Encashment (Note 27)	**186.49**	**433.96**	161.41	441.02
	– Others	**2,227.16**	**–**	2,017.45	–
(b)	**Other Provisions**				
	– Provision for tax (net of advance tax paid)	**79.74**	**–**	79.74	–
Total Provisions		**2,715.16**	**974.80**	2,460.13	922.71

Note No. 13 - Trade Payables

₹ in Lakhs

Particulars		As at 31 March 2024	As at 31 March 2023
		Current	Current
Payables			
(I)	**Trade Payables**		
(i)	total outstanding dues of micro enterprises and small enterprises#	**20.44**	2.33
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises**	**8,356.99**	3,199.40
(II)	**Other Payables**		
(i)	total outstanding dues of micro enterprises and small enterprises#	**–**	–
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	**–**	–
Total		**8,377.43**	3,201.73

On the basis of confirmations received from parties

** Including amount payable to related parties of Rs.58.00 lakhs (PY: Rs.25.34 lakhs)

₹ in Lakhs

Particulars		As at 31 March 2024					
		Unbilled dues	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues							
(a)	MSME	**–**	**20.44**	**–**	**–**	**–**	**20.44**
(b)	Others	**7,885.11**	**336.21**	**9.71**	**36.49**	**89.47**	**8,356.99**
Disputed dues							
(a)	MSME	**–**	**–**	**–**	**–**	**–**	**–**
(b)	Others	**–**	**–**	**–**	**–**	**–**	**–**

₹ in Lakhs

Particulars		As at 31 March 2023					
		Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
(a)	MSME	–	2.33	–	–	–	2.33
(b)	Others	2,811.90	193.53	35.51	101.43	57.03	3,199.40
Disputed dues							
(a)	MSME	–	–	–	–	–	–
(b)	Others	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 14 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(i) Other Liabilities				
Salary Payable	**65.44**	**–**	80.41	**–**
Total Other Financial Liabilities	**65.44**	**–**	80.41	**–**

Note No. 15 - Other Liabilities

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
Statutory dues				
– Taxes payable (other than income taxes)	**1,911.85**	**–**	725.25	–
– Taxes payable (income taxes)	**1,142.82**	**–**	556.19	–
– Employee Recoveries and Employer Contributions	**70.58**	**–**	67.38	–
Other Liabilities	**7,154.35**	**–**	3,763.69	–
TOTAL OTHER LIABILITIES	**10,279.60**	**–**	5,112.51	–

Note No. 16 - Revenue from Operations

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from rendering of services		
Brokerage*	**1,05,710.67**	38,890.18
Broker retainer fees	**–**	198.35
Handling charges	**–**	311.34
Consultancy fees	**55.49**	49.82
Total Revenue from Operations	**1,05,766.16**	39,449.69

* This includes brokerage, incentives and rewards.

Note No. 17 - Other Income

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Interest Income		
– On Financial Assets at Amortised Cost	**3,456.25**	3,073.81
– On Income Tax Refund	**–**	72.12
(b) Miscellaneous Income	**92.85**	3.59
(c) Capital Gain on redemption of mutual funds	**148.87**	23.81
(d) Profit due to change in fair value of investments	**13.05**	–
(e) Profit on sale of property, plant and equipments	**16.31**	18.64
(f) Gain on foreign exchange	**1.67**	8.99
Total Other Income	**3,729.00**	3,200.96

Note No. 18 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
(a) Salaries and wages, including bonus*	**10,804.25**	10,625.73
(b) Contribution to provident and other funds	**487.31**	498.98
(c) Gratuity Expenses (Refer Note 27)	**162.43**	150.34
(d) Share based payment transactions expenses		
Cash-settled share-based payments	**18.51**	431.58
(e) Staff welfare expenses	**175.00**	166.75
Total Employee Benefit Expense	**11,647.50**	11,873.38

* Including payments to Key Managerial Person of Rs. 559.65 Lakhs (PY: Rs. 512.01 Lakhs)

Cash-settled share-based payments

In respect of the Cash-settled share-based payments, Employee Stock Options (ESOS) of the ultimate holding company Mahindra & Mahindra Limited and the holding company Mahindra & Mahindra Financial Services Limited (MMFSL) are issued to eligible employees of the Company. The Company makes the necessary payment to the respective ultimate holding company and holding company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 19 - Other Expenses

₹ in Lakhs

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
(a)	Distribution fees*#	**75,035.89**	19,795.56
(b)	Power & fuel	**38.98**	52.58
(c)	Rent including lease rentals	**87.64**	17.87
(d)	Rates and taxes	**39.80**	41.93
(e)	Insurance	**455.25**	384.68
(f)	Postage, Telephone and Communication	**149.37**	185.50
(g)	Software Charges	**13.50**	0.33
(h)	Repairs - Others	**111.64**	122.56
(i)	Administration Support Charges	**199.28**	271.40
(j)	Manpower Contracting Charges	**442.45**	575.50
(k)	Advertisement	**0.76**	0.18
(l)	Sales promotion expenses	**158.19**	325.65
(m)	Travelling and Conveyance Expenses	**468.64**	607.04
(n)	Expenditure on Corporate Social Responsibilty (CSR) under section 135 of the Companies Act, 2013. (Note 33.3)	**114.18**	132.30
(o)	Provision for doubtful trade and other receivables (Note 23)	**65.00**	42.20
(p)	Bad debts written off	**–**	–
(q)	Auditors remuneration and out-of-pocket expenses	**16.11**	13.31
	(i) As Auditors	**6.00**	5.00
	(ii) For Other services	**9.75**	8.00
	(iii) For reimbursement of expenses	**0.36**	0.31
(r)	Directors' Commission	**31.00**	138.78
(s)	Directors' Sitting Fees	**8.50**	8.70
(t)	Legal and other professional costs	**812.28**	920.00
(u)	Loss due to change in fair value of investments	**–**	3.28
(v)	Miscellaneous expenses	**1,584.44**	1,312.69
Total Other Expenses		**79,832.90**	24,952.04

* Distribution fees are the payments made to Motor Insurance Service Providers (Automotive Dealers) as per the Guidelines issued under section 34 of the Insurance Act, 1938 and section 14 of the IRDAI Act, 1999 on Motor Insurance Service Provider with effect from 1st November 2017

This includes distribution fees and incentives to MISP dealers.

Note No. 20 - Earnings per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	₹	₹
	Per Share	Per Share
Basic Earnings per share	**119.82**	33.41
Diluted Earnings per share	**119.82**	33.41

Equity shares of Rs. 10/- each with voting rights

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to owners of the Company	**12,352.18**	3,444.07
Less: Preference dividend and tax thereon	**–**	–
Profit for the year used in the calculation of basic earnings per share	**12,352.18**	3,444.07
Weighted average number of equity shares (nos)	**1,03,09,280**	1,03,09,280
Earnings per share - Basic (₹)	**119.82**	33.41

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible Bonds for the respective Periods, if any.

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year used in the calculation of basic earnings per share	**12,352.18**	3,444.07
Add: Adjustments, if any	**–**	–
Profit for the year used in the calculation of diluted earnings per share	**12,352.18**	3,444.07
Profits used in the calculation of diluted earnings per share	**12,352.18**	3,444.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 20 - Earnings per Share (Contd.)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**1,03,09,280**	1,03,09,280
Add: Effect of Warrants, if any	**–**	–
ESOPs, if any	**–**	–
Convertible bonds, if any	**–**	–
Others, if any	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,03,09,280**	1,03,09,280

Note No. 21 - Right of use assets

₹ in Lakhs

Description of Assets	Right of use assets
I. Gross Carrying Amount	
Balance as at 1 April 2023	**4,761.94**
Reclassifciation on account of adoption of Ind AS 116	**–**
Additions	**510.21**
Disposals	**2,179.94**
Balance as at 31 March 2024	**3,092.21**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2023	**1,974.24**
Amortisation expense for the year	**419.33**
Disposals	**1,644.81**
Balance as at 31 March 2024	**748.76**
III. Net carrying amount (I-II)	**2,343.45**

₹ in Lakhs

Description of Assets	Right of use assets
I. Gross Carrying Amount	
Balance as at 1 April 2022	2,562.89
Reclassifciation on account of adoption of Ind AS 116	–
Additions	2,199.05
Balance as at 31 March 2023	**4,761.94**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2022	1,422.45
Amortisation expense for the year	551.78
Balance as at 31 March 2023	1,974.23
III. Net carrying amount (I-II)	2,787.71

Note No. 22 - Intangible Assets Under Development

₹ in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Intangible Assets Under Development	**33.67**	263.61
Total	**33.67**	263.61

₹ in Lakhs

As at 31 March 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible Assets Under Development	**17.92**	**15.75**	**–**	**–**	**33.67**
Total	**17.92**	**15.75**	**–**	**–**	**33.67**

₹ in Lakhs

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible Assets Under Development	79.25	142.23	–	42.13	263.61
Total	79.25	142.23	–	42.13	263.61

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. The Company is subject to minimum capital requirements as stipulated by the IRDAI (Insurance Brokers) Regulations, 2018.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Lakhs

	31-March-24	31-March-23
Equity	**65,256.70**	53,320.68
Less: Cash and cash equivalents (Refer Note 9)	**(1,252.13)**	(1,731.69)
	64,004.57	51,588.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 23 - Financial Instruments (Cont)

Categories of financial assets and financial liabilities

₹ in Lakhs

As at 31 March 2024

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**2,450.00**	**–**	**–**	**2,450.00**
Loans	**12,200.00**	**–**	**–**	**12,200.00**
Other Financial Assets	**558.97**	**–**	**–**	**558.97**
Current Assets				
Investments	**11,550.00**	**4,851.38**	**–**	**16,401.38**
Trade Receivables	**14,842.37**	**–**	**–**	**14,842.37**
Other Bank Balances	**1,252.13**	**–**	**–**	**1,252.13**
Loans	**23,325.00**	**–**	**–**	**23,325.00**
Other Financial Assets	**3,016.94**	**–**	**–**	**3,016.94**
Non-current Liabilities				
Lease liabilities	**2,395.10**	**–**	**–**	**2,395.10**
Current Liabilities				
Trade Payables	**8,377.43**	**–**	**–**	**8,377.43**
Lease liabilities	**309.89**	**–**	**–**	**309.89**
Other Financial Liabilities	**65.44**	**–**	**–**	**65.44**

₹ in Lakhs

As at 31 March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	12,650.00	–	–	12,650.00
Loans	15,325.00			15,325.00
Other Financial Assets	1,231.43	–	–	1,231.43
Current Assets				
Investments	2,300.00	–	–	2,300.00
Trade Receivables	7,622.77	–	–	7,622.77
Other Bank Balances	1,731.69	–	–	1,731.69
Loans	16,550.00	–	–	16,550.00
Other Financial Assets	832.34	–	–	832.34
Non-current Liabilities				
Lease liabilities	2,745.67	–	–	2,745.67
Current Liabilities				
Trade Payables	3,201.73	–	–	3,201.73
Lease liabilities	381.43	–	–	381.43
Other Financial Liabilities	80.41	–	–	80.41

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

Trade receivables consist of institutional customers, largely insurance companies. The Company deals only with those insurance companies who have obtained an acceptable level of credit rating. The Company does not have significant credit risk exposure to any single external counterparty. Out of total outstanding none of the debtors are pertaining to group companies.

The credit risk on liquid funds invested in Fixed Deposits with companies and Intercorporate Deposits is limited because the counterparties are group companies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macro economic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at 31 March 2024

₹ in Lakhs

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	**0.00**	**14,643.36**	**716.10**	**15,359.46**
Loss allowance provision	**0.00**	**129.72**	**387.37**	**517.09**
		14,513.64	**328.73**	**14,842.37**

As at 31 March 2023

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	0.00	7,215.25	859.61	8,074.86
Loss allowance provision	0.00	93.55	358.54	452.09
		7,121.70	501.07	7,622.77

Reconciliation of loss allowance provision for Trade Receivables

₹ in Lakhs

Particulars	**31-March-24**	31-March-23
Balance as at beginning of the year	**452.09**	409.89
Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**65.00**	42.20
Balance at end of the year (Note 8)	**517.09**	452.09

The loss allowance provision has changed during the period due to delays in recovery of brokerage on insurance contracts brokered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 23 - Financial Instruments (Cont)

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-March-24				
Non-interest bearing	**8,752.76**	**2,395.10**	**–**	**–**
Total	**8,752.76**	**2,395.10**	**–**	**–**
31-March-23				
Non-interest bearing	3,663.57	2,745.67	–	–
Total	3,663.57	2,745.67	–	–

(iii) Financing arrangements

The Company does not feel the need to have any borrowing facilities at this stage.

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-March-24				
Non-interest bearing	**23,704.47**	**498.97**	**–**	**–**
Fixed interest rate instruments	**35,133.35**	**14,710.00**	**–**	**–**
Total	**58,837.82**	**15,208.97**	**–**	**–**
31-March-23				
Non-interest bearing	9,286.80	1,171.43	–	–
Fixed interest rate instruments	19,750.00	28,035.00	–	–
Total	29,036.80	29,206.43	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments taking into account the current liquidity requirements. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 24 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

₹ in Lakhs

Particulars	**31-March-24** Carrying amount	Fair value	31-March-23 Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**35,525.00**	**35,525.00**	31,875.00	31,875.00
– trade and other receivables	**15,359.46**	**14,842.37**	8,074.86	7,622.77
– other financial assets	**3,575.91**	**3,575.91**	2,063.77	2,063.77
– Investment with Companies	**18,851.38**	**18,851.38**	14,950.00	14,950.00
Total	**73,311.75**	**72,794.66**	56,963.63	56,511.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 24 - Fair Value Measurement (Cont)

₹ in Lakhs

Particulars	31-March-24 Carrying amount	31-March-24 Fair value	31-March-23 Carrying amount	31-March-23 Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**8,377.43**	**8,377.43**	3,201.73	3,201.73
– Lease Liabilities	**2,704.99**	**2,704.99**	3,127.10	3,127.10
– other financial laibilities	**65.44**	**65.44**	80.41	80.41
Total	**11,147.86**	**11,147.86**	6,409.24	6,409.24

Fair value hierarchy as at 31st March 2024

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	–	**35,525.00**	–	**35,525.00**
– trade and other receivables	–	**14,842.37**	–	**14,842.37**
– other financial assets	–	**3,575.91**	–	**3,575.91**
– fixed Deposits with companies	–	**18,851.38**	–	**18,851.38**
Total	–	**72,794.66**	–	**72,794.66**
Financial liabilities				
Financial liabilities held at Amortised Cost				
– trade and other payables	–	**8,377.43**	–	**8,377.43**
– Lease Liabilities	–	**2,704.99**	–	**2,704.99**
– other financial laibilities	–	**65.44**	–	**65.44**
Total	–	**11,147.86**	–	**11,147.86**

Fair value hierarchy as at 31st March 2023

	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
– loans to related parties	–	31,875.00	–	31,875.00
– trade and other receivables	–	7,622.77	–	7,622.77
– other financial assets	–	2,063.77	–	2,063.77
– fixed Deposits with companies	–	14,950.00	–	14,950.00
Total	–	56,511.54	–	56,511.54
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	–	3,201.73	–	3,201.73
– Lease Liabilities	–	3,127.10	–	3,127.10
– other financial laibilities	–	80.41	–	80.41
Total	–	6,409.24	–	6,409.24

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. In the opinion of the management, the difference between the carrying value of the above stated financial assets and liabilities is not materially different from their fair value . Accordingly, the fair value and carrying amount are the same.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 25 - Leases

25.1 Company as a lessee

Following are the changes in the carrying value of Right of use asset for the year ended March 31, 2024

₹ in Lakhs

Particulars	Category of Asset Building For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning	**2,787.71**	1,140.44
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**510.21**	2,199.05
Deletions	**535.13**	–
Depreciation	**419.33**	551.78
Balance at the end	**2,343.45**	2,787.71

Following is the movement in the lease liabilities during the year ended March 31, 2024

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning	**3,127.10**	1,277.48
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**510.21**	2,199.05
Deletions	**627.55**	–
Finance Cost accured during the year	**239.89**	193.72
Payment of lease liabilties	**544.66**	543.15
Balance at the end	**2,704.99**	3,127.10
Non Current	**2,395.10**	2,745.67
Current	**309.89**	381.43
Total	**2,704.99**	3,127.10

25.2 Depreciation and Amortisation

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Property, Plant & Equipment (Note 1)	**547.35**	451.68
Other Intangible Assets (Note 2)	**58.41**	23.00
Right of use Assets (Note 21)	**419.33**	551.78
Total	**1,025.09**	1,026.46

Note No. 26 - Segment information

The Company has determined the operating segment based of structure of reports reviewed by the Strategic Management Council. For management purposes, the Company is organised into a single business unit and has only one reportable segment namely "Insurance Broking Services". The geographical segment is based on the location of client, whether in India or outside India. The Strategic Management Council of the Company monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment.

₹ in Lakhs

Geographic information	Year Ended 31 March 2024	Year Ended 31 March 2023
Revenue from external customers		
India	**105,766.16**	39,449.69
Outside India	**–**	–
Total Income as per statement of profit and loss	**105,766.16**	39,449.69

All Non-current operating assets comprising property, plant and equipment, investment properties and intangible assets, if any are located in India.

Income from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ in Lakhs

	Year Ended 31 March 2024	Year Ended 31 March 2023
Insurance Broking And Auxillary Activities	**105,766.16**	39,449.69
Total	**105,766.16**	39,449.69

Income from transactions with a single external customer amounts to 10% or more of the entity's revenues.

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 458.42 Lakhs (F-2023 : Rs. 468.73 Lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits (Cont)

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However, an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Leave Encashment

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Defined benefit plans – as per actuarial valuation on 31st March, 2024 and 31st March 2023

₹ in Lakhs

Particulars	Funded Plan Gratuity		Unfunded Plans Exigency leave / Earned leave	
	2024	2023	**2024**	2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
Service Cost				
Current Service Cost	**111.19**	108.42	**111.48**	107.58
Past service cost and (gains)/losses from settlements	**–**	–	**–**	–
Net interest expense	**51.24**	41.93	**45.18**	55.03
Acquisition adjustment due to transfer out	**–**	–		
Components of defined benefit costs recognised in profit and loss	**162.43**	150.35	**156.66**	162.61
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)	**–**	–	**–**	–
Actuarial (gains) /loss arising from changes in financial assumptions	**–**	–	**–**	–
Actuarial loss arising from experience adjustments	**73.95**	17.40	**–**	–
Others	**–**	–	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**73.95**	17.40	**–**	–
Total	**73.95**	17.40	**–**	–
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	**1,269.51**	1,184.18	**620.45**	602.43
2. Fair value of plan assets as at 31st March	**506.90**	500.96	**–**	–
3. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March	**(762.61)**	(683.22)	**(620.45)**	(602.43)
Current portion of the above	**221.77**	201.53	**186.49**	161.41
Non current portion of the above	**540.84**	481.69	**433.96**	441.02

Particulars	Funded Plan Gratuity		Unfunded Plans Leave Encashment / Earned leave	
	2024	2023	**2024**	2023
II. Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	**1,184.18**	1,160.99	**602.43**	751.76
2. Add/(Less) on account of Scheme of Arrangement/Business	**–**	–	**–**	–
Transfer	**–**	–	**–**	–
3. Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**111.19**	108.42	**111.48**	107.58
– Past Service Cost	**–**	–	**–**	–
– Interest Expense (Income)	**88.81**	84.98	**45.18**	55.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits (Cont)

Particulars	**Funded Plan Gratuity 2024**	2023	**Unfunded Plans Leave Encashment / Earned leave 2024**	2023
4. *Recognised in Other Comprehensive Income*				
Remeasurement gains/(losses)				
– Actuarial Gain (Loss) arising from:				
i. Demographic Assumptions	**7.06**	4.35	**0.63**	4.58
ii. Financial Assumptions	**14.91**	(14.64)	**6.89**	(5.88)
iii. Experience Adjustments	**14.41**	(15.36)	**(146.16)**	(310.63)
5. Benefit payments	**(151.05)**	(144.56)	**–**	–
6. Others	**–**	–	**–**	–
7. Present value of defined benefit obligation at the end of the year	**1,269.51**	1,184.18	**620.45**	602.43
III. Change in fair value of assets during the year ended 31st March				
1. Fair value of plan assets at the beginning of the year	**500.95**	588.23	**–**	–
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–	**–**	–
3. *Expenses Recognised in Profit and Loss Account*				
– Expected return on plan assets	**37.59**	43.06	**–**	–
4. *Recognised in Other Comprehensive Income*				
Remeasurement (losses)				
– Actual Return on plan assets in excess of the expected return	**(37.59)**	(43.06)	**–**	–
– Others (Specify)	**–**	–	**–**	–
5. Contributions by employer (including benefit payments recoverable)	**157.00**	57.28	**–**	–
6. Recoverable/Recovered from LIC	**–**	–	**–**	–
7. Benefit payments	**(151.05)**	(144.56)	**–**	–
8. Fair value of plan assets at the end of the year	**506.90**	500.95	**–**	–
IV. The Major categories of plan assets				
– Insurer managed funds	**100%**	100%	**–**	–
V. Actuarial assumptions				
1. Discount rate	**7.22%**	7.50%	**7.22%**	7.50%
2. Expected rate of return on plan assets	**7.00%**	7.00%	**7.00%**	7.00%
3. Attrition rate	**Attrition rate of 47% up to the age of 30, 33% up to age of 44 and 19% thereafter**	Attrition rate of 51% up to the age of 30, 30% up to age of 44 and 16% thereafter	**Attrition rate of 47% up to the age of 30, 33% up to age of 44 and 19% thereafter**	Attrition rate of 51% up to the age of 30, 30% up to age of 44 and 16% thereafter

Gratuity

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	**Year**	**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	**2024**	**1**	**(56.36)**	**38.94**
	2023	1	(56.97)	35.99
Salary growth rate	**2024**	**1**	**38.57**	**(56.87)**
	2023	1	36.36	(59.40)
Life expectancy	**2024**	**+/- 1 year**	**Negligible**	**Negligible**
	2023	+/- 1 year	Negligible	Negligible

Leave Encashment

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	**Year**	**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	**2024**	**1**	**(11.76)**	**22.32**
	2023	1	(27.80)	30.12
Salary growth rate	**2024**	**1**	**22.16**	**(22.20)**
	2023	1	29.97	(28.18)
Life expectancy	**2024**	**+/- 1 year**	**Negligible**	**Negligible**
	2023	+/- 1 year	Negligible	Negligible

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits (Cont)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 90 lakhs to the gratuity trusts during the next financial year of 2025.

Maturity profile of defined benefit obligation:

₹ in Lakhs

Gratuity	2024	2023
Within 1 year	**423.51**	411.73
1 - 2 year	**452.77**	377.79
2 - 3 year	**518.53**	415.95
3 - 4 year	**583.85**	481.06
4 - 5 year	**657.39**	520.24

₹ in Lakhs

Leave Encashment	2024	2023
Within 1 year	**186.70**	215.00
1 - 2 year	**236.09**	201.62
2 - 3 year	**236.04**	206.15
3 - 4 year	**244.99**	212.67
4 - 5 year	**249.27**	216.24

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

VIII. Experience Adjustments:	Period Ended				
	2024	2023	2022	2021	2020
	Gratuity				
1. Defined Benefit Obligation	**1,269.51**	1,184.18	1,160.99	1,197.24	1,089.09
2. Fair value of plan assets	**506.90**	500.96	588.23	584.43	466.12
3. Surplus/(Deficit)	**(762.61)**	(683.22)	(609.01)	612.82	622.97
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**36.38**	(25.65)	(67.94)	(74.54)	266.85
5. Experience adjustment on plan assets [Gain/(Loss)]	**(37.57)**	(43.06)	(40.38)	(29.88)	(30.09)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No 28 - Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

On January 18, 2019, Board of Directors approved the MIBL Employees Phantom Stock Option Plan 2019 (MIBL EPSOP 2019) for grant of stock options to the employees, within the meaning of the MIBL-EPSOP 2019 plan. The specific employees to whom the options would be granted and their eligibility criteria shall be determined by the Nomination and Remuneration Committee of the Board (Committee) from time to time on the basis of one or more factors including but not limited to longevity, total experience and role of the Employee. The options granted under EPSOP 2019 would vest after 1 (one) year but not later than the maximum vesting Period of 4 (four) years from the grant date of such options.

The Committee has prescribed the vesting schedule of the options granted under the plan, unless otherwise decided in exceptional cases like retirements:

Vesting Dates	Vesting Percentage
1st Anniversary from date of Grant	25% of Options granted
2nd Anniversary from date of Grant	25% of Options granted
3rd Anniversary from date of Grant	25% of Options granted
4th Anniversary from date of Grant	25% of Options granted

The Company will process vested options for settlement at each vesting date and determine appreciation in respect of all such Options with reference to Fair Market Value prevailing as on date of Vesting calculated as prescribed by MIBL EPSOP 2019. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Employees Phantom Stock Option Plan

Grant date	Exercise Price	Total Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
Grant I	10.00	302,326.00	258,951.00	–	258,951.00	43,375.00	–
Grant II	10.00	4,905.00	4,905.00	–	4,905.00	–	–
Grant III	10.00	9,070.00	6,892.00	–	6,892.00	2,178.00	–
Grant IV	10.00	7,268.00	3,620.00	–	3,620.00	3,648.00	–
Grant V	10.00	2,468.00	2,468.00	–	2,468.00	–	–
Total		**326,037.00**	**276,836.00**	**–**	**276,836.00**	**49,201.00**	**–**

Movement of Phantom Stock Options during the year

Total for all grants	No. of Options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	0	10.00	10.00	NA
Granted during the year	0			NA
Forfeited/ Lapsed during the year	0			NA
Exercised during the year	0			NA
Outstanding at the end of the year	0			NA
Exercisable at the end of the year	0			NA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No 28 - Employees Share Based Payments (Employees Phantom Stock Option Plan 2019) (Cont)

Significant assumptions used to estimate the fair value of options granted during the year.

Variables	
1. Risk Free Interest Rate	NA
2. Expected Life	NA
3. Expected Volatility	NA
4. Dividend Yield	NA
5. Price of the underlying share in market at the time of the option grant (Rs.)	NA

Total Expenses recognised for the year ended on 31st March 2024.

The total expense recognised from share-based payment transactions (including options granted to Directors & employees of other group companies) for the year ended on 31st March 2024 is Nil Lakhs (PY. Rs. 539.12 Lakhs)

Note No. 29 - Related Party Transactions

Name of the parent Company	**: Mahindra & Mahindra Financial Services Limited**
Name of the Ultimate parent Company	**: Mahindra & Mahindra Limited**
Name of the Fellow subsidiaries	**: Mahindra Rural Housing Finance Limited**
	: Mahindra Integrated Business Solutions Limited
	: Mahindra First Choice Services Limited
	: N.B.S. International Limited
Key Management Personnel (KMP)	**: Vedanarayanan Seshadri, Managing Director**
	: Saurabh V. Dharadhar, Chief Financial Officer
	: Niranajan Karde (w.e.f. 18th Jan 2022)
Directors	**: Rajeev Dubey, Chairman**
	: Ramesh Iyer, Non Executive Director
	: Hemant Sikka, Non Executive Director
	: Jyotin Mehta, Independent Director
	: Anjali Raina, Independent Director
	: Derek Nazareth, Nominee Director (Till 15th Jan 2023)
	: Vivek Karve, Non Executive Director
	: Rajnish Agarwal, Non Executive Director (Till 8th July 2023)

Details of transaction between the Company and its related parties are disclosed below:

₹ in Lakhs

Particulars	**For the year ended**	**Parent Company and Ultimate Parent company**	**KMP/ Directors of the Company**	**Fellow subsidiaries**
<u>Nature of transactions with Related Parties</u>				
Purchase of property and other assets	31-March-24	180.27	–	38.58
including intangibles	*31-March-23*	*54.35*	–	*28.26*
Rendering of services	31-March-24	–	–	–
	31-March-23	*311.34*	–	–
Receiving of services	31-March-24	319.38	559.65	386.43
	31-March-23	*448.67*	*512.01*	*262.53*
Interest Income	31-March-24	1,587.22	–	1,842.86
	31-March-23	*1,477.75*	–	*1,575.38*
Loans given (including Fixed Deposits &	31-March-24	5,050.00	–	16,500.00
Intercorporate Deposits placed during the year)	*31-March-23*	*14,050.00*	–	*13,050.00*
Repayment of loans (including Fixed Deposits matured &	31-March-24	9,750.00	–	9,100.00
Intercorporate Deposits withdrawn during the year)	*31-March-23*	*9,365.00*	–	*16,575.00*
Dividend Paid	31-March-24	288.66	–	–
	31-March-23	*412.37*	–	–
Commission and other benefits to directors	31-March-24	–	31.00	–
	31-March-23	–	*138.78*	–
Sale of Fixed Assets	31-March-24	2.17	–	2.28
	31-March-23	–	–	*2.43*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 29 - Related Party Transactions (Cont)

Nature of Balances with Related Parties	Balance as on	Parent Company and Ultimate Parent company	KMP/Directors of the Company	Fellow subsidiaries
Trade payables	31-March-24	43.44	–	14.56
	31-March-23	*24.24*	–	*1.10*
Loans & advances given (including Fixed Deposits	31-March-24	19,950.00	–	29,575.00
and Intercorporate Deposits placed)	*31-March-23*	*24,650.00*	–	*22,175.00*
Other balances (including Trade Receivables	31-March-24	1,991.82	–	1,100.29
and Interest Accrued)	*31-March-23*	*1,170.89*	–	*618.80*

Compensation of Key Management Personnel

The remuneration of directors and other members of Key Management Personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term employee benefits	**559.65**	512.01
Post-employment benefits[1]	–	–
Other long-term benefits[1]	–	–
Termination benefits	–	–
Share-based payment[2]	–	–

[1] Figures not available separately for gratuity and leave encashment

[2] Included in the Stock Option Charge paid to parent company for its Stock Options granted to Key Managerial Personnel

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note No. 30 - Income from contract with customers

A. Country-wise break up of Income

₹ in Lakhs

31-March-24

Country	Income from contracts with customers (Ind AS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	105,766.16	–	105,766.16	3,729.00	109,495.16
Total	**105,766.16**	**–**	**105,766.16**	**3,729.00**	**109,495.16**

₹ in Lakhs

31-March-23

Country	Income from contracts with customers (Ind AS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	39,449.69	–	39,449.69	3,200.96	42,650.65
Total	39,449.69	–	39,449.69	3,200.96	42,650.65

B. Breakup of Income into contracts entered in previous year and in current year

₹ in Lakhs

Particulars	31-March-24	31-March-23
Income from PO/ contract / agreement entered into previous year	**105,745.39**	39,369.81
Income from New PO/ contract / agreement entered into current year	**20.77**	79.88
Total Income recognised during the period	**105,766.16**	39,449.69

C. Reconciliation of Income from contract with customer

₹ in Lakhs

Particulars	31-March-24	31-March-23
Income from contract with customer as per the contract price	**105,766.16**	39,449.69
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	–	–
b) Sales Returns / Reversals	–	–
c) Deferrment of revenue	–	–
d) Changes in estimates of variable consideration	–	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	–	–
f) Any other adjustments	–	–
Income from contract with customer as per the statement of Profit and Loss	**105,766.16**	39,449.69

D. Income to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/Pos/Wos/SOWs, etc) at the end of reporting period.

The company has reviewed the contract with insurers and customers and indentified claims handling services as an area that is affected by the new accounting standard. The application of new standard results in the indentifiaction of separate performance obligation for handling claims on behalf of customers as part of insurance brokerage customary business practice. The new standard requires the deferral of income recognition until the performance obligation is satisifed. Based on the results of the review, the company does not expect a material impact on the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 30 - Income from contract with customers (Cont)

E. Break-up of Provision for Expected Credit Losses recognised in P&L

₹ in Lakhs

Particulars	31-March-24	31-March-23
Expected Credit loss recognised during the year on trade receivables	**65.00**	42.20
Expected Credit loss recognised during the year on contract assets	**–**	–
Expected Credit loss recognised during the year on others	**–**	–
Total	**65.00**	42.20

Note No. 31 - Income received from Insurer and Insurer's group companies

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of all the incomes received from insurers and insurer's group companies

A. Details of incomes received from insurers (Top 15+ Others)

₹ in Lakhs

Particulars	Year Ended 31 March 2024
ICICI Lombard General Insurance Company Limited	**14,322.22**
Tata AIG General Insurance Company Limited	**11,161.56**
Universal Sompo General Insurance Company Limited	**10,814.35**
SBI General Insurance Company Limited	**9,221.40**
IFFCO Tokio General Insurance Company Limited	**7,995.80**
Cholamandalam MS General Insurance Company Limited	**7,252.39**
HDFC General Insurance Company Limited	**5,112.40**
Magma HDI General Insurance Company Limited	**4,918.88**
Kotak Mahindra Life Insurance Company Limited	**4,679.92**
Reliance General Insurance Company Limited	**4,609.63**
Liberty General Insurance Company Limited	**4,313.02**
Go Digit General Insurance Limited	**3,228.42**
Niva Bupa Health Insurance Company Limited	**2,329.29**
Max Life Insurance Company Limited	**2,098.66**
Future Generali Insurance Company Limited	**2,032.18**
Others	**11,620.54**
Total Revenue	**105,710.66**

₹ in Lakhs

Particulars	Year Ended 31 March 2023
Religare Health Insurance Company Limited	5,811.89
ICICI Lombard General Insurance Company Limited	4,405.26
Tata AIG General Insurance Company Limited	4,247.29
IFFCO Company Tokio General Insurance Company Limited	4,047.89
Cholamandalam MS General Insurance Company Limited	1,923.06
Reliance General Insurance Company Limited	1,914.54
Liberty Videocon General Insurance Company Limited	1,842.03
Magma HDI General Insurance Company Limited	1,399.05
Om Kotak Mahindra Life Insurance Company Limited	1,385.40
SBI General Insurance Company Limited	1,293.13
Go Digit General Insurance Limited	1,180.38
HDFC Ergo General Insurance Company Limited	1,051.33
Future Generali Insurance Company Limited	960.04
Universal Sompo General Insurance Company Limited	867.66
Max Bupa Health Insurance Company Limited	823.96
Others	5,737.29
Total Revenue	38,890.20

B. The Company has not received any income from any of the insurers' group companies.

Note No. 31 - Details of Payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per the information received from the group companies, payments received by Mahindra & Mahindra Financial Services Limited ("MMFSL") & Mahindra Rural Housing Finance Limited ("MRHFL")

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2024*
Kotak Mahindra Life Insurance Company Limited	**7,832.40**
Max Life Insurance Company Limited	**6,595.53**
Niva Bupa Health Insurance Company Limited	**1,852.31**
Care Health Insurance Limited	**1,771.18**
HDFC Standard Life Insurance Company Limited	**392.45**
Reliance General Insurance Company Limited	**77.88**
Go Digit General Insurance Company Limited	**71.18**
Liberty General Insurance Company Limited	**25.96**
Cholamandalam MS General Insurance Company Limited	**24.67**
Future Generali India Insurance Company Limited	**7.68**
Bajaj Allianz General Insurance Company Limited	**3.69**
Total	**18,654.93**

* Payments are received towards usage of office space of MMFSL & MRHFL branches for display of marketing material/advertisements of insurance companies.

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2023*
Kotak Mahindra Life Insurance Company Limited	6,592.66
Tata Aig General Insurance Company Limited	859.39
Care Health Insurance Limited	777.22
Niva Bupa Health Insurance Company Limited	769.60
Reliance General Insurance Company Limited	675.48
ICICI Lombard General Insurance Company Limited	603.94
Cholamandalam MS General Insurance Company Limited	467.86
Go Digit General Insurance Company Limited	439.64
Royal Sundaram Alliance Insurance Company Limited	238.12
Raheja QBE General Insurance Company Limited	197.32
IFFCO Tokio General Insurance Company Limited	169.92
Liberty General Insurance Company Limited	162.37
Bajaj Allianz General Insurance Company Limited	112.48
HDFC Standard Life Insurance Company Limited	94.30
Future Generali India Insurance Company Limited	69.72
Kotak Mahindra General Insurance Company Limited	4.13
Total	12,234.15

* Payments are received towards usage of office space of MMFSL & MRHFL branches for display of marketing material/advertisements of insurance companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 32 - Contingent liabilities and commitments

₹ in Lakhs

Contingent liabilities (to the extent not provided for)	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
Tax deducted at source	**7.97**	12.90
Income tax liability	**16.61**	–

₹ in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Commitments for the acquisition of intangible assets	**36.87**	181.48

Note No. 33 - Additional Information to the Financial Statements

33.1 Dividend

In respect of the current year, the directors propose that a dividend of Rs. 15.00 per share be paid on equity shares on 16th April 2024. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 21st June 2024. The total estimated equity dividend to be paid is Rs. 1546.39 lakhs.

33.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars	31-March-24	31-March-23
(i) Principal amount remaining unpaid to MSME suppliers as on	**20.44**	2.33
(ii) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v) The amount of interest accrued and remaining unpaid as on	**–**	–
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

33.3 Corporate Social Responsibility (CSR)

₹ in Lakhs

Particulars	31-March-24	31-March-23
Amount required to be spent as per section 135 of the Act	**113.70**	132.26
Amount spent during the year on:		
(i) Construction/acquisition of an asset	**–**	–
(ii) On purpose other than (i) above	**114.18**	132.30
Total Spent	**114.18**	132.30
Shortfall at the end of year	**–**	–
Nature of CSR activities	Promoting Education & Healthcare	
Details of Related Party Transactions		
Contribution to a trust controlled by the Company in relation to CSR expenditure	**–**	–
Provision made with respect to a liability already incurred by entering into a contractual obligation	**–**	–

Note No. 34 - Ratios

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	2.83	2.72	4%	–
Return on Equity Ratio	Profit After Tax	Avg. shareholders' equity	21%	7%	214%	Percentage increase in Profit after tax is more than percentage increase in average net-worth.
Trade Receivables Turnover Ratio	Net Sales	Avg. Trade Receivables	9.42	5.51	71%	Increase in trade receivables is on account of increase in sales due to newly introduced IRDAI expenses of management (EOM) regulations, 2023
Return on Investments	Interest and Dividend Income	Investments and ICDs	6%	7%	(3%)	–
Net Capital Turnover Ratio	Net Sales	Working Capital	266%	205%	30%	Percentage increase in net sales is more than percentage increase in working capital
Net Profit Ratio	Profit After Tax	Net Sales	12%	9%	34%	Increase in Profit after tax as compared to previous year
Return on Capital Employed	EBIT	Capital Employed	26%	9%	189%	Increase in EBIT as compared to previous year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 35 - Additional Disclosures

1. During the financial years ended 31 March 2024 and 31 March 2023, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.
2. There is no Benami Property held or there are no proceedings initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
3. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
4. There was no scheme of arrangements approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

Note No. 36 - Details of transactions with Struck off companies

Name of the Struck off Company	Nature of transactions with struck off company	Relationship with struck off company	Balance as at 31 March 2024	Balance as at 31 March 2023
		NIL		

Note No. 37 - Previous year figures

– Previous year figures have been regrouped /reclassified wherever found necessary.

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	Vivek Karve	Hemant Sikka	Jyotin Mehta
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 06840707	DIN: 00922281	DIN: 00033518

Anjali Raina	Vedanarayanan Seshadri	Niranjan Karde	Saurabh V. Dharadhar
Director	**Managing Director & Principal Officer**	**Company Secretary**	**Chief Financial Officer & Ethics Officer**
DIN: 02327927	DIN: 08864477	Mem No.: ACS 26372	

Place: Mumbai
Date: April 16, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **Mahindra Rural Housing Finance Limited**

Report on the audit of financial statements

Opinion

We have audited the financial statements of Mahindra Rural Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at, March 31, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances	
Refer to the accounting policies in "Note 2.5 (ii) to the financial statements: Impairment of financial statements" "Note 4 to the financial statements: Loans" and "Note 44 (ii) to the financial statements: Credit Risk Management"	
The Company has recognized impairment loss allowance of Rs.13,360.89 lakhs in its Statement of Profit and Loss during the year 2023-2024. The Company has maintained impairment provisions amounting to Rs.27,682.83 lakhs as at March 31, 2024. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using Expected Credit Loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs – The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. • Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.	Our key audit procedures included: • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process including discussions with the external industry expert engaged by the Company for review and updation of the ECL model. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any. • Evaluated whether the methodology applied by the Company is in compliance of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, checking mathematical accuracy of the workings.

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances	
• Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions including the spill-over effects of the Covid 19 pandemic, if any. During the year, the Company has engaged an industry expert to assist it in review and updation of the ECL model. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties and other macro-economic factors, which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. Disclosures: The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied. • Testing the 'Governance Framework' over validation, implementation and model monitoring in line with the RBI guidance. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient. • We have also obtained management representations wherever considered necessary.

IT Systems and Controls	
Key audit matter	**How the matter was addressed in our audit**
The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these applications is critical for accurate compilation of financial information. Additionally, during the year, there has been a migration to an advanced loan management system. Further, the Company's financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We have identified 'IT systems and controls' as key audit matter because of the high-level automation, number of systems being used by the management and the inherent risks/ complexity of the IT architecture.	We have performed the following key audit procedures: • Performed control testing on user access management, change management, segregation of duties, system and system application controls over key financial accounting and reporting systems. • Tested key controls operating over information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • Tested the design and operating effectiveness of key controls over user access management which includes granting access / right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties. • Tested and reviewed data consistency pre and post migration of the LMS and also reviewed the reports of external consultants hired for this purpose. • Other areas that were tested include security configurations, system interface controls, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to change applications, the operating system, or databases in the production environment.

Information other than the financial statements and auditor's report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' responsibility for the financial statements.

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

iv. Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. on the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;

   f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements.

      ii. the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts. The company has not entered into derivative contracts during the year - Refer note 38 to the financial statements.

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

      iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,

         a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 24129389BKASOK7031

Place: Mumbai
Date: April 19, 2024.

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mahindra Rural Housing Finance Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment including intangible assets.

(b) The Company has a regular programme of physical verification of Property, Plant and Equipment under which property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) The title deeds (comprising of registered sale deeds/ transfer deeds /conveyance deeds) of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) provided to us, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under clause 3(ii) of the order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The quarterly returns and statements filed by the Company with such banks and financial institutions are in agreement with the books of account and records of the Company.

(iii) (a) Since the Company is a Housing Finance Company whose principal business is to give loans, clause 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.10 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at the year-end aggregating Rs.65,091.29 lakhs were categorised as credit impaired ("Stage 3") and Rs. 59,835.58 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 44(ii)(k) to the financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs.5,95,981.33 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of interest and/or principal aggregating Rs. 2,001.50 lakhs were also identified, albeit of less than 30 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total overdue amount for more than 90 days as on March 31, 2024 is as per details below:

No. of cases	Principal amount overdue (Rs. Lakhs)	Interest overdue (Rs. Lakhs)	Total overdue (Rs. Lakhs)	Remarks (if any)
49,624	20,466.05	14,085.72	34,551.77	None

In our opinion, the Company has taken reasonable steps for the recovery of the principal and interest.

(e) Since the Company is a Housing Finance Company whose principal business is to give loans, clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) In our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the statute	Nature of Dues	Period to which the amount pertains. (F.Y.)	Amount (Rs. in lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2011-12	8.11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2013-14	23.22	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2016-17	31.00	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2017-18	46.92	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2021-22	35.10	Commissioner of Income Tax (Appeals)

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) The Company has utilized the money raised by way of terms loans during the year for the purpose for which they were raised.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e)&(f) The Company does not have subsidiaries, associates or joint ventures during the year and therefore clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company has been noticed or reported during the year. In respect of frauds noticed and reported by the Company, the following information is furnished

Nature of fraud	Amount (Rs. Lakhs)
Cases of cheating and forgery by borrowers and employees	1.28
Cases of frauds by employees	44.68

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report, while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business. Prior to 9th August 2019, the power of registration of Housing Finance Companies was vested with the National Housing Bank and not the Reserve Bank of India.

(c) The Company is not a Core Investment Company (CIC) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company

(d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. There are 4 CIC forming part of the Group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the auditor during the year hence there is no requirement to report under this clause.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

(xxi) The Company is not required to prepare Consolidated Financial Statements and therefore reporting under clause 3(xxi) of the Order is not applicable for the year.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 24129389BKASOK7031

Place: Mumbai
Date: April 19, 2024.

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Rural Housing Finance Limited for the year ended March 31, 2024.

Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2(A) (f) under 'Report on other legal and regulatory requirements' section of our report of even date.

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Rural Housing Finance Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's responsibility for internal financial controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to financial statements include those policies and procedures that –

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 24129389BKASOK7031

Place: Mumbai
Date: April 19, 2024.

BALANCE SHEET AS AT 31 MARCH 2024

Particulars	Note	(Rs. in Lakhs) As at 31 March 2024	(Rs. in Lakhs) As at 31 March 2023
ASSETS			
1) Financial Assets			
a) Cash and cash equivalents	3	**57,673.26**	31,631.99
b) Bank balance other than (a) above		**16,372.47**	88,702.87
c) Loans	4	**693,329.82**	684,524.55
d) Investments	5	**23,851.32**	34,095.06
e) Other financial assets	6	**1,808.88**	3,195.18
		793,035.75	842,149.65
2) Non-financial Assets			
a) Current tax assets (Net)		**2,905.66**	1,920.89
b) Deferred tax assets (Net)	7	**10,900.05**	11,028.76
c) Property, Plant and Equipments	8	**12,165.95**	12,527.61
d) Other intangible assets	9	**583.23**	23.61
e) Other non-financial assets	10	**3,500.05**	4,125.99
		30,054.94	29,626.86
Total Assets		**823,090.69**	871,776.51
LIABILITIES AND EQUITY			
LIABILITIES			
1) Financial Liabilities			
a) Payables	11		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		**21.51**	1.32
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**4,185.39**	4,366.40
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		**–**	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**22.30**	22.28
b) Debt securities	12	**316,247.21**	316,771.91
c) Borrowings (Other than Debt Securities)	13	**272,069.19**	319,162.66
d) Subordinated liabilities	14	**46,078.58**	46,049.24
e) Other financial liabilities	15	**33,704.51**	35,107.89
		672,328.69	721,481.70
2) Non-Financial Liabilities			
a) Current tax liabilities (Net)		**–**	–
b) Provisions	16	**1,372.09**	1,480.32
c) Other non-financial liabilities	17	**580.95**	651.47
		1,953.04	2,131.79
3) EQUITY			
a) Equity share capital	18	**12,233.07**	12,213.75
b) Other equity	19	**136,575.89**	135,949.27
		148,808.96	148,163.02
Total Liabilities and Equity		**823,090.69**	871,776.51
Summary of material accounting policy information	2		
The accompanying notes form an integral part of the financial statements.	1 to 53		

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dinesh Prajapati
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS9049]

Mumbai
19 April 2024

Mumbai
19 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

	Particulars	Note	(Rs. in Lakhs) Year ended 31 March 2024	(Rs. in Lakhs) Year ended 31 March 2023
	REVENUE FROM OPERATIONS			
	i) Interest income	20	**124,425.67**	130,371.65
	ii) Fees and commission income	21	**726.71**	1,012.20
	iii) Net gain / (loss) on fair value changes and derecognised financial instruments	22	**2,049.86**	1,982.60
I	**Total revenue from operations**		**127,202.24**	133,366.45
II	Other income	23	**2,241.35**	1,613.58
III	**Total Income (I+II)**		**129,443.59**	134,980.03
	EXPENSES			
	i) Finance costs	24	**53,625.65**	52,512.77
	ii) Fees and commission expense	25	**757.87**	707.17
	iii) Impairment on financial instruments	26	**13,360.89**	17,222.85
	iv) Employee benefits expenses	27	**41,924.75**	40,442.66
	v) Depreciation, amortisation and impairment	28	**3,287.87**	2,625.74
	vi) Other expenses	29	**16,002.39**	18,839.89
IV	**Total Expenses (IV)**		**128,959.42**	132,351.08
V	**Profit / (Loss) before tax (III - IV)**		**484.17**	2,628.95
VI	**Tax expense:**			
	i) Current tax		**–**	–
	ii) Deferred tax		**123.68**	835.08
	iii) (Excess) / Short Provision for Income Tax - earlier years		**–**	(380.91)
			123.68	454.17
VII	**Profit / (Loss) for the year (V-VI)**		**360.49**	2,174.78
VIII	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	– Remeasurement loss on defined benefit plans		**(120.46)**	(55.37)
	(ii) Income tax impact thereon		**30.32**	13.93
	Subtotal (A)		**(90.14)**	(41.44)
	(B) (i) Items that will be reclassified to profit or loss			
	– Net gain / (loss) on debt instruments through OCI		**140.46**	(194.77)
	(ii) Income tax impact thereon		**(35.35)**	49.02
	Subtotal (B)		**105.11**	(145.75)
	Other Comprehensive Income / (Loss) (A+B)		**14.97**	(187.19)
IX	**Total Comprehensive Income / (Loss) for the year (VII+VIII) (Comprising Profit / (Loss) and other Comprehensive Income for the year)**		**375.46**	1,987.59
X	**Earnings per equity share (for continuing operations)**	30		
	(Face value - Rs. 10/- per share)			
	Basic (Rupees)		**0.29**	1.78
	Diluted (Rupees)		**0.29**	1.78

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dinesh Prajapati
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS9049]

Mumbai
19 April 2024

Mumbai
19 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

		(Rs. in Lakhs)	(Rs. in Lakhs)
A	**Equity Share Capital**	**31 March 2024**	31 March 2023
	Balance at the beginning of the year	**12,288.79**	12,288.79
	Changes in Equity share capital during the year		
	Add: Fresh allotment of shares:		
	– Issue of Shares	**–**	–
	– Shares issued under Employees' Stock Option Scheme	**–**	–
		12,288.79	12,288.79
	Less: Shares issued to ESOS Trust but not allotted to employees	**55.72**	75.04
	Balance at the end of the year	**12,233.07**	12,213.75

B Other Equity

	Reserves and Surplus					Other Comprehensive Income	
	Statutory reserves	Securities premium	General reserves	Employee stock options outstanding	Retained earnings or Profit & loss account	Debt instruments through OCI	Total
Balance as at 01 April 2022	31,334.93	43,281.19	290.00	842.25	57,579.99	(64.52)	133,263.84
Profit for the year	–	–	–	–	2,174.78		2,174.78
Other Comprehensive Income	–	–	–	–	(41.44)	(145.75)	(187.19)
Total Comprehensive Income	–	–	–	–	2,133.34	(145.75)	1,987.59
Transfers to Securities premium on exercise of employee stock options	–	236.72	–	(236.72)	–	–	–
Allotment of equity shares by ESOP Trust to employees	–	153.14	–	–	–	–	153.14
ESOP outstanding reserve account	–	–	–	360.05	–	–	360.05
Share based payment expense	–	–	–	184.65	–	–	184.65
Transfers to Statutory reserves	475.00	–	–	–	(475.00)	–	–
Balance as at 31 March 2023	**31,809.93**	**43,671.05**	**290.00**	**1,150.23**	**59,238.33**	**(210.27)**	**135,949.27**
Balance as at 01 April 2023	**31,809.93**	**43,671.05**	**290.00**	**1,150.23**	**59,238.33**	**(210.27)**	**135,949.27**
Profit for the year	**–**	**–**	**–**	**–**	**360.49**		**360.49**
Other Comprehensive Income	**–**	**–**	**–**	**–**	**(90.14)**	**105.11**	**14.97**
Total Comprehensive Income	**–**	**–**	**–**	**–**	**270.35**	**105.11**	**375.46**
Transfers to Securities premium on exercise of employee stock options	**–**	**264.19**	**–**	**(264.19)**	**–**	**–**	**–**
Allotment of equity shares by ESOP Trust to employees	**–**	**110.16**	**–**	**–**	**–**	**–**	**110.16**
ESOP outstanding reserve account	**–**	**–**	**–**	**(48.49)**	**–**	**–**	**(48.49)**
Share based payment expense	**–**	**–**	**–**	**189.49**	**–**	**–**	**189.49**
Transfers to Statutory reserves	**80.00**	**–**	**–**	**–**	**(80.00)**	**–**	**–**
Balance as at 31 March 2024	**31,889.93**	**44,045.40**	**290.00**	**1,027.04**	**59,428.68**	**(105.16)**	**136,575.89**

As per our report of even date attached

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
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[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dinesh Prajapati
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS9049]

Mumbai
19 April 2024

Mumbai
19 April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

Particulars		(Rs. in Lakhs) Year ended 31 March 2024	(Rs. in Lakhs) Year ended 31 March 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		**484.17**	2,628.95
Add/(Less):			
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		**3,287.87**	2,625.74
Impairment on financial instruments		**19,991.35**	23,339.44
Interest income		**(124,425.68)**	(130,371.65)
Interest expense		**53,390.85**	52,148.87
Loss/ (profit) on sale of Property, Plant and Equipment		**(15.94)**	(22.21)
Share based payments to employees		**141.00**	544.70
Profit on sale of investments in mutual funds		**(2,208.25)**	(2,792.09)
Net gain / (loss) on financial instruments at FVTPL		**158.39**	809.49
Operating profit before working capital changes	I	**(49,196.24)**	(51,088.76)
Working capital changes in			
Loans		**(27,274.76)**	3,418.22
Other financial assets		**1,480.96**	(1,911.14)
Other non-financial assets		**(136.86)**	(886.96)
Trade payable		**(160.80)**	(3,159.52)
Other liabilities		**584.94**	(1,740.80)
Provisions		**(228.69)**	(210.84)
	II	**(25,735.21)**	(4,491.04)
Cash used in operations	(I+II)	**(74,931.45)**	(55,579.80)
Interest received		**122,903.82**	121,973.79
Interest paid		**(56,073.77)**	(51,465.14)
Income tax paid (net of refunds)		**(984.77)**	(2,459.73)
NET CASH GENERATED FROM / USED IN OPERATING ACTIVITIES (A)		**(9,086.17)**	12,469.12
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Intangible assets		**(1,880.47)**	(4,160.44)
Proceeds from sale of Property, Plant and Equipment		**147.28**	111.43
Purchase of investments		**(316,944.65)**	(192,700.22)
Proceeds from sale of investments		**329,284.05**	222,263.77
Investments in term deposits with banks		**(91,203.47)**	(139,312.76)
Proceeds from term deposits with banks		**163,533.87**	73,754.94
NET CASH USED IN INVESTING ACTIVITIES (B)		**82,936.61**	(40,043.28)
CASH FLOW FROM FINANCING ACTIVITIES			
Debt securities issued		**175,037.50**	57,500.00
Debt securities repaid		**(174,500.00)**	(75,500.00)
Borrowings other than debt securities		**82,700.00**	168,400.00
Borrowings other than debt securities repaid		**(129,796.06)**	(132,720.04)
Payment for principal portion of lease liability		**(1,250.61)**	(842.86)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		**(47,809.17)**	16,837.10
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**26,041.27**	(10,737.06)
Cash and Cash equivalents at the beginning of the year		**31,631.99**	42,369.05
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**57,673.26**	31,631.99

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

Particulars	**(Rs. in Lakhs)** **Year ended 31 March 2024**	(Rs. in Lakhs) Year ended 31 March 2023
Cash and cash equivalents at the end of the year		
– Cash on hand	**954.32**	939.62
– Balances with banks in current accounts	**2,080.58**	2,604.84
– Term deposits with original maturity up to 3 months	**54,638.36**	28,087.53
Total	**57,673.26**	31,631.99

Notes:

1) The above Statement of Cash Flow has been prepared under the ‘Indirect method’ as set out in the Ind AS 7 ‘Statement of Cash Flows’.

2) During the year, the Company has spent an amount of Rs. 39.72 Lakhs in cash (31 March 2023: Rs. 460.70 Lakhs) towards corporate social responsibility (CSR) expenditure (refer note 37)

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm’s Registration No: 103264W

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
19 April 2024

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dinesh Prajapati
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS9049]

Mumbai
19 April 2024

Notes to the Financial Statements for the year ended 31 March 2024

1 COMPANY INFORMATION

Mahindra Rural Housing Finance Limited ('the Company'), having corporate identification number CIN: U65922MH2007PLC169791, incorporated in India is a Housing Finance Company ('HFC') engaged in providing housing finance through its pan India branch network. In exercise of the powers conferred on the National Housing Bank vide Section 29A of The National Housing Bank Act, 1987, the Company has been granted Certificate of Registration dated 13 August 2007 to commence the business of a housing finance institution without accepting public deposits.

The Company fulfils the Principal Business Criteria as laid down under paragraph 4.1.17, of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ('Master Directions'). The Company's financial assets constitute more than 60% of its total assets and out of the total assets, the Company has financed over 50% towards housing loans to individuals.

The Company is a subsidiary of Mahindra & Mahindra Financial Services Limited. Mahindra & Mahindra Limited is the ultimate holding company. The Company's registered office is at Mahindra Towers, 4th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400018, India.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the Reserve Bank of India Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended).

Any application guidance/ clarifications/ directions issued by Reserve Bank of India (RBI), National Housing Bank (NHB) or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These separate financial statements were approved by the Company's Board of Directors and authorised for issue on 19 April 2024.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions as and when they occur.

Following are the areas that involve a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

(a) Effective Interest Rate (EIR)

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

(b) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 44)

(c) Provisions and other contingent liabilities:

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgemets pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Financial Statements for the year ended 31 March 2024

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

(d) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(e) Defined Benefit Plans / Compensated absences:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Company's liability towards long term compensated absences are recognised as liability at the present value of the projected benefit obligation as at the balance sheet date, based on actuarial valuation, using the projected unit credit method.

(f) Going Concern

The financial statements of the Company are prepared on a going concern basis.Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future **(refer note 43 and note 44 (iii))**

2.6 Revenue recognition :

(a) Recognition of interest income

Effective Interest Rate (EIR) method

Interest income is recognised in the Statement of Profit and Loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest income is recognised when it becomes measurable and when it is not unreasonable to expect its ultimate collection.

(b) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

(c) Dividend and interest income on investments

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investment is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.

(d) Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under Other non-financial assets. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Notes to the Financial Statements for the year ended 31 March 2024

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful life
Buildings	60 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	5 years
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

For following assets the useful life is taken as estimated by the management based on the actual usage pattern of the assets:

- Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company, as against the useful life of 8 years as mentioned in Schedule II.

Property Plant and Equipments is derecognised on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or loss arising on derecognition of the asset (caculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is derecognised.

2.8 Intangible assets:

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is taken as 36 months based on management's estimates of useful life. Amortisation is calcualted using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Cash and cash equivalent:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.10 Financial instruments:

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

- ***Financial assets***

  On initial recognition, a financial asset is classified as measured at

  - *Amortised cost;*
  - *Fair Value Through Other Comprehensinve Income (FVTOCI) - debt instruments;*
  - *Fair Value Through Other Comprehensinve Income (FVTOCI) - equity instruments;*
  - *Fair Value Through Profit and Loss (FVTPL)*

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures loans at amortised cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Subsequent measurement and gains and losses:

Financial assets classified at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at effective interest rate and impairment provision, if any, are recognised in Statement of profit and loss. Net gains or losses on fair valuation are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Notes to the Financial Statements for the year ended 31 March 2024

Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

Financial assets carried at amortised cost:

The Company recognises lifetime expected credit loss (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial assets carried at amortised cost is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and forward-looking information.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolio. Emerging local or global macro economic, micro economic or political events, and natural disasters that are not incorporated in to the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognised.

The expected credit losses on financial assets are estimated using a historical credit loss experience, adjusted for factors that are specific to the general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. It has been the Company's policy to regularly review its model in the context of actual loss experience and provide for additional impairment allowance due to management overlay when necessary **(refer note 44)**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and loss allowances on other receivables are disclosed separately under provisions.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modifies the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided.

Collateral repossessed:

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets/ properties under legal repossession processes are not separately recorded on the balance sheet.

Write offs:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "bad debts/loss on termination" forming part of "impairment on financial instruments" in Statement of Profit and Loss.

2.11 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-

Notes to the Financial Statements for the year ended 31 March 2024

gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to Provident Fund, ESIC and National Pension Scheme

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, superannuation scheme, employees state insurance corporation (ESIC) and national pension scheme (NPS) is recognised in the Statement of Profit and Loss.

c) Gratuity

The Company's liability towards gratuity scheme is determined by actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of acturial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in the Statement of Profit and Loss.

d) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a stright-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.12 Finance costs:

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost, i.e., bank term loans, non-convertible debentures, inter corporate deposits, commercial papers and subordinated debts, to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of Profit and Loss.

Interest expense on lease liabilities (Ind AS 116 - Leases) computed by applying the Company's incremental borrowing rate has been included under finance costs.

2.13 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

2.14 Securities issue expenses:

Expenses incurred in connection with the fresh issue of Share capital are adjusted against Securities premium reserve.

Notes to the Financial Statements for the year ended 31 March 2024

2.15 Impairment of non financial assets:

The Company reviews the carrying amounts of its tangible and other intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the assets is considered impaired, and is written down to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.16 Leases:

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments and general purpose office equipements used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certaint that they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company has used a single discount rate to a portfolio of leases with similar characteristics.

In accordance with Ind AS 116, Leases, the financial information have been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, Plant and Equipments" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Lease payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures pertaining to Ind AS 116 are set out under note no. 34.

2.17 Corporate Social Responsibility (CSR) expenses

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities and to monitor the CSR Policy periodically.

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee allocates for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend upto 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually.

Any unspent amount at the end of the financial year shall be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local Government/Grampanchayat/NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution / donations made towards CSR activities is charged to Corporate Social Responsibility (CSR) expenses respectively, in the Statement of Profit and Loss **(Refer note 29)**

2.18 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the year, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.19 New standards or amendments to the existing standards and other pronouncements: Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2024, there are no amendments to the Companies (Indian Accounting Standards) Amendment Rules, 2015.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

3 Cash and cash equivalents

	31 March 2024	31 March 2023
Cash on hand	**954.32**	939.62
Balances with banks in current accounts	**2,080.58**	2,604.84
Term deposits with original maturity up to 3 months	**54,638.36**	28,087.53
Total	**57,673.26**	31,631.99

4 Loans

		31 March 2024	31 March 2023
A)	**Loans (at amortised cost):**		
	i) Loans against assets	**720,812.87**	719,893.96
	ii) Other loans and advances	**95.33**	98.80
	Total (A) - Gross	**720,908.20**	719,992.76
	Less: Impairment loss allowance	**(27,578.38)**	(35,468.21)
	Total (A) - Net	**693,329.82**	684,524.55
B)	i) Secured by tangible assets (hypothecation on land and/or building)	**719,523.36**	718,848.68
	ii) Unsecured	**1,384.84**	1,144.08
	Total (B) - Gross	**720,908.20**	719,992.76
	Less: Impairment loss allowance	**(27,578.38)**	(35,468.21)
	Total (B) - Net	**693,329.82**	684,524.55
C)	**I) Loans in India**		
	i) Public Sector	**–**	–
	ii) Others	**720,908.20**	719,992.76
	Total (C) - Gross	**720,908.20**	719,992.76
	Less: Impairment loss allowance	**(27,578.38)**	(35,468.21)
	Total (C) (I) - Net	**693,329.82**	684,524.55
	II) Loans outside India	**–**	–
	Less: Impairment loss allowance	**–**	–
	Total (C) (II) - Net	**–**	–
	Total C (I) and C (II)	**693,329.82**	684,524.55

5 Investments

		31 March 2024	31 March 2023
A)	**At Fair Value**		
	Through Profit or Loss		
	Units of mutual funds	**10,820.12**	22,088.07
	Total (Gross)	**10,820.12**	22,088.07
	Less: Impairment loss allowance	**–**	–
	Total (Net) - A	**10,820.12**	22,088.07
B)	**At Fair Value**		
	Through Other Comprehensive Income		
	Government securities*	**13,031.20**	12,006.99
	Total (Gross)	**13,031.20**	12,006.99
	Less: Impairment loss allowance	**–**	–
	Total (Net) - B	**13,031.20**	12,006.99
	Investments in India	**23,851.32**	34,095.06
	Investments outside India	**–**	–
	Total (Net)	**23,851.32**	34,095.06

* Government Securities being risk free the Company has not recognised any provision under Expected Credit Loss on such Investments.

6 Other financial assets

	31 March 2024	31 March 2023
Security deposits for office premises / others	**927.20**	897.31
Insurance claims receivable	**34.08**	32.53
Interest accrued on Term Deposit	**750.38**	1,662.59
Other receivables	**97.22**	602.75
Total	**1,808.88**	3,195.18

7 Deferred tax assets

	31 March 2024	31 March 2023
Tax effect of items constituting deferred tax liabilities:		
FVTPL financials assets	**17.06**	55.86
FVTOCI financial assets (G-Sec)	**(35.37)**	(70.72)
Total (A)	**(18.31)**	(14.86)
Tax effect of items constituting deferred tax assets:		
Provision for employee benefits	**393.88**	376.94
Allowance for Expected Credit Loss (ECL)	**2,811.12**	4,675.99
Effective Interest Rate (EIR) - financial instruments	**1,237.92**	1,463.35
Depreciation on property, plant and equipment	**502.68**	351.48
Tax losses	**5,431.95**	3,757.23
Leases	**295.02**	230.41
Other provisions	**209.17**	158.50
Total (B)	**10,881.74**	11,013.90
Total deferred tax assets (B-A)	**10,900.05**	11,028.76

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

8 Property, plant and equipments

Particulars	Buildings*	Computers	Furniture and fixtures	Vehicles	Office equipments	Right-of-use assets (Leasehold Premises)	Total
GROSS CARRYING AMOUNT							
Balance as at 1 April 2022	23.12	2,090.42	1,008.32	1,626.06	1,401.37	5,204.70	11,353.99
Additions during the year	–	1,320.04	805.39	988.96	418.08	6,656.85	10,189.32
Disposals / deductions during the year	–	494.01	42.68	350.36	189.46	–	1,076.51
Balance as at 31 March 2023	**23.12**	**2,916.45**	**1,771.03**	**2,264.66**	**1,629.99**	**11,861.55**	**20,466.80**
Balance as at 1 April 2023	23.12	2,916.45	1,771.03	2,264.66	1,629.99	11,861.55	20,466.80
Additions during the year	–	130.43	665.64	738.49	252.74	973.90	2,761.20
Disposals / deductions during the year	–	513.81	56.08	355.72	85.46	–	1,011.07
Balance as at 31 March 2024	**23.12**	**2,533.07**	**2,380.59**	**2,647.43**	**1,797.27**	**12,835.45**	**22,216.93**
ACCUMULATED DEPRECIATION							
Balance as at 1 April 2022	2.44	1,642.02	689.81	875.17	1,082.91	2,032.20	6,324.55
Additions during the year	0.39	505.89	257.70	343.28	199.24	1,295.43	2,601.93
Disposals / deductions during the year	–	491.77	36.60	271.82	187.10	–	987.29
Balance as at 31 March 2023	**2.83**	**1,656.14**	**910.91**	**946.63**	**1,095.05**	**3,327.63**	**7,939.19**
Balance as at 1 April 2023	2.83	1,656.14	910.91	946.63	1,095.05	3,327.63	7,939.19
Additions during the year	0.38	640.71	192.72	443.61	209.97	1,507.29	2,994.68
Disposals / deductions during the year	–	512.43	50.58	238.21	81.67	–	882.89
Balance as at 31 March 2024	**3.21**	**1,784.42**	**1,053.05**	**1,152.03**	**1,223.35**	**4,834.92**	**10,050.98**
NET CARRYING AMOUNT							
As at 31 March 2023	**20.29**	**1,260.31**	**860.12**	**1,318.03**	**534.94**	**8,533.92**	**12,527.61**
As at 31 March 2024	**19.91**	**748.65**	**1,327.54**	**1,495.40**	**573.92**	**8,000.53**	**12,165.95**

* **Secured non convertible debentures (NCDs) have pari passu charges on buildings whose carrying amount is Rs. 19.91 Lakhs (31 March 2023 - Rs. 20.29 Lakhs)**

9 Other intangible assets

Particulars	Computer software
GROSS CARRYING AMOUNT	
Balance as at 1 April 2022	265.48
Additions during the year	24.85
Disposals / deductions during the year	–
Balance as at 31 March 2023	**290.33**
Balance as at 1 April 2023	290.33
Additions during the year	855.98
Disposals / deductions during the year	6.32
Balance as at 31 March 2024	**1,139.99**
ACCUMULATED DEPRECIATION	
Balance as at 1 April 2022	242.91
Additions during the year	23.81
Disposals / deductions during the year	–
Balance as at 31 March 2023	**266.72**

Particulars	Computer software
Balance as at 1 April 2023	266.72
Additions during the year	293.20
Disposals / deductions during the year	3.16
Balance as at 31 March 2024	**556.76**
NET CARRYING AMOUNT	
As at 31 March 2023	**23.61**
As at 31 March 2024	**583.23**

10 Other non-financial assets

	31 March 2024	31 March 2023
Capital advances	**51.69**	814.49
Prepaid expenses	**1,857.74**	1,909.45
Balances with Government Authorities	**1,416.47**	1,287.39
Other Advance	**174.15**	114.66
Total	**3,500.05**	4,125.99

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

11 Payables

		31 March 2024	31 March 2023
I)	**Trade payables**		
	i) total outstanding dues of micro enterprises and small enterprises	**21.51**	1.32
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**4,185.39**	4,366.40
II)	**Other payables**		
	i) total outstanding dues of micro enterprises and small enterprises	**–**	–
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**22.30**	22.28
TOTAL		**4,229.20**	4,390.00

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the period regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”) are given below :

		31 March 2024	31 March 2023
a)	Dues remaining unpaid to any supplier at the period end		
	– Principal	**21.51**	1.32
	– Interest on the above	**–**	–
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	– Principal paid beyond the appointed date	**269.48**	1,202.86
	– Interest paid in terms of Section 16 of the MSMED Act	**5.28**	20.55
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
d)	Amount of interest accrued and remaining unpaid	**–**	–
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–

Ageing for trade payables outstanding as at 31 March 2024 is as follows:

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME *	**21.51**	**–**	**–**	**–**	**21.51**
(ii) Others	**4183.17**	**0.16**	**2.06**	**–**	**4,185.39**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues – Others	**–**	**–**	**–**	**–**	**–**

Ageing for trade payables outstanding as at 31 March 2023 is as follows:

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME *	1.32	–	–	–	1.32
(ii) Others	4354.59	3.85	7.96	–	4,366.40
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–

*As per MSMED Act, 2006.

Relationship with Struck off Companies as at 31 March 2024:

Name of struck off Company	**Nature of transactions**	**Balance outstanding**	**Relationship**
	NIL		

Relationship with Struck off Companies as at 31 March 2023:

Name of struck off Company	**Nature of transactions**	**Balance outstanding**	**Relationship**
Efcee Sarovar Portico Div Leela Tradelink Pvt Ltd	Payable	–	Vendor
Xtechone Internet Solutions Pvt Ltd	Payable	–	Vendor
Liance Consultant & Engineers Pvt Ltd	Payable	–	Vendor

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

12 Debt Securities

	31 March 2024	31 March 2023
At Amortised cost		
i) Bonds / Debentures (Secured)		
– Non-convertible debentures	**1,50,238.35**	1,52,130.29
ii) Bonds / Debentures (Unsecured)		
– Non-convertible debentures	**1,47,406.22**	1,64,641.62
iii) Others (Unsecured)		
– Commercial Papers	**18,602.64**	–
Total	**3,16,247.21**	3,16,771.91
Debt securities in India	**3,16,247.21**	3,16,771.91
Debt securities outside India	**–**	–
Total	**3,16,247.21**	3,16,771.91

There are no debt securities measured at FVTPL or designated at FVTPL

Details of Bonds / Debentures (Secured) - Reedemable Non-convertible debentures# :

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**–**	**–**	7.15%–9.25%	69,500.00
Maturing between 1 year to 3 years	**7.75%-8.45%**	**1,01,000.00**	7.75%-8.30%	57,500.00
Maturing between 3 years to 5 years	**8.41%-9.18%**	**28,510.00**	8.30%	1,000.00
Maturing beyond 5 years	**7.9%-8.35%**	**21,000.00**	7.90%-9.18%	24,510.00
Total at face value		**1,50,510.00**		1,52,510.00
Less: Unamortised finance cost		**271.65**		379.71
Total amortised cost		**1,50,238.35**		1,52,130.29

Secured by pari passu charges on the property of the Company located at Chinchwad, Pune in the State of Maharashtra and/ or exclusive charge on book debt and receivables under loan contracts and/ or owned assets to the extent of 100% of outstanding secured debentures.

The rates mentioned above are the applicable rates as at the year end. These includes floating rate loans which are based on external benchmark.

The funds raised by the Company during the period by issue of Secured Redeemable Non Convertible Debenture/ Bonds were utilised for the purpose intended i.e. towards lending, financing , to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company in compliance with applicable laws and the terms of the issue.

Details of Bonds / Debentures (Unsecured) Reedemable- Non-convertible debentures :

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.70%-9.02%**	**80,000.00**	7.55%-8.51%	85,000.00
Maturing between 1 year to 3 years	**8.32%-8.55%**	**67,500.00**	6.70%-8.14%	80,000.00
Maturing between 3 years to 5 years	**8.32%**	**37.50**	–	–
Total at face value		**1,47,537.50**		1,65,000.00
Less: Unamortised discounting charges		**131.28**		358.38
Total amortised cost		**1,47,406.22**		1,64,641.62

The rates mentioned above are the applicable rates as at the year end. These includes floating rate loans which are based on external benchmark plus spread.

The funds raised by the Company during the period by issue of Unsecured Redeemable Non Convertible Debenture/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company in compliance with applicable laws and the terms of the issue.

Details of others debt securities (Unsecured) - Commercial Papers :

From the Balance Sheet date	**As at 31 March 2024**		As at 31 March 2023	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**7.98%**	**20,000.00**	–	–
Total at face value		**20,000.00**		–
Less: Unamortised discounting charges		**1,397.36**		–
Total amortised cost		**18,602.64**		–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

13 Borrowings (Other than Debt Securities)

	31 March 2024	31 March 2023
At Amortised cost		
i) Term loans		
Secured -		
– from banks	**2,31,994.53**	2,76,862.47
– from other parties (National Housing Bank)	**–**	11,125.19
ii) Loans from related parties		
Unsecured -		
– Inter-corporate deposits (ICDs)	**38,575.00**	31,175.00
iii) Other loans and advances		
Unsecured -		
– Inter-corporate deposits (ICDs) other than related parties	**1,499.66**	–
Total	**2,72,069.19**	3,19,162.66
Borrowings in India	**2,72,069.19**	3,19,162.66
Borrowings outside India	**–**	–
Total	**2,72,069.19**	3,19,162.66

There are no borrowings measured at FVTPL or designated at FVTPL

Details of term loans from banks (Secured)

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	**8.10%**	**6,000.00**	8.22%-9.24%	31,350.00
Maturing between 3 years to 5 years	**8.70%**	**10,000.00**	8.77%-8.94%	15,000.00
Total		**16,000.00**		46,350.00
2) Repayable in installments:				
i) Quarterly -				
Maturing within 1 year	**7.93%-9.01%**	**19,061.14**	8.20%-9.94%	17,306.72
Maturing between 1 year to 3 years	**7.93%-9.01%**	**31,043.28**	8.20%-9.94%	23,951.68
Maturing between 3 years to 5 years	**7.93%-9.01%**	**18,087.01**	8.20%-9.94%	17,473.74
Maturing beyond 5 years		**–**	8.80%-9.94%	1,785.71
Sub total		**68,191.43**		60,517.85
ii) Half yearly -				
Maturing within 1 year	**8.60%**	**5,777.78**	8.10%-8.835%	3,444.44
Maturing between 1 year to 3 years	**8.60%-8.71%**	**41,555.56**	8.10%-8.835%	26,555.56
Maturing between 3 years to 5 years	**8.60%**	**5,222.22**	8.10%-8.835%	26,000.00
Sub total		**52,555.56**		56,000.00
iii) Yearly -				
Maturing within 1 year	**8.55%-8.90%**	**32,125.00**	7.35%-9.05%	36,250.00
Maturing between 1 year to 3 years	**8.55%-8.90%**	**44,125.00**	7.35%-9.05%	52,125.00
Maturing between 3 years to 5 years	**8.65%-8.90%**	**19,000.00**	7.35%-9.05%	25,625.00
Sub total		**95,250.00**		1,14,000.00
Total		**2,15,996.99**		2,30,517.85
Total (1+2) (As per contractual terms)		**2,31,996.99**		2,76,867.85
Less: Unamortized finance cost		**2.46**		5.38
Total amortized cost		**2,31,994.53**		2,76,862.47

Secured by an exclusive charge on book debt and receivables under loan contracts to the minimum of 100% of outstanding secured loans plus applicable margin

The rates mentioned above are the applicable rates as at the period end. These includes floating rate loans which are based on Marginal Cost of fund based Lending Rate (MCLR) & external benchmark plus spreads.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Details of Secured term loans from other parties (National Housing Bank)

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable in installments :				
Quarterly				
Maturing within 1 year	–	–	8.65%	4,800.00
Maturing between 1 year to 3 years	–	–	8.65%	6,325.19
Total		–		11,125.19
Less: Unamortized finance cost		–		–
Total amortized cost		–		11,125.19

Secured by exclusive charge on receivables under loan contracts and book debts to the minimum of 100% of outstanding secured loans plus applicable margin. These are floating rate loans which are based on National Housing Bank's internal assessment norms.

Details of Inter-corporate deposits (ICDs) (Unsecured):

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.70%-8.16%**	**29,725.00**	6.50%-8.10%	9,100.00
Maturing between 1 year to 3 years	**6.75%-7.75%**	**10,350.00**	6.70%-7.75%	22,075.00
Total		**40,075.00**		31,175.00
Less: unamortized finance cost		**0.34**		–
Total amortized cost		**40,074.66**		31,175.00

The rates mentioned above are the applicable rates as at the year end.

14 Subordinated liabilities

	31 March 2024	31 March 2023
At Amortised cost		
Unsecured Subordinated redeemable non-convertible debentures	**46,078.58**	46,049.24
Total	**46,078.58**	46,049.24
Subordinated liabilities in India	**46,078.58**	46,049.24
Subordinated liabilities outside India	–	–
Total	**46,078.58**	46,049.24

There are no subordinated liabilities measured at FVTPL or designated at FVTPL

Details of Subordinated liabilities (at Amortised cost) - Unsecured Subordinated redeemable non-convertible debentures#:

From the Balance Sheet date	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis				
Repayable on maturity:				
Maturing within 1 year	**8.40%**	**1,000**	–	–
Maturing between 1 year to 3 years	**8.40%-9.50%**	**18,200**	8.40%-9.50%	7,000.00
Maturing between 3 years to 5 years	**8.50%-9.40%**	**12,000**	8.40%-9.10%	20,700.00
Maturing beyond 5 years	**7.90%-9.00%**	**15,000**	7.90%-9.40%	18,500.00
Sub-total at face value		**46,200.00**		46,200.00
Less: Unamortised finance cost		**121.42**		150.76
Total amortised cost		**46,078.58**		46,049.24

The funds raised by the Company by issue of Unsecured Subordinated Reedemable Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company, in compliance with applicable laws and the terms of the issue.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

15 Other financial liabilities

	31 March 2024	31 March 2023
Interest accrued but not due on borrowings	**16,786.98**	18,461.37
Credit balances in current accounts with banks as per books	**2,119.24**	579.99
Insurance premium payable (on behalf of borrowers)	**1,385.18**	1,260.59
Salary, bonus and performance pay payable	**3,037.29**	3,925.14
Provision for expenses	**1,190.05**	1,319.33
Lease liabilities	**9,172.70**	9,449.41
Other liabilities	**13.07**	112.06
Total	**33,704.51**	35,107.89

16 Provisions

	31 March 2024	31 March 2023
Provision for employee benefits		
– Gratuity	**393.06**	269.71
– Leave encashment	**874.58**	873.21
Provision for ECL on loan commitments & Other advances	**104.45**	337.40
Total	**1,372.09**	1,480.32

17 Other non-financial liabilities

	31 March 2024	31 March 2023
Statutory dues payable	**580.95**	651.47
Total	**580.95**	651.47

18 (i) Equity Share capital

	31 March 2024	31 March 2023
Authorised capital:		
150,000,000 (31 March 2023 : 150,000,000) Equity shares of Rs.10/- each	**15,000.00**	15,000.00
	15,000.00	15,000.00
Issued capital:		
122,887,870 (31 March 2023 : 122,887,870) Equity shares of Rs.10/- each	**12,288.79**	12,288.79
Subscribed and paid-up capital:		
122,887,870 (31 March 2023: 122,887,870) Equity shares of Rs.10/- each fully paid up	**12,288.79**	12,288.79
Less : Shares issued to ESOS Trust but not allotted to employees	**55.72**	75.04
Total	**12,233.07**	12,213.75

	31 March 2024		31 March 2023	
	No. of shares	**Rs. in lakhs**	No. of shares	Rs. in lakhs
a) Reconciliation of number of equity shares:				
Balance at the beginning of the year	**12,28,87,870**	**12,288.79**	12,28,87,870	12,288.79
Add: Fresh allotment of shares:				
Issue of Shares	**–**	**–**	–	–
Shares issued under Employees' Stock Option Scheme	**–**	**–**	–	–
Less: Shares issued to ESOS Trust but not allotted to employees	**(5,57,145)**	**(55.72)**	(7,50,408)	(75.04)
Balance at the end of the year	**12,23,30,725**	**12,233.07**	12,21,37,462	12,213.75
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:				
Holding Company: Mahindra & Mahindra Financial Services Limited	**12,09,52,678**	**12,095.27**	12,09,52,678	12,095.27
(including 12 shares held jointly with nominees)				
Percentage of holding (%)	**98.43%**	**98.43%**	98.43%	98.43%
c) Shareholders holding more than 5 percent shares:				
Mahindra & Mahindra Financial Services Limited	**12,09,52,678**	**12,095.27**	12,09,52,678	12,095.27
Percentage of holding (%)	**98.43%**	**98.43%**	98.43%	98.43%

d) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

18 (ii) Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at 31 March 2024 is as follows

	Shares held by promoter				
	As at 31 March 2024		As at 31 March 2023		
Promoter name	**No of shares**	**% of total shares**	No of shares	% of total shares	% Change during the year
Mahindra & Mahindra Financial Services Limited (including 12 shares held jointly with nominees)	**12,09,52,678**	**98.43%**	12,09,52,678	98.43%	–
Total	**12,09,52,678**	**98.43%**	12,09,52,678	98.43%	–

19 Other Equity

Description of the nature and purpose of Other Equity:

Statutory reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. The Company transfers an amount to Special Reserve at year end. The Company does not anticipate any withdrawal from Special Reserve in the foreseeable future.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve was created through transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

20 Interest income

	31 March 2024	31 March 2023
(A) On financial assets measured at amortised cost		
Interest on loans	**1,18,296.54**	1,25,229.79
Other interest income	**0.87**	1.81
(B) Interest income from investments		
Interest income from investments	**841.72**	532.01
(C) Interest on deposits with banks		
Interest on deposits with banks	**5,286.54**	4,608.04
Total (A+B+C)	**1,24,425.67**	1,30,371.65

21 Fees and commission income

	31 March 2024	31 March 2023
Service charges and other fees on loan transactions	**726.71**	1,012.20
Total	**726.71**	1,012.20

22 Net gain / (loss) on fair value changes and derecognised financial instruments

	31 March 2024	31 March 2023
Net gain / (loss) on financial instruments at FVTPL		
– Mutual fund units		
Fair value changes :		
– Realised	**2,208.25**	2,792.09
– Unrealised	**(158.39)**	(809.49)
Total	**2,049.86**	1,982.60

23 Other income

	31 March 2024	31 March 2023
Net gain on derecognition of property, plant and equipment	**15.94**	22.21
Income from branding and marketing activities	**2,176.50**	1,545.90
Others	**48.91**	45.47
Total	**2,241.35**	1,613.58

24 Finance costs

	31 March 2024	31 March 2023
On financial liabilities measured at amortised cost		
Interest on borrowings	**23,901.88**	22,517.47
Interest on debt securities	**24,738.35**	24,957.50
Interest on subordinated liabilities	**4,115.66**	4,102.04
Interest on lease liability	**634.96**	571.85
Other borrowing costs	**234.80**	363.91
Total	**53,625.65**	52,512.77

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

25 Fees and commission expense

	31 March 2024	31 March 2023
Fees, commission / brokerage	**757.87**	707.17
Total	**757.87**	707.17

26 Impairment on financial instruments

	31 March 2024	31 March 2023
On financial instruments measured at amortised cost		
Loans	**(7,889.83)**	(21,992.74)
Bad debts / Loss on termination	**21,483.67**	39,227.68
Loan commitment & other advances	**(232.95)**	(12.09)
Total	**13,360.89**	17,222.85

27 Employee benefits expenses

	31 March 2024	31 March 2023
Salaries and wages	**37,814.85**	35,721.28
Contribution to provident and other funds	**3,156.00**	3,248.19
Share based payments to employees	**188.43**	566.63
Staff welfare expenses	**765.47**	906.56
Total	**41,924.75**	40,442.66

28 Depreciation, amortization and impairment

	31 March 2024	31 March 2023
Depreciation on property, plant and equipment	**1,487.39**	1,306.49
Amortization of intangible assets	**293.19**	23.82
Amortization on right of use assets	**1,507.29**	1,295.43
Total	**3,287.87**	2,625.74

29 Other expenses

	31 March 2024	31 March 2023
Rent	**296.64**	201.25
Rates and taxes, excluding taxes on income	**132.05**	134.93
Electricity charges	**292.31**	258.88
Repairs and maintenance	**178.69**	700.38
Communication costs	**522.89**	574.71
Printing and stationery	**245.05**	547.77
Travelling and conveyance expenses	**4,548.40**	5,462.89
Advertisement and publicity	**114.12**	200.62
Administration support charges	**445.83**	427.26
Directors' fees, allowances and expenses	**46.19**	45.29
Auditor's fees and expenses -		
- Audit fees	**25.12**	21.80
- Other services	**11.30**	16.02
- Reimbursement of expenses	**2.30**	2.18
Legal and professional charges	**3,339.08**	3,661.37
Insurance	**1,844.13**	1,539.42
Manpower outsourcing cost	**2,148.10**	3,138.36
Donations	**–**	1.11
Corporate Social Responsibility (CSR) expenditure	**39.72**	460.70
Other expenditure	**1,770.47**	1,444.95
Total	**16,002.39**	18,839.89

30 Earning Per Share

	31 March 2024	31 March 2023
Profit/(loss) for the year attributable to equity shareholders (Rupees in lakhs)	**360.49**	2,174.78
Weighted average number of equity shares used in computing basic EPS	**12,22,04,643**	12,19,66,325
Effect of potential dilutive equity shares	**3,81,519**	5,50,567
Weighted average number of equity shares used in computing diluted EPS	**12,25,86,162**	12,25,16,892
Basic earnings per share (Rs.) (Face value of Rs. 10/- per share)	**0.29**	1.78
Diluted earnings per share (Rs.)	**0.29**	1.78

31 Employee Stock Option Scheme:

The Company has used fair value method to account for the compensation cost of stock options. Fair value of options is based on the valuation of the independent valuer using the Black -Scholes model.

Description of ESOP Scheme:

Particulars	**ESOP**
Vesting requirements	Stock Options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.
Vesting Conditions	25% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant
	25% on expiry of 36 months from the date of grant
	25% on expiry of 48 months from the date of grant
Method of Settlement	Equity settled

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

The Fair value of options, based on the valuation of the independent valuer as on the date of grant are:

	31 March 2024			31 March 2023		
Vesting Date	**No of years vesting**	**Fair Value (Rs.) per share**	**Exercise Price (Rs.)**	No of years vesting	Fair Value (Rs.) per share	Exercise Price (Rs.)
	NIL			–	–	–
Grant Dated 19 October 2022	**–**	**–**	**–**	4 Years	152.18	10.00

The Key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are:

Variables#	**31 March 2024**	31 March 2023
1) Risk free interest rate	**NIL**	6.35%
2) Expected life	**NIL**	4 Years
3) Expected volatility	**NIL**	46.69%
4) Price of the underlying share at the time of option grant (Rs.)	**NIL**	160.00

the value mentioned against each of the variables are based on the weighted average percentage of vesting.

Number and weighted average exercise price of options

		31 March 2024		31 March 2023	
Sr. No	**Particulars**	**Number of options**	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
1	Outstanding at the beginning of the year	**16,57,128**	**31.33**	19,85,807	34.28
2	Granted during the year	**–**	**–**	1,37,263	10.00
3	Forfeited / Lapsed during the year	**4,12,757**	**48.82**	1,97,275	33.16
4	Exercised during the year	**1,93,263**	**22.72**	2,68,667	40.88
5	Outstanding at the end of the year	**10,51,108**	**26.05**	16,57,128	31.33
6	Exercisable at the end of the year	**5,99,659**	**38.14**	8,24,662	52.87

Range of exercise price and weighted average remaining contractual life of outstanding options:

	31 March 2024			31 March 2023		
Grant date	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (in years)**	**Weighted Average Exercise Price (Rs.)**	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (Rs.)
07-Oct-17	**2,35,143**	**0.52**	**67.00**	4,96,052	1.05	67.00
08-Dec-17	**42,853**	**0.69**	**67.00**	85,705	1.19	67.00
16-Jan-18	**18,000**	**0.79**	**67.00**	38,500	1.29	67.00
16-Oct-19	**35,854**	**1.93**	**10.00**	98,838	2.52	10.00
18-Jan-21	**37,912**	**2.83**	**10.00**	71,087	3.59	10.00
21-Oct-21	**6,06,802**	**3.36**	**10.00**	7,36,295	4.23	10.00
19-Oct-22	**74,544**	**4.14**	**10.00**	1,30,651	5.05	10.00

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

32 **Employee Benefits**

General description of defined benefit plans :

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the gratuity scheme adminstered by the Life Insurance Corporation of India through its gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs. 20.00 Lakhs, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Defined benefit plans:

		Funded Plan Gratuity	
	Particulars	**31 March 2024**	31 March 2023
I	**Amount recognised in the Statement of Profit and Loss for the year ended:**		
1	Current service cost	**178.38**	172.60
2	Interest cost on benefit obligation (Net)	**20.43**	12.79
3	Past service cost	**–**	–
4	Adjustment due to opening balance	**1.65**	(13.84)
	Total expenses included in employee benefits expense	**200.46**	171.55
II	**Amount recognised in Other Comprehensive income for the year**		
1	Actuarial (gains)/losses arising from changes in demographic assumption	**(4.57)**	53.71
2	Actuarial (gains)/losses arising from changes in financial assumption	**9.90**	(6.80)
3	Actuarial (gains)/losses arising from changes in experience adjustment	**115.13**	8.46
4	Return on plan assets	**–**	–
	Recognised in other comprehensive income	**120.46**	55.37
III	**Change in the present value of obligation during the year**		
1	Present value of defined benefit obligation at the beginning of the year	**1,191.58**	1,018.88
2	Current service cost	**178.38**	172.60
3	Past service cost	**–**	–
4	Interest cost/income	**89.72**	74.58
5	Remeasurements (gains)/ losses		
	(i) Actuarial (gains)/losses arising from changes in demographic assumption	**(4.57)**	53.71
	(ii) Actuarial (gains)/losses arising from changes in financial assumption	**9.90**	(6.80)
	(iii) Actuarial (gains)/losses arising from changes in experience adjustment	**115.13**	8.46
6	Benefits paid	**(233.24)**	(129.85)
	Present value of defined benefit obligation at the end of the year	**1,346.89**	1,191.58
IV	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	**921.86**	830.25
2	Interest income	**–**	–
3	Contributions by employer	**197.58**	145.83

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

	Particulars	Funded Plan Gratuity 31 March 2024	31 March 2023
4	Benefits paid	**(233.24)**	(129.85)
5	Return on plan assets excluding interest income	**69.29**	61.79
6	Adjustment to the change in opening balance of plan assets	**(1.65)**	13.84
	Fair value of plan assets at the end of the year	**953.83**	921.86
V	**Net Asset/(Liability) recognised in the Balance Sheet as at year end**		
1	Present value of defined benefit obligation	**1,346.89**	1,191.58
2	Fair value of plan assets	**953.83**	921.86
3	Surplus/(Deficit)	**(393.06)**	(269.72)
4	Current portion of the above	**(393.06)**	(269.72)
5	Non current portion of the above	**–**	–
VI	**Actuarial assumptions and Sensitivity**		
1	Discount rate	**7.25%**	7.53%
2	Expected rate of return on plan assets	**–**	–
3	Salary growth rate	**7.00%**	7.00%
4	Attrition rate	**71.00% for age upto 30, 55.00% for age 31-44, 26.00% for above 44**	60.68% for age upto 30, 49.70% for age 31-44, 31.58% for above 44
5	In-service mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate

Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:

Assumptions	**31 March 2024**	31 March 2023
One percentage point increase in discount rate	**(29.24)**	(25.77)
One percentage point decrease in discount rate	**31.41**	25.89
One percentage point increase in salary growth rate	**31.18**	25.78
One percentage point decrease in salary growth rate	**(31.13)**	(27.52)

Expected contribution for the next annual reporting year	**31 March 2024**	31 March 2023
Service Cost	**212.91**	211.80
Net Interest Cost	**101.56**	89.61
Expected Expense for the next annual reporting year	**314.46**	301.41

Maturity profile of defined benefit obligation

	31 March 2024	31 March 2023
Within 1 year	**753.71**	899.58
Between 1 and 5 years	**834.44**	1,189.47

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Contribution to funds

The Company's contribution to provident fund and superannuation fund aggregating Rs. 2,268.35 lakhs (31 March 2023 : Rs. 2,310.19 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expenses.

33 Operating segments

There is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2024 or 31 March 2023

34 Leases

In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate.

Maturity analysis – contractual undiscounted cash flows	**31 March 2024**	31 March 2023
Less than 1 year	**1,909.69**	1,871.25
1-3 years	**3,606.46**	3,534.71
3-5 years	**2,898.62**	2,951.52
More than 5 years	**3,246.63**	3,833.12
Total undiscounted lease liabilities	**11,661.40**	12,190.60

Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Particulars	**31 March 2024**	31 March 2023
i) Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 28 "Depreciation, amortization and impairment")	**1,507.29**	1,295.43

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Particulars		31 March 2024	31 March 2023
ii)	Interest expense on lease liabilities (presented under note - 24 "Finance costs")	**634.96**	571.85
iii)	Expense relating to short-term leases	**–**	–
iv)	Expense relating to leases of low-value assets	**260.16**	201.25
v)	Payments for lease liability	**1,885.57**	1,414.71
vi)	Additions to right-of-use assets during the year	**973.90**	6,656.84
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -	**–**	–
	– Property taken on lease for office premises (presented under note - 8 "Property, plant and equipments")	**8,000.53**	8,533.92
viii)	Lease liabilities (presented under note - 15 "Other financial liabilities")	**9,172.70**	9,449.41

35 Frauds reported during the period

There were 144 cases (31 March 2023: 93 cases) of frauds amounting to Rs. 45.96 Lakhs (31 March 2023: Rs. 188.56 Lakhs) reported during the year. The Company has recovered amount of Rs. 72.81 Lakhs (31 March 2023: Rs. 345.41 Lakhs) and wherever required has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses are lodged with the insurance companies on merit basis.

36 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2024	31 March 2023
i) Claims against the Company not acknowledged as debt		
Legal suits filed by customers	**170.23**	235.04
Income Tax	**144.35**	109.25
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**74.84**	1,369.61
Other commitments :		
Amount on account of loan sanctioned but not disbursed	**56,910.52**	47,715.02
Total	**57,299.94**	49,428.92

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

37 Corporate Social Responsibility (CSR)

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year, the Company has incurred an expenditure of Rs. 39.72 Lakhs (31 March 2023 : Rs. 460.70 Lakhs) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 0.05 Lakhs (31 March 2023: Rs. 0.47 Lakhs) towards the CSR activities undertaken by the Company.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs. 39.72 lakhs (31 March 2023 : Rs. 460.70 lakhs).

b) Amount spent by the Company during the year :

	For the year ended 31 March 2024			For the year ended 31 March 2023		
Particulars	**In cash**	**Yet to be paid in cash**	**Total**	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	**–**	**–**	**–**	–	–	–
ii) On purpose other than (i) above	**39.72**	**–**	**39.72**	460.70	–	460.70

38 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts. The Company has not entered into derivative contracts during the year.

39 Capital Management

The Reserve Bank of India Master Direction DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended), outlines the regulatory guidance in relation to Ind AS financial statements. This includes the guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, the 'regulatory capital' has been computed in accordance with these requirements.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements as per Chapter IV "Capital" of Master Directions. As per Capital requirement guidelines, the Company is required to maintain a capital adequacy ratio on an going basis consisting of Tier I and Tier II Capital which shall not be less than 15% on or before 31st March 2022 and thereafter of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Tier I capital at any point of time shall not be less than 10 percent. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.

Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by RBI.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Regulatory capital

	31 March 2024	31 March 2023
Tier 1 capital	**1,37,158.97**	1,36,831.34
Tier 2 capital	**30,572.76**	39,804.92
Total capital	**1,67,731.73**	1,76,636.26
Risk weighted assets	**4,15,724.76**	3,91,508.23
Tier 1 capital ratio	**32.99%**	34.95%
Tier 2 capital ratio	**7.35%**	10.17%
Total capital ratio	**40.35%**	45.12%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned Fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves including balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following -

a. Preference shares other than those which are compulsorily convertible into equity;

b. Revaluation reserves at discounted rate of fifty-five per cent.

c. General provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth per cent of risk weighted assets;

d. Hybrid debt capital instruments and

e. Subordinated debt;

to the extent the aggregate does not exceed Tier I capital.

40 Taxation

Deferred tax assets

	Balance as at 01 April 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	Balance as at 31 March 2023	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2024**
Tax effect of items constituting deferred tax liabilities :							
– FVTPL financials assets	257.55	(201.69)	–	55.86	**(38.79)**	**–**	**17.06**
– FVTOCI through Investment (G-Sec)	(21.70)	–	(49.02)	(70.72)	**–**	**35.35**	**(35.37)**
	235.85	**(201.69)**	**(49.02)**	**(14.86)**	**(38.79)**	**35.35**	**(18.31)**
Tax effect of items constituting deferred tax assets :							
– Provision for employee benefits & others	416.11	(53.10)	13.93	376.94	**(13.38)**	**30.32**	**393.88**
– Allowance for Expected Credit Loss (ECL)	9,004.79	(4,250.26)	–	4,754.53	**(1,943.41)**	**–**	**2,811.12**
– Effective Interest Rate (EIR) on financial instruments	2,056.92	(593.57)	–	1,463.35	**(225.43)**	**–**	**1,237.92**
– Depreciation on property, plant and equipment	354.73	(3.25)	–	351.48	**151.21**	**–**	**502.68**
– Tax losses	–	3,678.68	–	3,678.68	**1,753.27**	**–**	**5,431.95**
– Lease liabilities	116.51	113.91	–	230.42	**64.60**	**–**	**295.02**
– Other provisions	87.68	70.82	–	158.50	**50.67**	**–**	**209.17**
	12,036.74	**(1,036.77)**	**13.93**	**11,013.90**	**(162.47)**	**30.32**	**10,881.74**
Total deferred tax assets (net)	11,800.89	(835.08)	62.95	11,028.76	**(123.68)**	**(5.03)**	**10,900.05**

The Company though has reported profits in the financial statements, but have reported tax losses as per the computations in line with The Income Tax Act, 1961. Due to the spread of COVID 19 pandemic in the previous years, the business of the Company got impacted and resulted in high credit impaired assets for certain loans. In the current year the Company has taken higher Bad Debts and Loss on Termination of certain such highly impacted contracts. These high write-offs are still subject to enforcement procedures wherever appropriate and the Company keeps on receiving the recoveries on the same which are netted off against the same in the statement of profit and loss.

During the year Company continued to focus on affordable home loans in order to build a quality portfolio and further enhanced collection efforts which resulted in improved asset quality. Gross stage 3 reduced to 9.03% for year ending 31 March 2024 compared to 10.46% for year ending 31 March 2023 similarly stage 1 and 2 asset under management percentage improved to 83% and 8% from 75% and 15% respectively compared to last financial year. During the year Company has recovered Rs. 6,630.46 Lakhs from past written off cases, which is offered for tax on the year of collections. The Company also has a large number of enforcement actions in the pipeline which will boost the recoveries in the coming years and therefore the Deferred Tax Assets created on account of the losses are estimated to be reversed as taxable income in the coming years would lead to an offset against the same.

Income tax recognised in Statement of Profit and loss

	31 March 2024	31 March 2023
Current tax:		
In respect of current year	**–**	–
In respect of prior years	**–**	(380.91)
	–	(380.91)
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**123.68**	835.08
In respect of prior years	**–**	–
	123.68	835.08
Total income tax recognised in Statement of Profit and Loss	**123.68**	454.17

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Income tax recognised in Other Comprehensive Income

	31 March 2024	31 March 2023
Deferred tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits for current year	**(30.32)**	(13.93)
Remeasurement of Debt Instruments for current year	**35.35**	(49.02)
Total income tax recognised in Other Comprehensive Income	**5.03**	(62.95)

Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss:

	31 March 2024	31 March 2023
Profit before tax	**484.17**	2,628.95
Applicable income tax rate	**25.168%**	25.168%
Expected income tax expense	**121.86**	661.65
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	**–**	–
Effect of expenses/provisions not deductible in determining taxable profit	**1.82**	173.42
Tax of earlier years	**–**	(380.91)
Income tax expense	**123.68**	454.17

41 Change in liabilities arising from financing activities

Particulars	**31 March 2023**	**Cash flows**	**Amortisation of loan origination costs**	**New lease origination**	**31 March 2024**
Debt securities	**3,16,771.91**	**537.50**	**(1,062.20)**	**–**	**3,16,247.21**
Borrowings other than debt securities	**3,19,162.66**	**(47,096.06)**	**2.59**	**–**	**2,72,069.19**
Subordinated liabilities	**46,049.24**	**–**	**29.34**	**–**	**46,078.58**
Lease liability	**9,449.41**	**(1,250.61)**	**–**	**973.90**	**9,172.70**
Total liabilities from financing activities	**6,91,433.22**	**(47,809.17)**	**(1,030.27)**	**973.90**	**6,43,567.68**

Particulars	31 March 2022	Cash flows	Amortisation of loan origination costs	New lease origination	31 March 2023
Debt securities	3,34,445.20	(18,000.00)	326.71	–	3,16,771.91
Borrowings other than debt securities	2,83,476.77	35,679.96	5.93	–	3,19,162.66
Subordinated liabilities	46,028.50	–	20.74	–	46,049.24
Lease liability	3,635.43	(842.86)	–	6,656.84	9,449.41
Total liabilities from financing activities	6,67,585.90	16,837.10	353.38	6,656.84	6,91,433.22

42 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

	31 March 2024			31 March 2023		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	**57,673.26**	**–**	**57,673.26**	31,631.99	–	31,631.99
Bank balance other than above	**16,372.47**	**–**	**16,372.47**	88,702.87	–	88,702.87
Loans	**1,47,477.09**	**5,45,852.73**	**6,93,329.82**	1,76,462.91	5,08,061.64	6,84,524.55
Investments	**23,851.32**	**–**	**23,851.32**	34,095.06	–	34,095.06
Other financial assets	**1,023.77**	**785.11**	**1,808.88**	2,518.95	813.76	3,332.71
Non-financial Assets						
Current tax assets (Net)	**–**	**2,905.66**	**2,905.66**	–	1,920.89	1,920.89
Deferred tax assets (Net)	**–**	**10,900.05**	**10,900.05**	–	11,028.76	11,028.76
Property, plant and equipment	**–**	**12,165.95**	**12,165.95**	–	12,527.61	12,527.61
Other intangible assets	**–**	**583.23**	**583.23**	–	23.61	23.61
Other non-financial assets	**3,238.52**	**261.53**	**3,500.05**	3,267.76	858.23	4,125.99
Total	**2,49,636.43**	**5,73,454.26**	**8,23,090.69**	3,36,679.54	5,35,234.50	8,71,914.04
Liabilities						
Financial Liabilities						
Payables						
I) Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	**21.51**	**–**	**21.51**	1.32	–	1.32

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

	31 March 2024			31 March 2023		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**4,185.39**	**–**	**4,185.39**	4,366.40	–	4,366.40
II) Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**22.30**	**–**	**22.30**	22.28	–	22.28
Debt securities	**98,405.85**	**2,17,841.36**	**3,16,247.21**	1,54,066.90	1,62,705.01	3,16,771.91
Borrowings (other than debt securities)	**92,687.09**	**1,79,382.10**	**2,72,069.19**	1,02,248.25	2,16,914.42	3,19,162.66
Subordinated liabilities	**970.11**	**45,108.47**	**46,078.58**	–	46,049.24	46,049.24
Other financial liabilities	**23,242.38**	**10,462.13**	**33,704.51**	25,926.83	9,181.06	35,107.89
Non-Financial Liabilities						
Current tax liabilities (Net)	**–**	**–**	**–**	–	–	–
Provisions	**949.81**	**422.28**	**1,372.09**	1,033.06	447.26	1,480.32
Other non-financial liabilities	**580.95**	**–**	**580.95**	651.47	–	651.47
Total	**2,21,065.39**	**4,53,216.35**	**6,74,281.73**	2,88,316.50	4,35,296.98	7,23,613.49
Net	**28,571.04**	**1,20,237.91**	**1,48,808.96**	48,363.04	99,937.52	1,48,300.55

43 Analysis of financial assets and liabilities and loan commitments

a The table below summarises the maturity pattern of certain items of assets and liabilities:

31 March 2024	**Upto 1 month**	**Over 1 month & up to 2 months**	**Over 2 months & up to 3 months**	**Over 3 months & up to 6 months**	**Over 6 months & up to 1 year**	**Over 1 year & up to 3 years**	**Over 3 years & up to 5 years**	**Over 5 years & up to 7 years**	**Over 7 years & up to 10 years**	**Over 10 years**	**Total**
Financial Assets											
Cash and cash equivalents	**26,999.54**	**20,861.23**	**9,812.49**			–	–	–	–	–	**57,673.26**
Bank balance other than above	**500.00**	**6,000.00**	**10.96**	**5,766.28**	**4,095.23**	–	–	–	–	–	**16,372.47**
Financial investments	**15,871.36**	**–**	–	–	**7,979.96**						**23,851.32**
Loans	**16,730.69**	**11,113.96**	**13,250.48**	**28,505.98**	**77,875.98**	**1,64,368.76**	**89,499.25**	**59,429.20**	**68,056.95**	**1,64,498.57**	**6,93,329.82**
Other financial assets	**219.98**	**272.90**	**42.41**	**407.05**	**81.43**	**152.61**	**154.76**	**83.82**	**393.92**	**–**	**1,808.88**
Total Financial Assets	**60,321.57**	**38,248.09**	**23,116.34**	**34,679.31**	**90,032.60**	**1,64,521.37**	**89,654.01**	**59,513.02**	**68,450.87**	**1,64,498.57**	**7,93,035.75**
Financial Liabilities											
Debt securities	–	**24,974.78**	**39,980.78**	**14,847.64**	**18,602.64**	**1,68,376.99**	**28,494.61**	**–**	**20,969.77**	–	**3,16,247.21**
Borrowings (other than debt securities)	**6,507.86**	**1,343.98**	**10,625.67**	**36,860.57**	**37,349.00**	**1,27,072.90**	**52,309.21**	**–**	–	–	**2,72,069.19**
Subordinated liabilities	–	**970.11**	–	–	–	**18,151.00**	**11,973.35**	**14,984.12**	**–**	–	**46,078.58**
Other financial liabilities	**7,920.88**	**3,045.86**	**3,678.12**	**4,937.69**	**3,659.82**	**5,044.43**	**2,373.94**	**2,411.53**	**609.53**	**22.71**	**33,704.51**
Total Financial Liabilities	**14,428.74**	**30,334.73**	**54,284.57**	**56,645.90**	**59,611.46**	**3,18,645.32**	**95,151.11**	**17,395.65**	**21,579.30**	**22.71**	**6,68,099.49**
Total Financial Assets/ (Liabilities) - Net	**45,892.83**	**7,913.36**	**(31,168.23)**	**(21,966.59)**	**30,421.14**	**(1,54,123.95)**	**(5,497.10)**	**42,117.37**	**46,871.57**	**1,64,475.86**	**1,24,936.25**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

b The table below summarises the contractual expiry by maturity of the undiscounted cash flows of the Company's loan commitments

31 March 2024	**Up to 3 months**	**Over 3 months & upto 12 months**	**Total**
Loan commitments	**45,917.88**	**10,992.63**	**56,910.52**

a The table below summarises the maturity pattern of certain items of assets and liabilities:

31 March 2023	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	23,394.46	8,100.00	–	–	–	–	–	–	–	–	31,494.46
Bank balance other than above	7,700.98	53,659.90	12,320.35	6,974.41	8,047.23	–	–	–	–	–	88,702.87
Financial investments	22,088.07	4,002.69	–	–	8,004.30						34,095.06
Loans	20,379.43	15,710.71	19,210.74	43,916.79	77,245.24	1,98,953.27	99,955.88	40,554.68	48,262.39	1,20,335.42	6,84,524.55
Other financial assets	848.88	860.19	241.35	367.11	201.42	153.13	171.00	69.88	419.75	–	3,332.71
Total Financial Assets	74,411.82	82,333.49	31,772.44	51,258.31	93,498.19	1,99,106.40	1,00,126.88	40,624.56	48,682.14	1,20,335.42	8,42,149.65
Financial Liabilities											
Debt securities	–	44,862.89	15,981.40	79,768.87	13,453.74	1,37,266.99	985.86	3,490.54	20,961.62	–	3,16,771.91
Borrowings (other than debt securities)	8,775.00	2,873.55	11,355.75	23,755.26	55,488.69	1,31,029.89	84,098.81	1,785.71	–	–	3,19,162.66
Subordinated liabilities	–	–	–	–	–	6,913.29	20,664.27	13,476.78	4,994.90	–	46,049.24
Other financial liabilities	3,600.74	7,065.89	4,613.91	8,713.50	1,932.78	2,678.92	2,999.30	2,058.62	1,421.51	22.72	35,107.89
Total Financial Liabilities	12,375.74	54,802.33	31,951.06	1,12,237.63	70,875.21	2,77,889.09	1,08,748.24	20,811.65	27,378.03	22.72	7,17,091.70
Total Financial Assets/ (Liabilities) - Net	62,036.08	27,531.16	(178.62)	(60,979.32)	22,622.98	(78,782.69)	(8,621.36)	19,812.91	21,304.11	1,20,312.70	1,25,057.95

b The table below summarises the contractual expiry by maturity of the undiscounted cash flows of the Company's loan commitments

31 March 2023	Up to 3 months	Over 3 months & upto 12 months	Total
Loan commitments	41,345.27	6,369.75	47,715.02

44 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk.The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's businesses are exposed to high credit risk given the unbanked rural customer base. The credit risk is managed through credit norms established based on historical experience and regulatory requirements.

i) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading. A 1 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately **Rs. 108.20 lakhs** (31st March 2023 : Rs 220.88 lakhs). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

The Company does not have significant foreign currency exposure. As a result, the Company is not exposed to currency risk.

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the financial assets & liabilities.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings and floating rate advances given, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31 March 2024	**INR**	**100**	**869.20**	**–**
Year ended 31 March 2023	INR	100	(1,149.24)	–

Offsetting of balances: The Company has not offset financial assets and financial liabilities.

ii) Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans primarily based on days past due monitoring as at a period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Credit quality of financial assets

The following table sets out information about credit quality of loan assets measured at amortised cost primarily based on days past due information. The amount represents gross carrying amount.

Particulars	31 March 2024	31 March 2023
Gross carrying value of loan assets		
Neither Past due nor impaired	**5,72,963.28**	4,98,000.53
30 days past due	**23,018.05**	38,668.32
31 - 90 days past due	**59,835.58**	1,08,017.18
Impaired (more than 90 days past due)	**65,091.29**	75,306.73
Total Gross carrying value as at reporting date	**7,20,908.20**	7,19,992.76

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail home loan lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence, the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(a) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower exceeds 90 days past due on its contractual payments.

(b) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(c) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a. "Loss given default" (LGD) is common for all three Stages and is based on loss in past portfolio. Actual cashflows on the past portfolio are discounted at portfolio EIR rate for arriving at the loss rate.

b. "Probability of Default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD at 100%. This is calculated as an average of the last 60 months yearly movement of default rates and further adjusted for macro economic factors.

(d) Measurement of ECL

ECL is measured as follows:

– financial assets that are not credit impaired at the reporting date: for Stage 1, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL. For Stage 2, future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and LGD percentage and thus arrived ECL is then discounted with the respective loan EIR to calculate the present value of ECL.

– financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and actual cash flows till reporting date;

– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

(e) Forward Looking Adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective product categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook.

(f) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk (SICR).

As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In case of government endorsed instalment moratoriums, it cannot be assumed that those borrowers that are granted moratoriums have suffered a SICR. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes. Therefore, we consider that use of

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

government-endorsed instalment moratoriums by a borrower would not on its own trigger the counting of days past due for the 30 days past due backstop used to determine SICR or the 90 days past due backstop used to determine default.

Moreover, the acceptance of such moratorium may indicate short-term liquidity or cash flow problems but is likely to provide little information to differentiate borrower's lifetime credit risk. Thus, the grant of such moratorium cannot be considered as the sole indicator that SICR has occurred or even as the basis to adjust the borrower's probability of default.

(g) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the loan outstanding dues. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "bad debts/loss on termination" forming part of "impariment on financial instruments" in statement of profit and loss.

***(h)* Inputs to the Model**

a. Observed Default Rates (ODRs) over past 60 months for each product category

b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years

c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

Model Process

a. Macro economic historical variables relevant for Housing industry as selected by Management are tested for statistical robustness and filtered

b. Variables that are acceptable are regressed with historical ODRs, considering 4 variables at a time.

c. These combinations are further tested for statistical robustness.

d. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.

e. This combination is passed through the Vasicek model to derive project future Marginal PDs.

Impairment loss

The expected credit loss allowance provision for loans is determined as follows:

Particulars	Performing Loans - 12 month ECL	Under performing loans - lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	Total
Gross Balance as at 31 March 2024	**5,95,981.33**	**59,835.58**	**65,091.29**	**7,20,908.20**
Expected credit loss rate	**0.27%**	**8.23%**	**32.36%**	
Carrying amount as at 31 March 2024 (net of impairment provision)	**5,94,388.57**	**54,910.90**	**44,030.35**	**6,93,329.82**
Gross Balance as at 31 March 2023	5,36,668.85	1,08,017.18	75,306.73	7,19,992.76
Expected credit loss rate	0.97%	8.75%	27.60%	
Carrying amount as at 31 March 2023 (net of impairment provision)	5,31,440.01	98,562.46	54,522.08	6,84,524.55

Level of Assessment - Aggregation Criteria

The Company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characterstics, pricing range, sector concentration, the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

(i) An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loans

Gross exposure reconciliation - Loans

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	4,71,872.38	2,02,370.17	86,102.74	7,60,345.29
– Transfers to Stage 1	(40,619.46)	31,414.86	9,204.60	–
– Transfers to Stage 2	51,621.84	(85,062.19)	33,440.35	–
– Transfers to Stage 3	3,071.09	2,872.69	(5,943.78)	–
– Loans that have been derecognised during the period	(49,832.20)	(21,011.37)	(20,274.53)	(91,118.10)
New loans originated during the year	1,66,838.78	734.81	51.56	1,67,625.15
Write-offs	(42.15)	–	(29,982.69)	(30,024.84)
Remeasurement of net exposure	(66,241.43)	(23,301.79)	2,708.48	(86,834.74)
Gross carrying amount balance as at 31 March 2023	**5,36,668.85**	**1,08,017.18**	**75,306.73**	**7,19,992.76**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
– Transfers to Stage 1	**(21,150.08)**	**15,173.97**	**5,976.11**	**–**
– Transfers to Stage 2	**18,980.61**	**(30,568.82)**	**11,588.21**	**–**
– Transfers to Stage 3	**2,312.38**	**1,604.12**	**(3,916.50)**	**–**
– Loans that have been derecognised during the period	**(60,895.93)**	**(17,756.84)**	**(17,649.04)**	**(96,301.81)**
New loans originated during the year	**1,79,477.26**	**106.59**	**46.97**	**1,79,630.82**
Write-offs	**(0.06)**	**–**	**(11,325.04)**	**(11,325.10)**
Remeasurement of net exposure	**(59,411.70)**	**(16,740.62)**	**5,063.85**	**(71,088.47)**
Gross carrying amount balance as at 31 March 2024	**5,95,981.33**	**59,835.58**	**65,091.29**	**7,20,908.20**

* The contractual amount outstanding on financial assets that have been written off during the year ended 31 March 2024 and are under enforcement activity was Rs. 6,625.14 Lakhs (31 March 2023 : Rs. 16,825.71 Lakhs)

Gross exposure reconciliation - Loan commitments

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	42,815.49	476.90	7.02	43,299.41
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(3.78)	3.42	0.36	–
– Transfers to Stage 2	13.97	(13.97)	–	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	(40,858.76)	(462.93)	(7.03)	(41,328.72)
New loans originated during the year	47,061.66	4.77	–	47,066.43
Write-offs	–	–	–	–
Remeasurement of net exposure	(1,321.26)	(0.75)	(0.09)	(1,322.10)
Gross carrying amount balance as at 31 March 2023	**47,707.32**	**7.44**	**0.26**	**47,715.02**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(80.15)**	**70.89**	**9.26**	**–**
– Transfers to Stage 2	**1.08**	**(1.45)**	**0.37**	**–**
– Transfers to Stage 3	**–**	**–**	**–**	**–**
– Loans that have been derecognised during the period	**(41,472.86)**	**(3.66)**	**(0.26)**	**(41,476.78)**
New loans originated during the year	**53,161.66**	**2.80**	**–**	**53,164.46**
Write-offs	**–**	**–**	**–**	**–**
Remeasurement of net exposure	**(2,479.06)**	**(13.12)**	**–**	**(2,492.18)**
Gross carrying amount balance as at 31 March 2024	**56,837.99**	**62.90**	**9.63**	**56,910.52**

Reconciliation of ECL balance on loans

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	9,481.92	24,264.52	23,714.51	57,460.95
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(2,780.92)	2,340.66	440.26	–
– Transfers to Stage 2	6,050.17	(10,389.51)	4,339.34	–
– Transfers to Stage 3	860.61	723.43	(1,584.04)	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
– Loans that have been derecognised during the period	(989.19)	(2,517.68)	(7,066.23)	(10,573.10)
New loans originated during the year	1,640.29	64.23	13.46	1,717.98
Write-offs	(0.78)	–	(6,942.95)	(6,943.73)
Net remeasurement of loss allowance	(9,033.26)	(5,030.93)	7,870.30	(6,193.89)
ECL allowance balance as at 31 March 2023	**5,228.84**	**9,454.72**	**20,784.65**	**35,468.21**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(267.13)**	**179.14**	**87.99**	**–**
– Transfers to Stage 2	**1,660.75**	**(2,673.65)**	**1,012.90**	**–**
– Transfers to Stage 3	**675.26**	**476.58**	**(1,151.84)**	**–**
– Loans that have been derecognised during the period	**(662.56)**	**(1,552.08)**	**(5,757.22)**	**(7,971.86)**
New loans originated during the year	**403.29**	**16.66**	**14.48**	**434.43**
Write-offs	**–**	**–**	**(3,119.78)**	**(3,119.78)**
Net remeasurement of loss allowance	**(5,445.69)**	**(976.69)**	**9,189.76**	**2,767.38**
ECL allowance balance as at 31 March 2024	**1,592.76**	**4,924.68**	**21,060.94**	**27,578.38**

Reconciliation of ECL balance on loan commitments

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	307.42	40.41	1.66	349.49
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(0.03)	0.03	–	–
– Transfers to Stage 2	1.18	(1.18)	–	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	(300.27)	(39.21)	(1.66)	(341.14)
New loans originated during the year	334.06	0.42	–	334.48
Write-offs	–	–	–	–
Net remeasurement of loss allowance	(5.68)	0.18	0.07	(5.43)
ECL allowance balance as at 31 March 2023	**336.68**	**0.65**	**0.07**	**337.40**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(1.06)**	**0.92**	**0.14**	**–**
– Transfers to Stage 2	**0.09**	**(0.12)**	**0.03**	**–**
– Transfers to Stage 3	**–**	**–**	**–**	**–**
– Loans that have been derecognised during the period	**(298.74)**	**(0.32)**	**(0.07)**	**(299.13)**
New loans originated during the year	**90.29**	**0.33**	**–**	**90.62**
Write-offs	**–**	**–**	**–**	**–**
Net remeasurement of loss allowance	**(29.13)**	**2.37**	**2.32**	**(24.44)**
ECL allowance balance as at 31 March 2024	**98.13**	**3.83**	**2.49**	**104.45**

The increase in ECL of the portfolio was driven by an increase in the size of the portfolio, movements between stages as a result of increases in credit risk and due to deterioration in economic conditions.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company provides loans to retail individual customers in rural and semi urban areas which are of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

Company's loan portfolio is predominantly to finance retail home loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans:

Particulars	As at 31 March 2024	As at 31 March 2023
Concentration by geographical region in India:		
North	**92,789.36**	77,761.12
East	**9,959.96**	10,151.74
West	**304,017.36**	289,509.64
South	**314,141.52**	342,570.26
Total	**720,908.20**	719,992.76

Maximum exposure to credit risk

The maximum exposure to credit risk of loans is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

(j) Collaterals

Narrative description of collateral

Collateral primarily include land and constructed/purchased house property by retail loan customers. Company generally does not obtain additional collateral during the term of the loan.

The below tables provide an analysis of the fair values of collateral held for credit impaired assets:

31 March 2024	Maximum exposure to Credit Risk	Land and Building	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Loans:						
a) Loans against assets	**65,091.29**	**140,247.80**	**76,340.58**	**63,907.22**	**1,184.07**	**21,060.94**
b) Others	**–**	**–**	**–**	**–**	**–**	**–**
Total	**65,091.29**	**140,247.80**	**76,340.58**	**63,907.22**	**1,184.07**	**21,060.94**

31 March 2023	Maximum exposure to Credit Risk	Land and Building	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Loans:						
a) Loans against assets	75,306.73	166,132.43	(91,822.63)	74,309.80	996.93	20,784.65
b) Others	–	–	–	–	–	–
Total	75,306.73	166,132.43	(91,822.63)	74,309.80	996.93	20,784.65

The Company has provided for additional impairment for the shortfall in collateral value on its credit impaired assets.

Collaterals repossessed

Company did not obtain non financial assets during the year by taking possession of collateral it held as security.

Quantitative information of collateral - credit impaired assets

The company's concentrations of risk are managed based on Loan to value (LTV) segregation. The following tables stratify credit exposures from housing and other loans to customers by range of Loan to value (LTV) ratio. LTV is calculated as the ratio of gross amount of loan or the amount committed for loan commitments to the value of collateral. The value of the collateral for housing and other loans is based on collateral value at origination.

Gross value of total loans to value of collateral :

Loan To Value	Gross Value of total loans 31 March 2024	31 March 2023
Upto 50%	**284,502.58**	269,813.49
51 - 70%	**244,041.86**	268,479.76
71 - 100%	**192,268.43**	181,600.71
Above 100%	**–**	–
	720,812.87	719,893.96

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Gross value of credit impaired loans to value of collateral:

	Gross value of loans in stage 3	
Loan To Value	**31 March 2024**	31 March 2023
Upto 50%	**30,004.80**	32,338.75
51 - 70%	**26,411.06**	32,964.47
71 - 100%	**8,675.43**	10,003.51
Above 100%	**–**	–
	65,091.29	75,306.73

iii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company and fellow subsidiary companies within its group to meet any short term fund requirements.

Maturity profile of non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is calculated considering interest rate prevailing as at respective year end date.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
31 March 2024				
Trade payable:	**4,206.90**	**–**	**–**	**–**
Other payable	**22.30**	**–**	**–**	**–**
Debt securities:				
– Principal	**100,000.00**	**168,500.00**	**28,547.50**	**21,000.00**
– Interest	**21,676.79**	**29,075.38**	**8,260.55**	**5,937.68**
Borrowings (Other than debt securities):				
– Principal	**92,688.92**	**127,073.84**	**52,309.23**	**–**
– Interest	**20,265.40**	**21,279.85**	**2,931.83**	**–**
Subordinated liabilities:				
– Principal	**1,000.00**	**18,200.00**	**12,000.00**	**15,000.00**
– Interest	**4,078.20**	**7,296.46**	**3,969.34**	**1,690.00**
Other financial liabilities:	**23,889.63**	**6,017.87**	**2,964.12**	**3,434.63**
Total	**267,828.14**	**377,443.40**	**110,982.57**	**47,062.31**
31 March 2023				
Trade payable	4,367.72	–	–	–
Other payable	22.28	–	–	–
Debt securities:				
– Principal	154,500.00	137,500.00	1,000.00	24,510.00
– Interest	23,636.80	20,798.86	4,135.13	7,963.97
Borrowings (Other than sebt securities):				
– Principal	102,251.16	131,032.43	84,098.74	1,785.71
– Interest	22,622.99	27,129.76	7,222.69	77.49
Subordinated liabilities:				
– Principal	–	7,000.00	20,700.00	18,500.00
– Interest	4,084.52	8,074.07	5,645.92	3,314.00
Other financial liabilities:	26,594.49	4,343.12	3,022.67	4,021.12
Total	338,079.95	335,878.24	125,825.15	60,172.29

iv) Measurement of Fair Value

Valuation technique for fair value measurement

Fair value of loans and borrowings are calculated using a portfolio based approach, grouping them as far as possible into homogenous groups based on similar characteristics (such as tenor and rates of interest). Using the discounted cash flow approach, the values are then calculated for the portfolio considering all significant characteristics of the loans and borrowings.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Financial instruments measured at amortised cost

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March 2024					
Financial assets					
a) Cash and cash equivalent	**57,673.26**	**57,673.26**	**57,673.26**	**–**	**–**
b) Bank balances other than (a) above	**16,372.47**	**16,372.47**	**16,372.47**	**–**	**–**
c) Loans	**693,329.82**	**692,474.10**	**–**	**–**	**692,474.10**
d) Other financial assets	**1,808.88**	**1,808.88**	**–**	**1,808.88**	**–**
Total	**769,184.43**	**768,328.71**	**74,045.73**	**1,808.88**	**692,474.10**
Financial liabilities					
a) Trade Payables	**4,206.90**	**4,206.90**	**–**	**4,206.90**	**–**
b) Other Payable	**22.30**	**22.30**	**–**	**22.30**	**–**
c) Debt securities	**316,247.21**	**315,081.55**	**315,081.55**	**–**	**–**
d) Borrowings other than debt securities	**272,069.19**	**271,920.45**	**–**	**271,920.45**	**–**
e) Subordinated Liabilities	**46,078.58**	**46,214.65**	**46,214.65**		**–**
f) Other financial liabilities	**33,704.51**	**33,704.51**	**–**	**33,704.51**	**–**
Total	**672,328.69**	**671,150.36**	**361,296.20**	**309,854.16**	**–**
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	31,631.99	31,494.46	31,494.46	–	–
b) Bank balances other than (a) above	88,702.87	88,702.87	88,702.87	–	–
c) Loans	684,524.55	684,355.15	–	–	684,355.15
d) Other financial assets	3,195.18	3,332.71	–	3,332.71	–
Total	808,054.59	807,885.19	120,197.33	3,332.71	684,355.15
Financial liabilities					
a) Trade payables	4,367.72	4,367.72	–	4,367.72	–
b) Other payable	22.28	22.28	–	22.28	–
c) Debt securities	316,771.91	314,654.45	314,654.45	–	–
d) Borrowings other than debt securities	319,162.66	318,550.07	–	318,550.07	–
e) Subordinated liabilities	46,049.24	46,130.90	46,130.90	–	–
f) Other financial liabilities	35,107.89	35,107.89	–	35,107.89	–
Total	721,481.70	718,833.31	360,785.35	358,047.96	–

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Financial instruments regularly measured using fair value - recurring items

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair Value								
	Financial assets/ financial liabilities	Category	As at 31 March 2024	As at 31 March 2023	Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**10,820.12**	22,088.07	Level 1	Quoted market price			
Investment in Government Securities	Financial Assets	Financial instrument measured at FVTOCI	**13,031.20**	12,006.99	Level 1	Quoted market price			

45 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress:

(i) In the year ending 31 March 2022 to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI vide its circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 on Resolution Framework – 2.0 : Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021. This is in continuation to the restructuring plan implemented for the customers as per the RBI circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 on Resolution Framework for COVID-19-related Stress dated 6 August 2020.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

As at 31 March 2024

(i) Disclosure as per format prescribed under circular no.RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the year ended 31 March 2024 for the restructuring plans implemented as per RBI circular dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	**208.85**	**–**	**–**	**36.71**	**186.80**

* Represents amount outstanding as at the end of 30 September 2023

** Represents the closing balance of loan accounts as at 31 March 2024

(ii) Disclosure as per format prescribed under circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 for the year ended 31 March 2024 for the restructuring plans implemented as per RBI circular dated 5 May 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year ***	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ****
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	**96,781.56**	**8,627.55**	**–**	**28,608.03**	**74,185.36**

*** Represents amount outstanding as at the end of 30 September 2023

**** Represents the closing balance of loan accounts as at 31 March 2024

As at 31 March 2023

(i) Disclosure as per format prescribed under circular no.RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the year ended 31 March 2023 for the restructuring plans implemented as per RBI circular dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	264.52	–	–	49.11	231.14

* Represents amount outstanding as at the end of 30 September 2022

** Represents the closing balance of loan accounts as at 31 March 2023

(ii) Disclosure as per format prescribed under circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 for the year ended 31 March 2023 for the restructuring plans implemented as per RBI circular dated 5 May 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year ***	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ****
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	163,872.28	31,404.34	–	40,911.80	132,794.35

*** Represents amount outstanding as at the end of 30 September 2022

**** Represents the closing balance of loan accounts as at 31 March 2023

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

46 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended

31 March 2024

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7)= (4) - (6)
Performing Assets						
Standard	Stage 1	594,790.82	1,582.50	593,208.32	3,488.19	(1,905.69)
	Stage 2	19,572.26	1,659.63	17,912.63	538.61	1,121.02
Subtotal for standard		**614,363.08**	**3,242.13**	**611,120.95**	**4,026.80**	**(784.67)**
Non-Performing Assets (NPA)						
Substandard	Stage 1	516.40	4.44	511.96	74.04	(69.60)
	Stage 2	12,385.31	1,052.03	11,333.28	1,762.09	(710.06)
	Stage 3	9,103.16	3,379.96	5,723.20	1,523.12	1,856.84
Subtotal for Substandard		**22,004.87**	**4,436.43**	**17,568.44**	**3,359.25**	**1,077.18**
Doubtful - up to 1 year	Stage 1	653.25	5.68	647.57	159.30	(153.62)
	Stage 2	27,466.33	2,181.95	25,284.38	6,518.12	(4,336.17)
	Stage 3	38,914.18	10,032.24	28,881.94	7,878.15	2,154.09
Subtotal for doubtful up to 1 year		67,033.76	12,219.87	54,813.89	14,555.57	(2,335.70)
Doubtful - 1 to 3 years	Stage 1	20.60	0.14	20.46	8.13	(7.99)
	Stage 2	407.97	30.05	377.92	155.14	(125.09)
	Stage 3	16,222.90	6,797.69	9,425.21	4,540.73	2,256.96
Subtotal for doubtful up to 1 to 3 years		**16,651.47**	**6,827.88**	**9,823.59**	**4,704.00**	**2,123.88**
More than 3 years	Stage 1	0.26	–	0.26	0.26	(0.26)
	Stage 2	3.71	1.02	2.69	3.58	(2.56)
	Stage 3	674.94	674.94	–	330.69	344.25
Subtotal for Doubtful - More than 3 years		**678.91**	**675.96**	**2.95**	**334.53**	**341.43**
Subtotal for Doubtful		**84,364.14**	**19,723.71**	**64,640.43**	**19,594.10**	**129.61**
Loss	Stage 3	176.11	176.11	–	169.32	6.79
Subtotal for NPA		**106,545.12**	**24,336.25**	**82,208.87**	**23,122.67**	**1,213.58**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	56,837.99	98.13	56,739.86	–	98.13
	Stage 2	62.90	3.83	59.07	–	3.83
	Stage 3	9.63	2.49	7.14	–	2.49
Subtotal		**56,910.52**	**104.45**	**56,806.07**	**–**	**104.45**
Total	Stage 1	652,819.32	1,690.89	651,128.43	3,729.92	(2,039.03)
	Stage 2	59,898.48	4,928.51	54,969.97	8,977.54	(4,049.03)
	Stage 3	65,100.92	21,063.43	44,037.49	14,442.01	6,621.42
Total (Including commitments)		**777,818.72**	**27,682.83**	**750,135.89**	**27,149.47**	**533.36**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

31 March 2023

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7)= (4) - (6)
Performing Assets						
Standard	Stage 1	534,683.02	5,201.00	529,482.02	5,572.33	(371.33)
	Stage 2	45,498.67	3,988.55	41,510.12	2,140.92	1,847.63
Subtotal for standard		**580,181.69**	**9,189.55**	**570,992.14**	**7,713.25**	**1,476.30**
Non-Performing Assets (NPA)						
Substandard	Stage 1	1,974.10	27.66	1,946.44	282.62	(254.96)
	Stage 2	62,161.68	5,434.98	56,726.70	8,814.60	(3,379.62)
	Stage 3	42,647.35	11,406.19	31,241.16	6,057.41	5,348.78
Subtotal for substandard		**106,783.13**	**16,868.83**	**89,914.30**	**15,154.63**	**1,714.20**
Doubtful - up to 1 year	Stage 1	9.17	0.14	9.03	2.22	(2.08)
	Stage 2	344.90	30.15	314.75	80.48	(50.33)
	Stage 3	12,060.83	3,216.15	8,844.68	2,566.57	649.58
Subtotal for doubtful up to 1 year		**12,414.90**	**3,246.44**	**9,168.46**	**2,649.27**	**597.17**
Doubtful - 1 to 3 years	Stage 1	2.56	0.04	2.52	0.97	(0.93)
	Stage 2	11.93	1.04	10.89	4.53	(3.49)
	Stage 3	19,630.57	5,581.18	14,049.39	5,284.05	297.13
Subtotal for doubtful up to 1 to 3 years		**19,645.06**	**5,582.26**	**14,062.80**	**5,289.55**	**292.71**
More than 3 years	Stage 3	757.93	371.08	386.85	351.85	19.23
Subtotal for Doubtful - More than 3 years		**757.93**	**371.08**	**386.85**	**351.85**	**19.23**
Subtotal for Doubtful		**32,817.89**	**9,199.78**	**23,618.11**	**8,290.67**	**909.11**
Loss	Stage 3	210.05	210.05	–	204.17	5.88
Subtotal for NPA		139,811.07	26,278.66	113,532.41	23,649.47	2,629.19
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	47,707.32	336.68	47,370.64	–	336.68
	Stage 2	7.44	0.65	6.79	–	0.65
	Stage 3	0.26	0.07	0.19	–	0.07
Subtotal		**47,715.02**	**337.40**	**47,377.62**	**–**	**337.40**
Total	Stage 1	584,376.17	5,565.52	578,810.65	5,858.14	(292.62)
	Stage 2	108,024.62	9,455.37	98,569.25	11,040.53	(1,585.16)
	Stage 3	75,306.99	20,784.72	54,522.27	14,464.05	6,320.67
Total (Including commitments)		**767,707.78**	**35,805.61**	**731,902.17**	**31,362.72**	**4,442.89**

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2024, no amount is required to be transferred to ‘Impairment Reserve’ for the financial year. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the ‘Impairment Reserve’ (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI

ii) In terms of recommendations as per above referred notification, the Company has complied with Ind AS 109, Financial Instruments and the Board approved Expected Credit Loss (ECL) policy in the computation and measurement of impairment allowance. For the purpose of provisions as per IRACP norms the Company has adopted the definition used for regulatory purposes.

As at 31 March 2024 and 31 March 2023, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ days ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

47 Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporates as per SEBI notification no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021

As per the definition given in above referred notification, the Company is a Large Corporate and hence is required to disclose the following information about its borrowings.

Annexure A

Initial Disclosure to be made by an entity identified as a Large Corporate

(To be submitted to the Stock Exchange(s) with in 30 days from the beginning of the FY)

SN	Particulars	Details
1	Name of the company	Mahindra Rural Housing Finance Limited
2	CIN	U65922MH2007PLC169791
3	Outstanding borrowing of company as on 31 March 2024	Rs. 6,34,394.98 Lakhs
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	a) Bank Borrowings – CRISIL AAA/ Stable/IND AA+/Stable b) NCD/Sub-Debt – CRISIL AAA/ Stable/IND AA+/ Stable, CARE AA+/ Stable, CRISIL PPMLD AAA/Stable', IND PPMLD AA+/ Stable' c) Short term external credit rating (Commercial Papers)- Crisil A1+, IND A1+
5	Name of Stock Exchange in which the fine shall be paid, incase of shortfall in the required borrowing under the framework	BSE Limited

Annexure B

1	Name of the company	Mahindra Rural Housing Finance Limited
2	CIN	U65922MH2007PLC169791
3	Report filed for FY	2022-23
4	Details of the current block	FY2022, FY2023 and FY2024

SN	Particulars	31 March 2024
(i)	3-year block period	FY2022, FY2023 and FY2024
(ii)	Incremental borrowing done (a)	183,127.05
(iii)	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	45,781.76
(iv)	Actual borrowings done through debt securities (c)	135,087.45
(v)	Shortfall in the borrowing through debt securities, if any, for FY carried forward to FY (d)	Not Applicable
(vi)	Quantum of (d), which has met from (c) (e)	NIL
(vii)	Shortfall, if any, in the mandatory borrowing through debt securities, for FY (f) = b- [(c) - (e)]	NIL

5 Details of penalty to be paid, if any, in resepect of previous block:

SN	Particulars	31 March 2024
(i)	3-year block period	FY2022, FY2023 and FY2024
(ii)	Amount of the fine to be paid for the block, if applicable. Fine = 0.2% ((d) - (e))	NIL

48 Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees.

Name of the KMP	Nature of transactions	31 March 2024	31 March 2023
Mr. Shantanu Rege (Managing Director)			
(Appointed from 1 October 2022)	Gross Salary including perquisites	**175.05**	63.10
	Others - Contribution to Funds	**–**	–
	Stock Option	**–**	5.79
		175.05	68.89
Mr. Rajnish Agarwal (Managing Director)			
(Ceased to be the director with effect from 1 October 2022)	Gross Salary including perquisites	**28.95**	188.19
	Others - Contribution to Funds	**–**	2.71
	Stock Option	**–**	–
		28.95	190.90
Mr. Dinesh Prajapati (Chief Financial Officer)			
(Appointed from 1 March 2024)	Gross Salary including perquisites	**10.92**	–
	Others - Contribution to Funds	**0.39**	–
	Stock Option	**–**	–
		11.31	–
Mr. Dharmesh Vakharia (Chief Financial Officer)			
(Ceased to be the KMP from 29 February 2024)	Gross Salary including perquisites	**158.59**	149.94
	Others - Contribution to Funds	**8.45**	11.27
	Stock Option	**–**	7.85
		167.04	169.06
Mrs. Anjali Raina (Independent Director)			
(Ceased to be the director with effect from 22 December 2023)	Commission \ Remuneration	**6.00**	8.25
	Other benefits	**3.90**	5.80
		9.90	14.05
Mr. Jyotin Mehta (Independent Director)			
	Commission \ Remuneration	**8.25**	8.25
	Other benefits	**6.20**	6.20
		14.45	14.45

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Name of the KMP	Nature of transactions	31 March 2024	31 March 2023
Mr. Narendra Mairpady (Independent Director)			
	Commission \ Remuneration	**8.25**	8.25
	Other benefits	**5.20**	4.80
		13.45	13.05
Mrs. Smita Mankad (Independent Director) (Appointed with effect from 22 December 2023)	Commission \ Remuneration	**2.28**	–
	Other benefits	**2.30**	–
		4.58	–

49 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	**Ultimate Holding Company**	Mahindra & Mahindra Limited
b)	**Holding Company**	Mahindra & Mahindra Financial Services Limited
c)	**Fellow Subsidiaries:** (entities with whom the Company has transactions)	Mahindra Insurance Brokers Limited NBS International Limited Mahindra Integrated Business Solutions Private Limited Mahindra Holidays and Resorts India Limited Mahindra First Choice Wheels Limited
d)	**Other Related Parties:**	Kanha & Company Naandi Community Water Services Private Limited Enqube Collaborations Private Limited
e)	**Joint Ventures/ Associates** (entities with whom the Company has transactions)	Mahindra Manulife Investment Management Private Limited Mahindra University Medwell Ventures Private Limited
f)	**Key Management Personnel:**	Mr. Shantanu Rege (Managing Director) (w.e.f. 01 October 2022) Mr. Rajnish Agarwal (Managing Director) (Ceased to be a director w.e.f. 01 October 2022) Mr. Dinesh Prajapati (Chief Financial Officer) (w.e.f. 01 March 2024) Mr. Dharmesh Vakharia (Chief Financial Officer) (Ceased to be a KMP w.e.f. 29 February 2024) Mrs. Anjali Raina (Independent Director) (Ceased to be a director w.e.f. 22 December 2023) Mr. Narendra Mairpady (Independent Director) Mr. Jyotin Mehta (Independent Director) Ms. Smita Mankad (Independent Director) (w.e.f. 22 December 2023)

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

	Holding Company		Fellow Subsidiaries/ Other Related Parties		Joint Ventures/ Associates		Key Management Personnel	
Particulars	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023
ESOP Income								
– Mahindra Insurance Brokers Limited	**–**	–	**0.30**	–	**–**	–	**–**	–
Interest expense								
– Mahindra & Mahindra Limited	**–**	–	**–**	–	**–**	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**1,842.86**	1,575.38	**–**	–	**–**	–
– Mahindra Manulife Investment Management Private Limited	**–**	–	**–**	–	**410.49**	409.80	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**603.44**	603.00	**–**	–	**–**	–
Other expenses								
– Mahindra & Mahindra Limited	**102.96**	137.77	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**459.71**	483.60	**–**	–	**–**	–	**–**	–
– NBS International Limited	**–**	–	**4.20**	5.77	**–**	–	**–**	–
– Mahindra Integrated Business Solutions Private Limited	**–**	–	**1,021.80**	1,122.28	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited			**13.08**	–	**–**	–	**–**	–
– Medwell Ventures Private Limited	**–**	–	**–**	–	**–**	0.05	**–**	–
– Mahindra University	**–**	–	**–**	–	**–**	2.36	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**26.09**	30.00	**–**	–	**–**	–
– Kanha & Co.	**–**	–	**227.74**	113.87	**–**	–	**–**	–
– Naandi Community Water Services Private Limited	**–**	–	**0.23**	–	**–**	–	**–**	–
– Enqube Collaborations Private Limited	**–**	–	**0.05**	–	**–**	–	**–**	–
ESOP Expenses								
– Mahindra & Mahindra Limited	**41.09**	1.91	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**6.64**	20.01	**–**	–	**–**	–	**–**	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Particulars	Holding Company		Fellow Subsidiaries/ Other Related Parties		Joint Ventures/ Associates		Key Management Personnel	
	Year ended 31 Mar 2024	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023
Remuneration								
– Mr. Shantanu Rege	**–**	–	**–**	–	**–**	–	**175.05**	68.89
– Mr. Rajnish Agarwal	**–**	–	**–**	–	**–**	–	**28.95**	190.90
– Mr. Dinesh Prajapati							**11.31**	–
– Mr. Dharmesh Vakharia							**167.04**	169.06
– Mrs. Anjali Raina	**–**	–	**–**	–	**–**	–	**9.90**	14.05
– Mr. Narendra Mairpady	**–**	–	**–**	–	**–**	–	**13.45**	13.05
– Mr. Jyotin Mehta	**–**	–	**–**	–	**–**	–	**14.45**	14.45
– Mrs. Smita Mankad							**4.58**	–
Purchase of fixed assets								
– Mahindra & Mahindra Limited	**164.69**	375.08	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**42.89**	2.17	**–**	–	**–**	–	**–**	–
– NBS International Limited	**–**	–	**4.14**	14.28	**–**	–	**–**	–
Capital Advancce								
– Mahindra & Mahindra Limited	**–**	9.58	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**24.03**	–	**–**	–	**–**	–	**–**	–
Sale of fixed assets								
– Mahindra & Mahindra Financial Services Limited	**17.84**	–	**–**	–	**–**	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**6.75**	–	**–**	–	**–**	–
Inter corporate deposits taken								
– Mahindra Insurance Brokers Limited	**–**	–	**16,500.00**	13,050.00	**–**	–	**–**	–
Inter corporate deposits repaid / matured								
– Mahindra Insurance Brokers Limited	**–**	**–**	**9,100.00**	16,575.00	**–**	**–**	**–**	**–**

iii) Balances as at the end of the year:

Particulars	Holding Company		Fellow Subsidiaries/ Other Related Parties		Joint Ventures/ Associates		Key Management Personnel	
	Year ended 31 Mar 2024	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023	**Year ended 31 Mar 2024**	Year ended 31 Mar 2023
Balances as at the end of the year								
Subordinate debt held (including interest accrued but not due)								
– Mahindra Manulife Investment Management Private Limited	**–**	–	**–**	–	**4,857.57**	4,856.15	**–**	–
Receivables								
– Mahindra Insurance Brokers Limited	**–**	–	**0.08**	–	**–**	–	**–**	–
Payables								
– Mahindra & Mahindra Limited	**30.25**	16.39	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**81.85**	0.61	**–**	–	**–**	–	**–**	–
– Mahindra Integrated Business Solutions Private Limited	**–**	–	**67.38**	65.34	**–**	–	**–**	–
– NBS International Limited	**–**	–	**–**	0.29	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**1.25**	1.74	**–**	–	**–**	–
– Mrs. Anjali Raina	**–**	–	**–**	–	**–**	–	**5.40**	7.43
– Mr. Narendra Mairpady	**–**	–	**–**	–	**–**	–	**7.43**	7.43
– Mr. Jyotin Mehta	**–**	–	**–**	–	**–**	–	**7.43**	7.43
– Ms. Smita Mankad	**–**	–	**–**	–	**–**	–	**2.05**	–
Inter corporate deposits outstanding (including interest accrued but not due)								
– Mahindra & Mahindra Limited	**–**	–	**–**	–	–	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**30,675.29**	22,793.35	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**9,398.87**	9,396.99	**–**	–	**–**	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

50 Balance Sheet Disclosures as required under Master Direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

'These disclosures are made pursuant to Reserve Bank of India Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended), to the extent applicable to the Company and outlining the regulatory guidance in relation to Ind AS financial statements. This includes guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, Capital to Risk (weighted) Assets Ratio (CRAR) and other disclosures have been computed in accordance with these requirements read with the requirements of the Indian Accounting Standards prescribed under Sec 133 of The Companies Act, 2013.

Summary of Significant Accounting Policies

The material accounting policy regarding key areas of operations are disclosed as note 2 to the financial statement for the year ended 31 March 2024.

I Capital

Particulars		31 March 2024	31 March 2023
(i)	CRAR (%)	**40.35%**	45.12%
(ii)	CRAR - Tier I Capital (%)	**32.99%**	34.95%
(iii)	CRAR - Tier II Capital (%)	**7.35%**	10.17%
(iv)	Amount of subordinated debt raised as Tier - II Capital	**28,980**	35,220
(v)	Amount raised by issue of Perpetual Debt Instruments	**Nil**	Nil

II Investments

The investments outstanding details are as under :

Particulars		31 March 2024	31 March 2023
1	**Value of Investments**		
(i)	Gross value of Investments*		
	(a) In India	**23,851.32**	34,095.06
	(b) Outside India	**–**	–
(ii)	Provisions for Depreciation		
	(a) In India	**–**	–
	(b) Outside India	**–**	–
(iii)	Net value of Investments		
	(a) In India	**23,851.32**	34,095.06
	(b) Outside India	**–**	–
2	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	**–**	–
(ii)	Add: Provisions made	**–**	–
(iii)	Less: Write-off/Written-back of excess provisions during the year	**–**	–
(iv)	Closing balance	**–**	–

* Value of investments represent fair value of investment

III Derivatives

The Company has not entered into any derivatives during the current year or previous year.

a) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)

Particulars		31 March 2024	31 March 2023
(i)	The notional principal of swap agreements	**Not Applicable**	Not Applicable
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the HFC upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

b) Exchange Traded Interest Rate (IR) Derivative

Particulars		31 March 2024	31 March 2023
(i)	The notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	**Not Applicable**	Not Applicable
	(a)		
	(b)		
	(c)		
(ii)	The notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument wise)		
	(a)		
	(b)		
	(c)		
(iii)	The notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)		
	(a)		
	(b)		
	(c)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)		
	(a)		
	(b)		
	(c)		

c) Disclosures on Risk Exposure in Derivatives

A Qualitative Disclosure:

The Company does not trade in derivatives and hence, this disclosure is not applicable.

B Quantitative Disclosure

Particulars		Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	**Not Applicable**	Not Applicable
(ii)	Marked to Market Positions		
	(a) Assets (+)		
	(b) Liability (-)		
(iii)	Credit Exposure		
(iv)	Unhedged Exposures		

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

IV Assets Liability Management

31 March 2024

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowing from bank	–	–	4,708.20	1,043.98	10,625.67	25,435.57	21,149.00	116,722.90	52,309.21	–	231,994.53
Market borrowing	–	–	1,799.66	26,244.89	39,980.78	26,272.64	34,802.64	196,878.00	40,467.96	35,953.88	402,400.45
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	5,186.52	4,684.59	6,859.58	11,113.96	13,250.48	28,505.98	77,875.98	164,368.76	89,499.25	291,984.72	693,329.82
Investments	15,871.36	–	–	–	–	–	7,979.96	–	–	–	23,851.32
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

31 March 2023

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowing from bank	–	–	8,775.00	2,873.55	11,355.75	23,755.26	46,388.68	108,954.89	84,098.81	1,785.71	287,987.65
Market borrowing	–	–	–	44,862.89	15,981.40	79,768.87	22,553.73	166,255.28	21,650.13	42,923.85	393,996.15
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	4,687.27	5,094.86	10,597.31	15,710.71	19,210.74	43,916.79	77,245.23	198,953.27	99,955.88	209,152.49	684,524.55
Investments	22,088.07	–	–	4,002.69	–	–	8,004.30	–	–	–	34,095.06
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

V Exposure

a) Exposure to real estate sector

Category			31 March 2024	31 March 2023
a)	Direct exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	**720,417.36**	719,685.32
		Of the above Individual housing loan upto Rs.15 lakh	**495,504.93**	601,644.44
	(ii)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**395.51**	208.64
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	**Nil**	Nil
		b) Commercial Real Estate	**Nil**	Nil

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Category			31 March 2024	31 March 2023
b)	Indirect Exposure			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**Nil**	Nil

b) The Company does not have any exposure towards capital market.

Particulars		31 March 2024	31 March 2023
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**Not Applicable**	Not Applicable
(ii)	advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equityoriented mutual funds;	**Not Applicable**	Not Applicable
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**Not Applicable**	Not Applicable
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	**Not Applicable**	Not Applicable
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**Not Applicable**	Not Applicable
(vi)	loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**Not Applicable**	Not Applicable
(vii)	bridge loans to companies against expected equity flows/issues;	**Not Applicable**	Not Applicable
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	**Not Applicable**	Not Applicable
	Total exposure to capital market	**Not Applicable**	Not Applicable

c) The Company has not financed any parent Company products and accordingly no disclosure is made.

d) The Company has not exceeded the prudential exposure limits w.r.t. Single Borrower Limit (SBL)/Group Borrower Limit (GBL) and accordingly no disclosure is made.

e) The Company has not given any unsecured advances against collateral of rights, licenses, authorisations, etc. and accordingly no disclosure is made.

f) Exposure to group companies engaged in real estate business.

SN	Particulars	31 March 2024	% of NOF	31 March 2023	% of NOF
(i)	Exposure to any single entity in a group engaged in real estate business*	**653.86**	**0.48%**	192.38	0.14%
(ii)	Exposure to all entities in a group engaged in real estate business*	**653.86**	**0.48%**	192.38	0.14%

* This exposure is towards the retail individual home buyers.

VI Miscellaneous

a) The Company has not obtained registration from any Financial sector regulator other than National Housing Bank.

b) No penalty has been imposed on the Company by National Housing Bank/ Reserve Bank of India or any other regulator.

c) Related Party Policy :

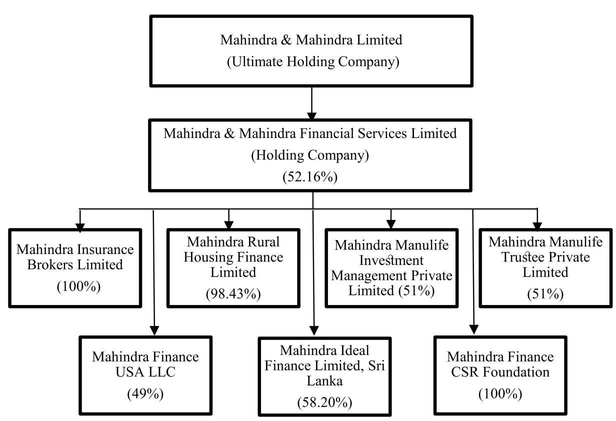
All contracts / arrangements/transactions entered into by the Company during the current year with related parties were in the ordinary course of business and on an arm's length basis (refer note 49).

Pursuant to section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

The policy on related party transactions is approved by the Audit Committee and the Board Of Directors of the Company and is available on the website of the Company.

d) Group Structure

Below is the diagramatic representation of group structure as of 31 March 2024:



e) Rating assigned by Credit Rating Agencies and migration of rating during the year.

During the year under consideration, CRISIL Ratings Limited has re-affirmed Company's rating to 'CRISIL AAA/Stable' outlook to the Company's Bank facilities, Non-Convertible Debentures and Subordinated Debt and re-affirmed 'CRISIL A1+' rating to the Company's Commercial Paper.

During the year under consideration, CRISIL Ratings Limited has re-affirmed 'CRISIL PPMLD AAA/Stable' outlook to the Company's Long-Term Principal Protected Market Linked Debentures (MLDs).

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

India Ratings & Research Private Limited has re-affirmed the rating to the Company's Bank facilities, Non-Convertible Debentures and Subordinated Debt as 'IND AA+/stable' outlook, and 'IND A1+' rating to the Commercial Paper.

During the year under consideration, India Ratings & Research Private Limited has re-affirmed 'IND PPMLD AA+/Stable' outlook to the Company's Principal Protected Market Linked Debentures (MLDs)

CARE Ratings Limited (Formerly known as 'Credit Analysis & Research Limited') has upgraded the rating to the Company's Non-Convertible Debentures and Subordinated Debt as 'CARE AA+/stable' outlook to 'CARE AAA/Stable'

f) Remuneration of Independent Directors

Particulars of Remuneration	Names of Directors				
Independent Directors	Mr. Jyotin Mehta	Mrs. Anjali Raina	Mr. Narendra Mairpady	Mrs. Smita Mankad	Total
Fee for attending board/committee meetings	6.20	3.90	5.20	2.30	**17.60**
	(6.20)	(5.80)	(4.80)	–	**(16.80)**
Remuneration/ Commission	8.25	6.00	8.25	2.28	**24.78**
	(8.25)	(8.25)	(8.25)	–	**(24.75)**
Total	**14.45**	**9.90**	**13.45**	**4.58**	**42.38**
	(14.45)	(14.05)	(13.05)	–	**(41.55)**

Notes: Figures in bracket represent corresponding figures of previous year.

g) Net profit or loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to accounts in terms of the relevant accounting standards.

VII During the year there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

VIII Other Disclosures

a) Provisions and Contingencies

Breakup of "Provisions & Contingencies" shown under the head Expenditure in Statement of Profit and Loss	**31 March 2024**	31 March 2023
1. Provisions for depreciation on Investment	–	–
2. Provision towards non performing assets (Stage 3 assets)	**276.29**	(2,929.87)
3. Provision made towards Income Tax	**–**	–
4. Other Provision and Contingencies	**(232.95)**	(12.09)
5. Provision for Standard Assets (Stage 1 and Stage 2 assets)	**(8,166.12)**	(19,062.87)

The Company has complied with Ind AS 109, Financial Instruments and the Board approved Expected Credit Loss (ECL) policy in the computation and measurement of impairment allowance. In the disclosures required under RBI/NHB, the references of amounts to Non Performing Assets refers to Stage 3 amounts as per Ind AS 109.

Breakup of Loan & Advances and Provisions thereon	**Housing**		**Non Housing**	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Standard Assets				
a) Total Outstanding Amount	**571,678.24**	601,924.56	**84,138.67**	42,761.47
b) Provisions made	**6,018.47**	13,952.37	**498.97**	731.20
Sub-Standard Assets				
a) Total Outstanding Amount	**8,767.88**	41,143.51	**335.28**	1,503.84
b) Provisions made	**3,267.24**	11,017.57	**112.72**	388.63
Doubtful Assets - Category – I				
a) Total Outstanding Amount	**37,660.21**	11,549.86	**1,253.97**	510.96
b) Provisions made	**9,696.90**	3,083.75	**335.34**	132.40
Doubtful Assets - Category – II				
a) Total Outstanding Amount	**15,631.86**	18,963.78	**591.04**	666.79
b) Provisions made	**6,522.51**	5,382.67	**275.18**	198.50
Doubtful Assets - Category – III				
a) Total Outstanding Amount	**646.76**	725.86	**28.18**	32.07
b) Provisions made	**646.76**	350.01	**28.18**	21.07
Loss Assets				
a) Total Outstanding Amount	**165.70**	198.28	**10.41**	11.76
b) Provisions made	**165.70**	198.28	**10.41**	11.76
a) Total Outstanding Amount	**634,550.65**	674,505.85	**86,357.55**	45,486.89
b) Provisions made	**26,317.58**	33,984.65	**1,260.80**	1,483.56

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Insurance / fees component of Housing Loans has been classified under Non Housing Loans amounting to Rs. 25214.63 Lakhs as of 31 March 2024, Rs. 25,461.07 Lakhs as of 31 March 2023.

b) Draw Down from Reserves

The Company has not withdrawn any amount from any reserve in the current year or in the previous year.

c) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits (for Public Deposit taking/ holding HFCs)

Particulars	31 March 2024	31 March 2023
Total deposits of twenty largest depositors	**Not Applicable**	Not Applicable
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC		

ii) Concentration of Loans & Advances

Particulars	31 March 2024	31 March 2023
Total loans & advances to twenty largest borrowers	**1,472.71**	1,098.20
Percentage of loans & advances to twenty largest borrowers to total advances of the HFC	**0.20%**	0.15%

iii) Concentration of all exposure (including off-balance sheet exposure)

Particulars	31 March 2024	31 March 2023
Total exposure to twenty largest borrowers/customers	**1,552.27**	1,171.24
Percentage of exposure to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	**0.20%**	0.15%

iv) Concentration of NPAs

Particulars	31 March 2024	31 March 2023
Total exposure to top ten NPA accounts	**325.01**	317.33

v) Sector – wise NPAs

Sl. No.		Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing loans:**		
	1	Individuals	9.91%
	2	Builders/Project loans	Nil
	3	Corporates	Nil
	4	Others (specify)	Nil
B.	**Non-housing loans:**		
	1	Individuals	2.57%
	2	Builders/Project loans	Nil
	3	Corporates	Nil
	4	Others (specify)	Nil

d) i) Movement of NPAs

	Particulars		31 March 2024	31 March 2023
(I)	**Net NPAs to Net Advances (%)**		**6.29%**	7.80%
(II)	**Movement of NPAs (Gross)**			
	a)	**Opening balance**	**75,306.73**	86,102.74
	b)	Additions during the year	**40,242.88**	82,025.09
	c)	Reductions during the year	**(50,458.32)**	(92,821.10)
	d)	**Closing balance**	**65,091.29**	75,306.73
(III)	**Movement of Net NPAs**			
	a)	**Opening balance**	**54,522.08**	62,388.23
	b)	Additions during the year	**21,953.65**	44,830.57
	c)	Reductions during the year	**(32,445.38)**	(52,696.72)
	d)	**Closing balance**	**44,030.35**	54,522.08
(IV)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	a)	**Opening balance**	**20,784.65**	23,714.52
	b)	Provisions made during the year	**18,289.23**	37,194.52
	c)	Write-off of short provision/ write-back of excess provisions	**(18,012.94)**	(40,124.39)
	d)	**Closing balance**	**21,060.94**	20,784.65

ii) Movement of standard assets provision

	Particulars	31 March 2024	31 March 2023
a)	Opening balance	**14,683.57**	33,746.44
b)	Provisions made during the year	**(8,166.13)**	(19,062.87)
c)	Closing balance	**6,517.44**	14,683.57

e) Overseas Assets

The Company does not own any overseas asset and the area of operations is only India. The Company does not have any joint venture partners or overseas subsidiaries

Particulars	31 March 2024	31 March 2023
No overseas assets	**Not Applicable**	Not Applicable

f) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
Not Applicable	Not Applicable

IX Disclosure of customers complaints

	Particulars	31 March 2024	31 March 2023
a)	No. of complaints pending at the beginning of the year	**87**	53
b)	No. of complaints received during the year	**4454**	2478
c)	No. of complaints redressed during the year	**4498**	2444
d)	No. of complaints pending at the end of the year	**43**	87

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

X Movement of Statutory Reserve

(As per Section 29C of the National Housing Bank Act, 1987)

Particulars	31 March 2024	31 March 2023
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**235.00**	210.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**31,574.93**	31,124.93
Total	**31,809.93**	31,334.93
Addition/Appropriation/Withdrawal during the year		
Add:		
a) Amount Transferred u/s 29C of the NHB Act, 1987”	**5.00**	25.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**75.00**	450.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act 1987	**–**	–
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	**–**	–
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**240.00**	235.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**31,649.93**	31,574.93
Total	**31,889.93**	31,809.93

XI As required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019 and Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

Public disclosure on liquidity risk

Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Type of instrument	Number of Significant Counter parties	Amount (Rs. In Lakhs)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	16	545,036.26	NA	80.83%

Top 20 large deposits (amount in Rs. lakhs and % of total deposits)

Sr. No.	Description	Amount (Rs. in Lakhs)	% of Total Deposits
1	NA	Nil	Nil

Top 10 borrowings (amount in Rs. lakhs and % of total borrowings)

Sr. No.	Description	Amount (Rs. in Lakhs)	% of Total Borrowings
1	Total for top 10 borrowings	492,020.50	77.56%

Funding concentration based on significant instrument/product

Sr. No.	Name of the instrument /product	Amount (Rs. in Lakhs)	% of Total Liabilities
1	Bank borrowings	231,996.99	34.41%
2	Non-convertible debentures	298,047.50	44.20%
3	Inter corporate deposits	40,075.00	5.94%
4	Sub debt	46,200.00	6.85%
5	Commercial Papers	20,000.00	2.97%
		636,319.49	94.37%
Funding concentration pertaining to insignificant instruments/products		–	0.00%
Total borrowings under all instruments/ products		**636,319.49**	**94.37%**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Stock Ratios:

Sr. No.	Name of instrument/ product	Amount (Rs. in Lakhs)	% of Total Public funds	% of Total Liabilities	% of Total deposits
1	Commercial papers (CPs)	20,000.00	3.15%	2.97%	2.43%
2	NCDs with original maturity of less than one year	Nil	Nil	Nil	Nil
3	Other short-term liabilities	24,000.00	3.78%	3.56%	2.92%

Institutional set-up for liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established Asset and Liability Committee (ALCO), Asset and Liability Management Commitee (ALMCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The ALCO and ALMCO meets regularly to review the liquidity position based on future cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company also maintains adequate liquid assets, banking facilities and reserve borrowing facilities to hedge against unexpected requirements.

In order to achieve above, the Company also has an Investment Policy to ensure that safety, liquidity and return on the surplus funds are given appropriate weightages and are placed in that order of priority. Investments are as per the operational parameters and framework within the limits as may be set by the Board for investment. The Board approves revising the limit as and when required. The policy is also reviewed periodically in the background of developments in the money markets and the on the external factors proactively to reduce the risk in the investments. A well-defined front and back office mechanism is in place to ensure a system of checks and balances

Definition of terms as used in the table above:

a) **Significant counterparty**

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) **Significant instrument/product:**

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) **Total liabilities:**

Total liabilities include all external liabilities (other than equity).

d) **Public funds:**

Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

It includes total borrowings outstanding under all types of instruments/products.

e) **Other short-term liabilities:**

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

XII Liquidity Coverage Ratio (LCR)

S. No.	Particulars	Quarter ended 31 March 2024		Quarter ended 31 December 2023##		Quarter ended 30 September 2023##		Quarter ended 30 June 2023##	
		Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	**131.46**	**131.46**	87.67	87.67	169.20	169.20	146.20	146.20
Cash Outflows									
2	Deposits (for deposit taking companies)	**–**	**–**	–	–	–	–	–	–
3	Unsecured wholesale funding	**90.42**	**103.98**	25.29	29.09	146.98	169.03	185.42	213.24
4	Secured wholesale funding	**106.99**	**123.03**	72.82	83.75	215.57	247.91	191.81	220.58
5	Additional requirements, of which								
(i)	*Outflows related to derivative exposures and other collateral requirements*								
(ii)	*Outflows related to loss of funding on debt products*								
(iii)	*Credit and liquidity facilities*								
6	Other contractual funding obligations	**83.95**	**96.54**	88.36	101.61	103.72	119.28	109.43	125.84
7	Other contingent funding obligations	**226.54**	**260.52**	232.84	267.76	206.95	237.99	226.75	260.76
8	**TOTAL CASH OUTFLOWS**	**507.89**	**584.07**	419.31	482.21	673.22	774.21	713.41	820.42

Notes to the Financial Statements for the year ended 31 March 2024

S. No.	Particulars	Quarter ended 31 March 2024 Total Un-Weighted	Quarter ended 31 March 2024 Total Weighted	Quarter ended 31 December 2023## Total Un-Weighted	Quarter ended 31 December 2023## Total Weighted	Quarter ended 30 September 2023## Total Un-Weighted	Quarter ended 30 September 2023## Total Weighted	Quarter ended 30 June 2023## Total Un-Weighted	Quarter ended 30 June 2023## Total Weighted
Cash Inflows									
9	Secured lending	**–**	**–**	–	–	–	–	–	–
10	Inflows from fully performing exposures (Secured)	**239.11**	**179.33**	240.00	180.00	235.12	176.34	220.11	165.09
11	Other cash inflows	**1,054.41**	**790.81**	965.01	723.76	1,244.76	933.57	1,541.55	1,156.16
12	**TOTAL CASH INFLOWS**	**1,293.52**	**970.14**	1,205.01	903.76	1,479.88	1,109.91	1,761.66	1,321.25
13	**TOTAL HQLA**		**131.46**		**87.67**		**169.20**		146.20
14	**TOTAL NET CASH OUTFLOWS**		**146.02**		**120.55**		**193.55**		205.10
15	**LIQUIDITY COVERAGE RATIO (%)**		**90%**		**73%**		**87%**		71%

Notes:

1) Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

2) Components of High Quality Liquid Assets (HQLA)

Particulars	Quarter ended 31 March 2024 Total Un-Weighted Value (Average)*	Quarter ended 31 March 2024 Total Weighted Value (Average)#	Quarter ended 31 December 2023## Total Un-Weighted Value (Average)*	Quarter ended 31 December 2023## Total Weighted Value (Average)#	Quarter ended 30 September 2023## Total Un-Weighted Value (Average)*	Quarter ended 30 September 2023## Total Weighted Value (Average)#	Quarter ended 30 June 2023## Total Un-Weighted Value (Average)*	Quarter ended 30 June 2023## Total Weighted Value (Average)#
Assets to be included as HQLA:								
– Government Securities	**126.47**	**126.47**	82.58	82.58	169.03	169.03	145.98	145.98
– Cash Balance	**4.99**	**4.99**	5.09	5.09	0.17	0.17	0.22	0.22
Total	**131.46**	**131.46**	87.67	87.67	169.20	169.20	146.20	146.20

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

The figures pertaining to December 31, 2023, September 30, 2023 & June 30, 2023 are unaudited and are as represented by the management.

Qualitative information:

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

HQLAs comprise of Cash*, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

* Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the regulatory norms.

The average LCR is computed at as simple averages of daily observations over the previous quarter.

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2024 was 90% and for the quarter ended December 31, 2023 is 73% which is above the regulatory requirement of 60% and for the quarter ended September 30, 2023 average LCR was stood at 87%, For the quarter ended June 30, 2023 average LCR was stood at 71%, which is above the regulatory requirement of 50%.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

XIII Schedule to the Balance Sheet of the Company

In compliance with Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Direction, 2021

Particulars Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	**154,576.86**	–
		: Unsecured	**155,606.79**	–
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred credits	–	
	(c)	Term loans	**232,391.56**	–
	(d)	Inter-corporate loans and borrowing	**41,673.65**	–
	(e)	Commercial paper	**18,602.64**	–
	(f)	Public deposits*	**–**	–
	(g)	Other loans (Subordinate debt)	**48,330.46**	–
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	**–**	–
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	**–**	–
	(c)	Other public deposits	**–**	–
Assets side			**Amount outstanding (net of provisions)**	
(3)	**Break-up of loans and advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured	**693,234.49**	
	(b)	Unsecured	**95.33**	
(4)	**Break up of leased assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a) Financial lease	**NA**	
		(b) Operating lease	**NA**	
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a) Assets on hire	**NA**	
		(b) Repossessed assets	**NA**	
	(iii)	Other loans counting towards asset financing activities		
		(a) Loans where assets have been repossessed	**NA**	
		(b) Loans other than (a) above	**NA**	
(5)	**Break-up of Investments**			
	Current investments			
	1	**Quoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**10,820.12**	**–**
		(iv) Government securities	**13,031.20**	**–**
		(v) Others	**–**	**–**
	2	**Unquoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**–**	**–**
		(iv) Government securities	**–**	**–**
		(v) Others	**–**	**–**
	Long term investments			
	1	**Quoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**–**	**–**
		(iv) Government securities	**–**	**–**
		(v) Others	**–**	**–**
	2	**Unquoted**		
		(i) Shares		
		(a) Equity	**–**	**–**
		(b) Preference	**–**	**–**
		(ii) Debentures and bonds	**–**	**–**
		(iii) Units of mutual funds	**–**	**–**
		(iv) Government securities	**–**	**–**
		(v) Others (please specify)	**–**	**–**

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

			Amount net of provisions		
Category			**Secured**	**Unsecured**	**Total**
	1	**Related Parties ****			
		(a) Subsidiaries	**–**	**–**	**–**
		(b) Companies in the same group	**–**	**–**	**–**
		(c) Other related parties	**–**	**–**	**–**
	2	**Other than related parties**	**693,234.49**	**95.33**	**693,329.82**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(Rs. in Lakhs)

Category			Market Value/Break up or fair	Book Value (Net of Provisions)
	1	Related Parties **		
		(a) Subsidiaries	–	–
		(b) Companies in the same group	–	–
		(c) Other related parties	–	–
	2	Other than related parties	23,851.32	23,851.32

(8) Other information

(Rs. in Lakhs)

Particulars			Amount
	(i)	Gross non-performing assets	
		(a) Related parties	–
		(b) Other than related parties	65,091.29
	(ii)	Net non-performing assets	
		(a) Related parties	–
		(b) Other than related parties	44,030.35
	(iii)	Assets acquired in satisfaction of debt	–

* As defined in Paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

** All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

XIV The Company has not granted any loans or advances against collateral of gold jewellery.

XV Principal Business Criteria for HFCs

Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.
RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated October 22,2020 defined the principal business criteria for HFCs. The Company meets the aforesaid principal business criteria for HFCs.

Particulars	31 March 2024	31 March 2023
Total Assets	823,090.69	871,776.51
Less: Intangible assets	(11,483.28)	(11,052.37)
Net total Assets	811,607.41	860,724.14
Housing Finance	608,233.07	640,538.80
Individual Housing Finance	608,233.07	640,538.80
Percentage of housing finance to total assets (netted off intangible assets)	74.94%	74.42%
Percentage of individual housing finance to total assets (netted off intangible assets)	74.94%	74.42%

XVI As per the disclosure prescribed under RBI Notification RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 - Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021 dated 24 September 2021, details of loans not in default acquired through assignment.

Particulars	31 March 2024	31 March 2023
Count of loan accounts acquired	880.00	700.00
Amount of loan accounts acquired (Rs. in lakhs)	8,281.69	6,253.05
Retention of beneficial economic interest (MRR) (Rs. in lakhs)	920.19	694.78
Weighted average maturity (Residual Maturity) (Months)	206.92	233.97
Weighted average holding period (Months)	14.94	14.44
Coverage tangible security coverage (LTV)	54%	51%
Rating-wise distribution of rated loans	Unrated	Unrated

XVII Disclosure on loans and advances, etc., if any, taken by the Directors and SMPs from the Company under scale-based Regulations issued by the Reserve Bank of India

Pursuant to the circular no. RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001/2021-22 dated 22 October 2021 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India (the RBI) read with Circular no. RBI/2022-23/29 DOR.CRE. REC.No.25/03.10.001/2022-23 dated 19 April 2022 on 'Loans and Advances – Regulatory Restrictions – NBFCs' issued by the RBI, the details of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding are as under:

Accordingly, refer below details for loans and advances granted to Directors and Senior Officers, their relatives -

Particulars	31 March 2024 Transaction during the year	31 March 2024 Outstanding balance at year end	31 March 2023 Transaction during the year	31 March 2023 Outstanding balance at year end
Directors and their relatives	–	–	–	–
Entities associated with directors and their relatives	–	–	–	–
Senior Officers and their relatives*	–	–	0.70	–

* The transactions undertaken were prior to the 1 October 2022, i.e. applicability of the said regulations.

51 Balance Sheet disclosures as required under scale based regulations

Section I

A Exposure

1) Exposure to real estate sector

Category			31 March 2024	31 March 2023
i)	Direct exposure			
	a)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	720,417.36	719,685.32

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

Category			31 March 2024	31 March 2023
	b)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	**395.51**	208.64
	c)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	**Nil**	Nil
		b) Commercial Real Estate	**Nil**	Nil
ii)	Indirect Exposure			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies	**Nil**	Nil
Total Exposure to Real Estate Sector			**720,812.87**	719,893.96

2) Exposure to capital market

Particulars		31 March 2024	31 March 2023
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	**Not Applicable**	Not Applicable
(ii)	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	**Not Applicable**	Not Applicable
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	**Not Applicable**	Not Applicable
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances	**Not Applicable**	Not Applicable
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	**Not Applicable**	Not Applicable
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	**Not Applicable**	Not Applicable
(vii)	Bridge loans to companies against expected equity flows/issues	**Not Applicable**	Not Applicable
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	**Not Applicable**	Not Applicable
(ix)	Financing to stockbrokers for margin trading	**Not Applicable**	Not Applicable
(x)	All exposures to Alternative Investment Funds:	**Not Applicable**	Not Applicable
	(i) Category I	**Not Applicable**	Not Applicable
	(ii) Category II	**Not Applicable**	Not Applicable
	(iii) Category III	**Not Applicable**	Not Applicable
Total exposure to capital market		**Not Applicable**	Not Applicable

3) Sectoral exposure

Sectors	31 March 2024			31 March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector***	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector*
1. Agriculture and Allied Activities	**Not Applicable**	**Not Applicable**	**Not Applicable**	Not Applicable	Not Applicable	Not Applicable
2. Industry						
3. Services						
4. Personal Loans						
i. Housing Loans	**687,627.75**	**62,872.41**	**9.14%**	719,555.22	72,581.30	10.09%
ii. Non Housing Loan	**90,190.97**	**2,218.88**	**2.46%**	48,152.56	2,725.43	5.66%
Total of Personal Loans	**777,818.72**	**65,091.29**	**8.37%**	767,707.78	75,306.73	9.81%

* Percentage of Gross NPAs to total exposure is arrived after considering on-balance sheet and off-balance sheet exposures in total exposure.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2024

4) Intra-group exposures

There is no Intra-group exposure for the current year along with comparatives for the previous year

5) Unhedged foreign currency exposure

There is no unhedged foreign currency exposure during the current year.

B Related Party Disclosure

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Fellow Subsidiaries		Total	
Items	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Borrowings	–	–	–	–	4,700.00	4,700.00	–	–	–	–	–	–	38,575.00	31,175.00	43,275.00	35,875.00
Maximum outstanding of Borrowings during the year	–	–	–	–	4,700.00	4,700.00	–	–	–	–	–	–	40,775.00	34,700.00	45,475.00	39,400.00
Interest acrued but not due on ICD / Debentures	–	–	–	–	157.57	156.15	–	–	–	–	–	–	1,499.16	1,015.34	1,656.73	1,171.49
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of fixed/other assets	207.58	377.25	–	–	–	–	–	–	–	–	–	–	4.14	14.28	211.72	391.53
Sale of fixed/other assets	17.84	–	–	–		–	–	–	–	–	–	–	6.75	–	24.59	–
Interest paid	–	–	–	–	410.49	409.80	–	–	–	–	–	–	2,446.30	2,178.38	2,856.79	2,588.18
Interest received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others :																
– ESOP Income	–	–	–	–	–	–	–	–	–	–	–		0.30	–	0.30	–
– ESOP Expenses	47.73	21.92	–	–	–	–	–	–	–	–	–	–	–	–	47.73	21.92
– Remuneration\ Sitting fees \ Commission	–	–	–	–	–	–	424.73	470.40	–	–	–	–	–	–	424.73	470.40
– Other Expenses	562.67	621.37	–	–	–	2.41	–	–	–	–	228.02	113.87	1,065.17	1,158.05	1,855.86	1,895.70
– Capital Advance	24.03	9.58	–	–	–	–	–	–	–	–	–	–	–	–	24.03	9.58
– Inter corporate deposits taken	–	–	–	–	–	–	–	–	–	–	–	–	16,500.00	13,050.00	16,500.00	13,050.00
– Inter corporate deposits repaid / matured	–	–	–	–	–	–	–	–	–	–	–	–	9,100.00	16,575.00	9,100.00	16,575.00
– Subordinate debt repaid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
– Payables	112.10	17.00	–	–		–	22.31	22.28	–	–	–	–	68.63	67.37	203.04	106.65

C Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

SN	Particulars	31 March 2024	31 March 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	**87**	53
2	Number of complaints received during the year	**4,454**	2,478
3	Number of complaints disposed during the year	**4,498**	2,444
3.1	Of which, number of complaints rejected by the NBFC	**–**	2
4	Number of complaints pending at the end of the year	**43**	87
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	**NA**	NA
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	**NA**	NA
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	**NA**	NA
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	**NA**	NA
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	**NA**	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Notes to the Financial Statements for the year ended 31 March 2024

2) Top five grounds of complaints received by the NBFCs from customers

31 March 2024

SN	**Grounds of complaints, (i.e. complaints relating to)**	**Number of complaints pending at the beginning of the year**	**Number of complaints received during the year ending 31 March 2023**	% increase/ decrease in the number of complaints received over the previous year ended 31 March 2022	Number of complaints pending at the end of the year	Of 5, the number of complaints pending beyond 30 days
1	NOC Not Received	**27**	**2357**	187%	0	–
2	Mortgage Release Documents Not Received	**25**	**460**	-9%	1	–
3	CIBIL Related	**13**	**290**	24%	14	–
4	Insurance Refund Not Received	**7**	**249**	62%	6	–
5	Original Documents Not Received	**4**	**200**	65%	1	–
6	Others	**11**	**898**	40%	21	–
	Total	**87**	**4454**	80%	43	

31 March 2023

SN	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year ending 31 March 2023	% increase/ decrease in the number of complaints received over the previous year ended 31 March 2022	Number of complaints pending at the end of the year	Of 5, the number of complaints pending beyond 30 days
1	NOC Not Received	13	820	-16%	27	–
2	Mortgage Release Documents Not Received	12	507	123%	25	–
3	CIBIL Related	14	234	-16%	13	–
4	Insurance Refund Not Received	0	154	130%	7	–
5	Original Documents Not Received	0	121	81%	4	–
6	Others	14	642	-63%	11	–
	Total	53	2478	-26%	87	–

Section II

A Breach of covenant

During the current year, there is no instance of breach of covenant of loan availed or debt securities issued.

B Divergence in Asset Classification and Provisioning

No divergence in asset classification and provisioning was assessed by the RBI/NHB.

52 Events after reporting date

There have been no significant events after the reporting date that require disclosure in these financial statements.

53 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year classification.

Signatures to Notes 1 to 53

As per our report of even date attached.
For **Gokhale & Sathe**

Chartered Accountants
Firm's Registration No: 103264W

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
19 April 2024

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited
CIN: U65922MH2007PLC169791

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Shantanu Rege
Managing Director
[DIN: 06661312]

Dinesh Prajapati
Chief Financial Officer

Navin Joshi
Company Secretary
[ACS 9049]

Mumbai
19 April 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Manulife Investment Management Private Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Mahindra Manulife Investment Management Private Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key Audit Matters as per the requirement of SA 701 are not applicable to the Company as it is an unlisted company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The other information is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by management and the Board of Directors.
- Conclude on the appropriateness of management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:

  a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

  b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

  c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

  d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

  e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

  f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

  g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

     i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements-Refer Note 33 to the financial statements;

     ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

     iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

     iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

     - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instance of the audit trail feature being tampered with.and according to the information provided to us, the audit trail has been preserved by the company as per the statutory requirements for record retention.

h. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, as amended, in our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For M. P. Chitale & Co
Chartered Accountants
Firm Reg. No. 101851W

Santosh More
Partner
M. No. 114236
UDIN: 24114236BKDISD6548

Place: Mumbai
Date: April 18, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH (1) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its Property, Plant and equipment by which all Property, Plant and equipment are verified in a phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to size of the Company and the nature of its assets. The property, plant and equipment have been physically verified by the management during the year and no discrepancies between the books records and the physical records have been noticed.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company do not hold any immovable properties. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve holding of any inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) In our opinion and according to the information and explanations given to us, during the year, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

(b) In our opinion and according to the information and explanations given to us, the Company has not provided guarantees or given security. The investments made by the company is not prejudicial to the company's interest.

(c) In our opinion and according to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans. Hence, this clause (iii) (c) to (iii) (f) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees or security in connection with any director or any person in whom the director is interested which attract the provisions of sections 185 of the Act. The Company has complied with the provisions of section 186 of the Act, with respect to investments made by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company has been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any undisputed statutory dues on account of sales tax, wealth tax, duty of customs and duty of excise value added tax, cess and any other statutory dues to the appropriate authorities. No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records, there are no dues of income tax, goods and service tax, cess, provident fund, employees' state insurance and other material statutory dues that have not been deposited on account of any dispute other than those reported below.

Name of the Statute	Nature of Dues	Amount of Demand	Period to which amount relates	Forum where dispute is pending
The Integrated, Central and Maharashtra Goods and Services Tax Act	Interest and penalty on GST demand as per Assessment Order	26.26 Lakhs	Jul-17 to Mar-18	Joint Commissioner of State Tax

(viii) In our opinion and according to the information and explanations given to us, there is no transactions of the earlier year that was not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company does not have any outstanding loans or borrowings from banks, financial institutions or government. Accordingly, clause (a) to (f) of paragraph 3(ix) of the Order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause (a) of paragraph 3(x) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, Clause (b) of paragraph 3(x) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, Clause (b) of paragraph 3(xi) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no whistle-blower complaints, have been received during the year by the company;

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, clauses (a) to (c) of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations given to us and based on our examination of the records of the Company, we confirm that the company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit provided by the company were considered by the statutory auditor.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, we confirm that the company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and the audit procedures performed by us, we report that the Group has four Core Investment Companies.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses of Rupees 2,495 Lakhs in the financial year and Rupees 2,429 Lakhs in the immediately preceding financial year.

(xviii) According to the information and explanations given to us and based on our examination of the records of the Company, there is no resignation of statutory auditor during the year. The erstwhile statutory auditor has retired during the year on completion of its appointment term.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged.

(xx) In our opinion, the provisions of section 135 of the Act regarding Corporate Social Responsibilities are not applicable to the Company. Therefore, reporting under sub clause (a) and (b) of clause 3(xx) of the Order is not applicable to the Company;

For M. P. Chitale & Co
Chartered Accountants
Firm Reg. No. 101851W

Santosh More
Partner
M. No. 114236
UDIN: 24114236BKDISD6548

Place: Mumbai
Date: April 18, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

We have audited the internal financial controls with reference to financial statements of Mahindra Manulife Investment Management Private Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. P. Chitale & Co
Chartered Accountants
Firm Reg. No. 101851W

Santosh More
Partner
M. No. 114236
UDIN: 24114236BKDISD6548

Place: Mumbai
Date: April 18, 2024

BALANCE SHEET AS AT 31 MARCH 2024

Rs. in lakhs

Particulars	Note no.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	**7.55**	9.95
b) Receivables	4		
i) Trade receivables		**742.80**	549.16
c) Investments	5	**14,980.80**	9,721.02
d) Other financial assets	6	**4,781.04**	12,308.31
		20,512.19	22,588.44
Non-financial Assets			
a) Current tax assets (Net)	7	**54.24**	5.43
b) Property, Plant and Equipment	8	**790.84**	367.84
c) Right of Use Asset	8	**1,428.91**	1,568.02
d) Other intangible assets	9	**49.15**	2.96
e) Other non-financial assets	10	**239.82**	361.34
		2,562.96	2,305.59
Total Assets		**23,075.15**	24,894.03
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Payables	11		
I) Trade Payables			
i) total outstanding dues of micro and small enterprises		**59.32**	16.88
ii) total outstanding dues of creditors other than micro and small enterprises		**215.54**	94.14
b) Other financial liabilities	12	**2,408.98**	2,228.50
		2,683.84	2,339.52
Non-financial Liabilities			
a) Provisions	13	**1,278.05**	727.89
b) Other non-financial liabilities	14	**267.27**	224.15
		1,545.32	952.04
EQUITY			
a) Equity Share capital	15	**38,294.12**	38,294.12
b) Other Equity	16	**(19,448.13)**	(16,691.65)
		18,845.99	21,602.47
Total Liabilities and Equity		**23,075.15**	24,894.03
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

sd/-
Santosh More
Partner
Membership No: 114236

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 00220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 02205628]

sd/-
Chitra Andrade
Director
[DIN: 08090478]

sd/-
Vijay Ramchandran
Director
[DIN: 02639324]

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS - 20803]

Place : Mumbai
Date : April 18, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

Rs. in lakhs

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations			
Fees and commission Income	17	4,397.02	3,038.96
Total Revenue from operations		4,397.02	3,038.96
Other Income	18	1,956.59	1,372.89
Total Income		6,353.61	4,411.85
Expenses			
Employee Benefits Expenses	19	5,867.11	4,942.47
Finance costs	20	119.46	53.06
Depreciation, amortization and impairment	21	476.50	258.22
Others expenses	22	2,617.12	2,244.07
Total Expenses		9,080.19	7,497.82
Profit/(Loss) Before Tax		(2,726.58)	(3,085.97)
Tax Expense :			
(i) Current tax		–	–
(ii) Deferred tax		–	–
		–	–
Profit/(Loss) After Tax	A	(2,726.58)	(3,085.97)
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss:-			
- Remeasurement gain / (loss) on defined benefit plans		(19.17)	5.94
- Net gain / (loss) on fair valuation of equity instruments		(10.73)	1.60
(ii) Income tax impact thereon		–	–
		(29.90)	7.54
(B) (i) Items that will be reclassified to profit or loss		–	–
(ii) Income tax impact thereon		–	–
		–	–
Total Other Comprehensive Income	B	(29.90)	7.54
Total Comprehensive Income for the year	(A+B)	(2,756.48)	(3,078.43)
Earnings per equity share			
Basic (INR)	23	(0.71)	(0.81)
Diluted (INR)		(0.71)	(0.81)
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

sd/-
Santosh More
Partner
Membership No: 114236

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 00220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 02205628]

sd/-
Chitra Andrade
Director
[DIN: 08090478]

sd/-
Vijay Ramchandran
Director
[DIN: 02639324]

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS - 20803]

Place : Mumbai
Date : April 18, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

	Rs. in lakhs
Particulars	**Amount**
As at 1 April 2023	38,294.12
Changes in equity share capital during the year	–
As at 31 March 2024	**38,294.12**
As at 1 April 2022	38,294.12
Changes in equity share capital during the year	–
As at 31 March 2023	**38,294.12**

B. Other Equity

Rs. in lakhs

Particulars	Securities Premium	Reserves and Surplus Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 1 April 2023	7,046.46	(23,732.77)	(5.34)	(16,691.65)
Profit / (Loss) for the year	–	(2,726.58)	–	(2,726.58)
Remeasurement gain / (loss) on defined benefit plans	–	–	(19.17)	(19.17)
Net gain / (loss) on fair valuation of equity instruments	–	–	(10.73)	(10.73)
Total Comprehensive Income for the year	–	**(2,726.58)**	**(29.90)**	**(2,756.48)**
Balance as at 31 March 2024	**7,046.46**	**(26,459.35)**	**(35.24)**	**(19,448.13)**

Rs. in lakhs

Particulars	Securities Premium	Reserves and Surplus Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2022	7,046.46	(20,646.80)	(12.88)	(13,613.22)
Profit / (Loss) for the year	–	(3,085.97)	–	(3,085.97)
Remeasurement gain / (loss) on defined benefit plans	–	–	5.94	5.94
Net gain / (loss) on fair valuation of equity instruments	–	–	1.60	1.60
Total Comprehensive Income for the year	–	**(3,085.97)**	**7.54**	**(3,078.43)**
Balance as at 31 March 2023	**7,046.46**	**(23,732.77)**	**(5.34)**	**(16,691.65)**

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W
sd/-
Santosh More
Partner
Membership No: 114236

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 00220759]

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Anthony Heredia
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Vijay Ramchandran
Director
[DIN: 02639324]

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS - 20803]

Place : Mumbai
Date : April 18, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Rs. in lakhs

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before exceptional items and taxes	**(2,726.58)**	(3,085.97)
	Adjustments to reconcile Profit/(Loss) before tax to net cash flows:		
	Add: Non-cash expenses		
	Depreciation, amortization and impairment	**213.38**	126.08
	Interest on lease liability	**119.46**	53.06
	Amortization on Right of Use asset	**263.12**	132.14
	Share based compensation to employees provision	**659.37**	179.61
	Remeasurement gain / (loss) on defined benefit plans	**(19.17)**	5.94
		1,236.16	496.83
	Less: Income considered separately and Non-Cash Income		
	Net gain on fair value changes (unrealised) - Mutual fund units	**(688.02)**	330.30
	Interest income from investing activities	**(1,047.53)**	(1,084.93)
	(Net gain)/loss on derecognition of property, plant and equipment	**8.93**	4.53
	Remeasurement of ROU assets and lease liability	**(1.17)**	(8.88)
	Net gain on sale of investments	**(219.21)**	(596.85)
		(1,947.00)	(1,355.83)
	Operating Loss before working capital changes	**(3,437.42)**	(3,944.97)
	Changes in working capital		
	Trade receivables	**(193.64)**	(261.43)
	Interest accrued on investments	**184.73**	(228.76)
	Other financial assets	**(7.46)**	(85.89)
	Other non-financial assets	**121.52**	(2.59)
	Trade Payables	**163.84**	(9.93)
	Other financial liabilities	**253.70**	(275.45)
	Other non-financial liabilities	**43.12**	6.40
	Provisions	**(109.21)**	(545.45)
	Cash used in operations	**456.60**	(1,403.10)
	Income taxes paid (net of refunds)	**(48.81)**	116.80
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(3,029.63)**	(5,231.27)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	**(695.01)**	(310.55)
	Proceeds from sale of Property, plant and equipment	**3.51**	21.10
	Placement of term deposit with banks	**(16,520.00)**	(11,500.00)
	Proceeds from term deposit with banks	**23,870.00**	10,400.00
	Purchase of investments at FVTPL	**(17,274.27)**	(6,077.10)
	Proceeds from sale of investments at FVTPL	**12,911.00**	11,772.00
	Interest income received on investments measured at amortised cost	**1,047.53**	1,084.93
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**3,342.76**	5,390.38

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Rs. in lakhs

	Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Payment of principal portion of lease liability	**(196.07)**	(108.12)
	Payment of interest portion of lease liability	**(119.46)**	(53.06)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**(315.53)**	(161.18)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(2.40)**	(2.07)
	Cash and Cash Equivalents at the beginning of the year	**9.95**	12.02
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note no. 3)	**7.55**	9.95
	Components of Cash and Cash Equivalents		
	Particulars		
	Cash and cash equivalents at the end of the year		
	– Cash on hand	**0.57**	0.56
	– Balances with banks in current accounts	**6.98**	9.39
	Total	**7.55**	9.95

Notes:
The above Cash Flow Statement has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For M. P. Chitale & Co.
Chartered Accountants
Firm’s Registration No: 101851W
sd/-
Santosh More
Partner
Membership No: 114236

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 00220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 02205628]

sd/-
Chitra Andrade
Director
[DIN: 08090478]

sd/-
Vijay Ramchandran
Director
[DIN: 02639324]

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS - 20803]

Place : Mumbai
Date : April 18, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

Mahindra Manulife Investment Management Private Limited ('the Company'), was incorporated under the Companies Act, 1956 on June 20, 2013 with its registered office in Mumbai, Maharashtra, India. The company is a joint venture of Mahindra & Mahindra Financial Services Ltd. and Manulife Investment Management (Singapore) Pte. Ltd. The Company has a license from the Securities & Exchange Board of India to provide investment management services to the schemes of Mahindra Manulife Mutual Fund. SEBI granted the certificate of registration to Mahindra Manulife Mutual Fund on February 4, 2016. The Company is primarily engaged to act as an investment manager to Mahindra Manulife Mutual Fund and was managing twenty two schemes of Mahindra Manulife Mutual Fund as on March 31, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on April 18, 2024.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

2.4. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.6. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within other Ind AS.

The Company recognises revenue from contracts with customers based on five-step model as set out in Ind AS 115:

Step 1: identification of contract(s) with customers: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identification of the separate performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determination of transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocation of transaction price to the separate performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognition of revenue when (or as) the Company satisfies a performance obligation.

Investment management fees

Fees from management of mutual fund schemes are recognised on an accrual basis at specific rates, applied on the average daily net assets of the schemes of Mahindra Manulife Mutual Fund in accordance with the Investment Management Agreement between the Company and the Trustees of Mahindra Manulife Mutual Fund and SEBI (Mutual Fund) Regulations, 1996 as amended from time to time. Amount disclosed as fees are exclusive of Goods and Services Tax.

Investment Advisory Fees

Investment Advisory Fees are recognised on satisfaction of a performance obligation at a point in time in accordance with the respective terms of contract with counterparties.

Other Income

The gains / losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on FIFO ('first in first out') method.

Recognition of Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Recognition of Dividend Income

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

2.7. Property, Plant and Equipment ('PPE')

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

In accordance with Ind AS 116 - Leases, applicable effective from 01 April 2019, the Right-of-Use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

- Motor vehicles where useful life is assumed at four years as against eight years as per Schedule II since the employees to whom these vehicles have been allotted, in accordance with the terms of their employment, are entitled to change their vehicles every four years
- Assets individually costing INR 5,000/- or less are fully depreciated in the year of purchase or acquisition.

Further, residual value for all assets is considered as zero due to the difficulty in estimating the same.

Accordingly, useful life of assets is estimated as follows:

Assets	Useful life
Vehicles	- 4 years
Computers	- 3 years
Furniture and fixtures	- 10 years
Office equipment	- 2 to 5 years
Leasehold Improvements	- Over the primary lease period or useful life, whichever is less
Right-Of-Use assets (Leasehold premises)	- Over the period of lease

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

2.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

2.9. Cash and cash equivalent

Cash comprises of cash on hand and bank balances.

2.10. Foreign exchange transactions and translations

Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.11. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as - measured at:

— Amortised cost; or

— Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

— Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

— Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Accordingly, the Company measures investment in Non-Convertible debentures at amortised cost. Interest income and impairment if any, is recognised in the Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation of medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured as FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expenses are recognised in the Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

2.12. Security deposits measured at amortised cost

The Company's rent/lease agreements for the rented/ leased office premises are cancellable with a notice period of 2-3 months. All the agreements are considered to be short term in nature. Accordingly, the Company has not applied the provisions of Ind AS 109 - Financial Instruments for taking the effect of fair valuation of security deposits in the financial statements and the deposits.

2.13. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contribution to provident fund

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of Profit and Loss.

Gratuity

The Company's liability towards gratuity scheme is determined by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains / losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

Superannuation fund

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation under this scheme beyond its contribution.

Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

Employee Share based payments

Cash-settled share-based payments to employees are measured at the fair value of the equity instruments at each reporting date. Any change in fair value is recognized for the vested period in the Statement of Profit and Loss for the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.14. Scheme related expenses

As per SEBI circular dated October 22, 2018, all scheme related expenses subsequent to that date are to be borne by the mutual fund schemes. As a result, the investment management fees subsequent to this date are received net of all scheme expenses. Expenses of schemes of Mahindra Manulife Mutual Fund in excess of the limits in accordance with the SEBI (Mutual Fund) Regulations, 1996 are borne by the Company and are recognised in the Statement of Profit and Loss.

New Fund Offer ('NFO') expenses

Expenses pertaining to NFO are charged to the Statement of Profit and Loss in the year in which these expenses are incurred which is in compliance with SEBI (Mutual Fund) Regulations, 1996.

2.15. Finance Costs

Finance costs include interest expense accrued on a time basis, by reference to the principal outstanding. Effective from 1 April 2019, on application of Ind AS 116 (Leases), interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.16. Income taxes

Current tax

Current tax comprises amount of tax payable in respect of the taxable income for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.17. Securities issue expenses

Expenses incurred in connection with the fresh issue of share capital are adjusted against Securities premium.

2.18. Impairment of non-financial assets

The Company reviews the carrying amounts of its tangible and other intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the assets is considered impaired, and is written down to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash generating unit) in prior years. The reversal of an impairment loss is recognised in the statement of profit and loss.

2.19. Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognised in the balance sheet when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.20. Leasing

Where the Company is the lessee

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipment used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Company had adopted Ind AS 116 dealing with leases from April 1, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. The Company recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

2.21. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3. Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	**0.57**	0.56
Balances with banks in current accounts	**6.98**	9.39
Total	**7.55**	9.95

4. Receivables

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
i) Trade receivables		
Unsecured, considered good:	**742.80**	549.16
Total	**742.80**	549.16

a) No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

b) Trade receivable is due within 30 to 90 days from the date of the invoice.

Trade Receivables Ageing Schedule as at March 31, 2024

(Rs. in Lakhs)

Particulars	Outstanding for following periods					
	Less than 6 months	6 Months – 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	742.80	–	–	–	–	742.80
Total	**742.80**	**–**	**–**	**–**	**–**	**742.80**

Trade Receivables Ageing Schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Outstanding for following periods					
	Less than 6 months	6 Months – 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	549.16	–	–	–	–	549.16
Total	**549.16**	**–**	**–**	**–**	**–**	**549.16**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Investments

	Particulars	As at 31 March 2024 Units	As at 31 March 2024 (Rs. in Lakhs)	As at 31 March 2023 Units	As at 31 March 2023 (Rs. in Lakhs)
A)	**At Fair Value**				
	i) Through Other Comprehensive Income				
	Unquoted Investment in Equity Shares				
	Equity Investment in MF Utilities India Pvt Ltd (Face value of Rs. 1/- each)	**5,00,000**	**17.80**	5,00,000	29.90
	Equity Investment in AMC Repo Clearing Limited (Face value of Rs. 10/- each)	**3,54,600**	**36.55**	3,54,600	35.18
	Unquoted Investment in Alternative Investment Fund				
	AIF Investment in Corporate Debt Market Development Fund (Face value of Rs. 10,000/- each)	**208**	**21.15**	–	–
	ii) Through Profit and Loss				
	Unquoted Investment in Mutual Fund				
	Mahindra Manulife Liquid Fund –Direct Growth (Face value of Rs. 1000/- each)	**4,51,943**	**7,105.85**	1,94,025	2,841.75
	Mahindra Manulife Ultra Short Duration Fund –Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**64.12**	5,000	59.65
	Mahindra Manulife Low Duration Fund - Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**79.39**	5,000	73.72
	Mahindra Manulife ELSS Tax Saver Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**142.92**	5,00,000	105.89
	Mahindra Manulife Equity Savings Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**106.62**	5,00,000	87.89
	Mahindra Manulife Multi Cap Fund - Direct Growth (Face value of Rs. 10/- each)	**9,64,507**	**328.76**	8,40,370	189.52
	Mahindra Manulife Mid Cap Fund - Direct Growth (Face value of Rs. 10/- each)	**7,66,404**	**234.60**	7,19,270	135.90
	Mahindra Manulife Dynamic Bond Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**69.10**	5,00,000	63.71
	Mahindra Manulife Consumption Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**108.98**	5,00,000	76.31
	Mahindra Manulife Large Cap Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**111.48**	5,00,000	81.86
	Mahindra Manulife Aggressive Hybrid Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**123.84**	5,00,000	91.37
	Mahindra Manulife Overnight Fund - Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**61.97**	5,000	58.03
	Mahindra Manulife Large & Mid Cap Fund - Direct Growth (Face value of Rs. 10/- each)	**8,04,841**	**213.55**	7,49,634	129.91
	Mahindra Manulife Arbitrage Fund - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**59.27**	4,99,975	55.47
	Mahindra Manulife Focused Fund - Direct Growth (Face value of Rs. 10/- each)	**5,36,961**	**134.66**	4,99,975	82.98
	Mahindra Manulife Short Duration Fund - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**59.59**	4,99,975	55.23
	Mahindra Manulife Flexicap Fund - Direct Growth (Face value of Rs. 10/- each)	**12,64,765**	**187.31**	12,64,765	133.28
	Mahindra Manulife Asia Pacific REITs FOF - Direct Growth (Face value of Rs. 10/- each)	**53,49,733**	**445.28**	53,49,733	482.06
	Mahindra Manulife Balanced Advantage Fund - Direct Growth (Face value of Rs. 10/- each)	**8,54,635**	**115.61**	8,54,635	87.28
	Mahindra Manulife Small Cap Fund - Direct Growth (Face value of Rs. 10/- each)	**20,07,907**	**334.17**	6,49,968	64.12
	Mahindra Manulife Business Cycle Fund - Direct Growth (Face value of Rs. 10/- each)	**6,49,968**	**82.78**	–	–
	Mahindra Manulife Multi Asset Allocation Fund - Direct Growth (Face value of Rs. 10/- each)	**3,49,983**	**35.44**	–	–
	Total (Gross)		**10,280.80**		5,021.02
	Less : Impairment loss allowance		**–**		–
	Total (Net) - A		**10,280.80**		5,021.02
B)	**At Amortised cost**				
	Secured redeemable non-convertible debentures 8.9% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each)	**300**	**3,000.00**	300	3,000.00
	8.4% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each)	**170**	**1,700.00**	170	1,700.00
	Total (Gross)		**4,700.00**		4,700.00
	Less : Impairment loss allowance		–		–
	Total (Net) - B		**4,700.00**		4,700.00
	Total (Gross)		**14,980.80**		9,721.02
	Less : Impairment loss allowance		–		–
	Total (Net) - C=A+B		**14,980.80**		9,721.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Other financial assets

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued on investments	**452.09**	636.82
Term deposit with banks	**4,150.00**	11,500.00
Security Deposits for office premises / others	**178.95**	171.49
Total	**4,781.04**	12,308.31

7. Current tax assets

(i) Tax deducted / collected at source net of provision for taxes

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
TDS / TCS Receivable	**54.24**	5.43
Total	**54.24**	5.43

(ii) Unused tax losses - Revenue in nature

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Expiry period		
Upto Five years	**15,834.67**	13,291.47
More than Five years	**9,775.15**	9,472.74
No Expiry Date	**686.94**	498.94
Total	**26,296.76**	23,263.15

8. Property, Plant and Equipments

As at 31 March 2024 **(Rs. in Lakhs)**

	GROSS BLOCK AT COST				**DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS**				**NET BLOCK**	
Asset description	**As at 01 April 2023**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2024**	**As at 01 April 2023**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**
Computers	**197.42**	**55.68**	**10.35**	**242.75**	**140.93**	**38.13**	**10.35**	**168.71**	**74.04**	**56.49**
Furniture and fixtures	**41.25**	**46.47**	**21.97**	**65.75**	**19.29**	**10.82**	**10.05**	**20.06**	**45.69**	**21.96**
Vehicles	**511.19**	**193.44**	**69.68**	**634.95**	**235.11**	**120.56**	**69.68**	**285.99**	**348.96**	**276.08**
Office equipments	**45.43**	**130.82**	**4.07**	**172.18**	**32.12**	**19.07**	**3.54**	**47.65**	**124.53**	**13.31**
Leasehold Improvements	**–**	**212.85**	**–**	**212.85**	**–**	**15.23**	**–**	**15.23**	**197.62**	**–**
Leased Asset (ROU)	**1,903.00**	**160.92**	**36.91**	**2,027.01**	**334.98**	**263.12**	**–**	**598.10**	**1,428.91**	**1,568.02**
Total	**2,698.29**	**800.18**	**142.98**	**3,355.49**	**762.43**	**466.93**	**93.62**	**1,135.74**	**2,219.75**	**1,935.86**

As at 31 March 2023 (Rs. in Lakhs)

	GROSS BLOCK AT COST				DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS				NET BLOCK	
Asset description	As at 01 April 2022	Additions	Deductions/ adjustments	As at 31 March 2023	As at 01 April 2022	Additions	Deductions/ adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computers	156.62	46.58	5.78	197.42	121.36	25.37	5.80	140.93	56.49	35.26
Furniture and fixtures	51.06	1.99	11.80	41.25	19.78	6.45	6.94	19.29	21.96	31.28
Vehicles	395.40	252.65	136.86	511.19	269.95	81.74	116.58	235.11	276.08	125.45
Office equipments	41.61	6.31	2.49	45.43	28.41	5.75	2.04	32.12	13.31	13.20
Leased Asset (ROU)	732.55	1,186.51	16.06	1,903.00	214.87	132.14	12.03	334.98	1,568.02	517.68
Total	1,377.24	1,494.04	172.99	2,698.29	654.37	251.45	143.39	762.43	1,935.86	722.87

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.
The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

9. Other Intangible Assets

As at 31 March 2024 **(Rs. in Lakhs)**

	GROSS BLOCK AT COST				**AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS**				**NET BLOCK**	
Asset description	**As at 01 April 2023**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2024**	**As at 01 April 2023**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**
Computer software	**87.33**	**55.75**	**–**	**143.08**	**84.37**	**9.56**	**–**	**93.93**	**49.15**	**2.96**
Total	**87.33**	**55.75**	**–**	**143.08**	**84.37**	**9.56**	**–**	**93.93**	**49.15**	**2.96**

As at 31 March 2023 (Rs. in Lakhs)

	GROSS BLOCK AT COST				AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS				NET BLOCK	
Asset description	As at 01 April 2022	Additions	Deductions/ adjustments	As at 31 March 2023	As at 01 April 2022	Additions	Deductions/ adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer software	94.81	3.02	10.50	87.33	88.10	6.77	10.50	84.37	2.96	6.71
Total	94.81	3.02	10.50	87.33	88.10	6.77	10.50	84.37	2.96	6.71

The Company has not revalued its Intangible Assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. Other non-financial assets

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	**0.34**	34.23
Prepaid expenses	**143.18**	165.79
Balances with Government Authorities	**87.25**	141.41
Other advances	**9.05**	19.91
Total	**239.82**	361.34

11. Trade Payables

'Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprise and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of Micro and small enterprises		
a) Dues remaining unpaid to any supplier at the year end		
– Principal	**59.32**	16.88
– Interest on the above	**–**	–
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
– Principal paid beyond the appointed date	**–**	–
– Interest paid in terms of section 16 of the MSMED Act	**–**	–
c) Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	**–**	–
d) Amount of interest accrued and remaining unpaid at the year end	**–**	–
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
Total outstanding dues of creditors other than micro and small enterprises	**215.54**	94.14
Total	**274.86**	111.02

Trade Payables Ageing Schedule as at 31 March, 2024
Trade Payables - Undisputed

(Rs. in Lakhs)

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	**59.32**	**–**	**–**	**–**	**59.32**
(ii) Others	**215.54**	**–**	**–**	**–**	**215.54**
Total	**274.86**	**–**	**–**	**–**	**274.86**

Trade Payables Ageing Schedule as at March 31, 2023
Trade Payables - Undisputed

(Rs. in Lakhs)

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	16.88	–	–	–	16.88
(ii) Others	94.14	–	–	–	94.14
Total	111.02	–	–	–	111.02

12. Other financial liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Salary, Bonus and performance pay	**820.40**	580.51
Provision for expenses	**21.88**	8.07
Long term Lease Liability	**1,566.70**	1,639.92
Total	**2,408.98**	2,228.50

Terms & Conditions of financial liabilities

- Trade payables are normally settled on 30 days terms
- Other financial liabilities are normally settled as and when due

13. Provisions

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
– Gratuity	**146.14**	127.22
– Leave encashment	**202.33**	194.22
– Share based compensation to employees	**929.58**	406.45
Total	**1,278.05**	727.89

14. Other non-financial liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
TDS Payable	**114.56**	109.44
GST Payable	**120.15**	86.17
Other statutory dues and taxes payable	**32.56**	28.54
Total	**267.27**	224.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

15. Note on Equity Share capital and Shareholding Pattern

Particulars	As at 31 March 2024 No. of shares	As at 31 March 2024 Rs. in Lakhs	As at 31 March 2023 No. of shares	As at 31 March 2023 Rs. in Lakhs
Authorised capital :				
Equity shares of Rs.10/- each	**40,00,00,000**	**40,000.00**	40,00,00,000	40,000.00
	40,00,00,000	**40,000.00**	40,00,00,000	40,000.00
Issued capital :				
Equity shares of Rs.10/- each	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
	38,29,41,180	**38,294.12**	38,29,41,180	38,294.12
Subscribed and paid-up capital :				
Equity shares of Rs.10/- each	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
Total	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
a) **Reconciliation of number of equity shares**				
Balance at the beginning of the year	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
Add : Fresh allotment of shares :				
- Shares issued during the year	**–**	**–**	–	–
Balance at the end of the year	**38,29,41,180**	**38,294.12**	38,29,41,180	38,294.12
b) **Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/associates:**				
Holding company				
Mahindra & Mahindra Financial Services Limited				
Percentage of holding (51%)	**19,53,00,000**	**19,530.00**	19,53,00,000	19,530.00
c) **Shareholders holding more than 5 percent shares:**				
Mahindra & Mahindra Financial Services Limited				
Percentage of holding (51%)	**19,53,00,000**	**19,530.00**	19,53,00,000	19,530.00
Manulife Investment Management (Singapore) Pte Limited	**18,76,41,180**	**18,764.12**	18,76,41,180	18,764.12
Percentage of holding (49%)				

d) The Company has only one class of equity shares having a par value of Rs.10/- per share.

16. Other Equity

Description of the nature and purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013.

Retained earnings or Profit & loss account: Retained earnings or Profit & loss account represents the undistributed earnings.

Other Comprehensive Income (OCI): Other Comprehensive Income (OCI) represents remeasurements of defined benefits plans comprising of actuarial gains and losses on its net liabilities / assets and fair valuation of financial instruments.

(Rs. in Lakhs)

Particulars	Securities premium	Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2022	7,046.46	(20,646.80)	(12.88)	(13,613.22)
Profit / (Loss) for the year	–	(3,085.97)	–	(3,085.97)
Remeasurement gain / (loss) on defined benefit plans	–	–	5.94	5.94
Net gain / (loss) on fair valuation of equity instruments	–	–	1.60	1.60
Total Comprehensive Income for the year	**–**	**(3,085.97)**	**7.54**	**(3,078.43)**
Balance as at 31 March 2023	**7,046.46**	**(23,732.77)**	**(5.34)**	**(16,691.65)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(Rs. in Lakhs)

Particulars	Securities premium	Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2023	7,046.46	(23,732.77)	(5.34)	(16,691.65)
Profit / (Loss) for the year	–	(2,726.58)	–	(2,726.58)
Remeasurement gain / (loss) on defined benefit plans	–	–	(19.17)	(19.17)
Net gain / (loss) on fair valuation of equity instruments	–	–	(10.73)	(10.73)
Total Comprehensive Income for the year	**–**	**(2,726.58)**	**(29.90)**	**(2,756.48)**
Balance as at 31 March 2024	**7,046.46**	**(26,459.35)**	**(35.24)**	**(19,448.13)**

17. Fees and commission income

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Fees earned from management of mutual fund schemes	**4,024.45**	2,676.77
Investment Advisory Fees	**372.57**	362.19
Total	**4,397.02**	3,038.96

Note: The Investment Advisory Fees stated above is earning in foreign currency.

18. Other income

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on financial instruments measured at amortised cost	**1,047.53**	1,084.93
Interest on Income Tax Refund	**1.28**	9.42
Net profit / (loss) on sale of investments	**219.21**	596.85
Net gain / (loss) on fair value changes		
A) Net gain / (loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Unrealised gain on Investments	**688.02**	(330.30)
Other Non Operating Income		
- Non operating income	**0.55**	11.99
Total	**1,956.59**	1,372.89

19. Employee benefits expenses

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	**4,902.55**	4,495.63
Contribution to provident funds and other funds	**277.32**	248.24
Share based compensation to employees	**659.37**	179.61
Staff welfare expenses	**27.87**	18.99
Total	**5,867.11**	4,942.47

20. Finance costs

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On Lease Liability		
Interest on lease liability	**119.46**	53.06
Total	**119.46**	53.06

21. Depreciation, amortization and impairment

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on Property, Plant and Equipment	**203.82**	119.31
Amortization and impairment of intangible assets	**9.56**	6.77
Amortization on leased assets	**263.12**	132.14
Total	**476.50**	258.22

22. Other expenses

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rent, taxes and energy costs	**92.80**	99.11
Repairs and maintenance	**57.62**	20.34
Communication Costs	**65.79**	56.15
Information Technology	**213.05**	236.00
Printing and stationery	**33.82**	22.20
Advertisement and publicity	**190.70**	173.55
Marketing & Sales Promotion	**643.97**	507.81
Directors' sitting fees	**26.70**	24.60
Auditor's fees and expenses -		
– Audit fees	**6.00**	5.50
– Other services	**–**	2.25
– Reimbursement of expenses	**0.06**	–
Legal and professional fees	**106.41**	97.75
Fund accounting charges	**160.53**	105.91
Scheme related expenses	**189.09**	105.41
Insurance	**103.26**	109.32
Manpower outsourcing cost	**198.87**	175.63
Conference & Seminar	**30.11**	29.23
Membership & Subscription	**231.54**	229.60
Travelling & Conveyance	**129.92**	105.29
Other expenditure	**136.88**	138.42
Total	**2,617.12**	2,244.07

Note 1: Membership & subscription fees includes Rs.19.64 lakhs expenditure in foreign currency. (Previous year - Rs. 19 lakhs)

Note 2: Previous year's figures have been regrouped/ reclassified wherever found necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

23. Earning Per Share (EPS)

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit/ (Loss) for the year	**(2,726.58)**	(3,085.97)
Weighted average number of Equity Shares used in computing basic EPS	**3,829.41**	3,829.41
Weighted average number of Equity Shares used in computing diluted EPS	**3,829.41**	3,829.41
Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)	**(0.71)**	(0.81)
Diluted Earnings per share (Rs.)	**(0.71)**	(0.81)

24. Employee benefits

Details of defined benefit plans as per actuarial valuation are as follows:

	Funded Plan Gratuity		Unfunded Plans Exigency leave/Earned leave	
	Year ended 31 March		Year ended 31 March	
Particulars	**2024**	2023	**2024**	2023
I. Amounts recognised in the Statement of Profit & Loss				
Current service cost	**60.13**	50.92	**34.87**	42.56
Net Interest cost	**18.23**	15.19	**14.61**	15.14
Actuarial (gain)/loss	**–**	–	**(36.94)**	(55.28)
Interest income	**(8.60)**	(10.51)	**–**	–
Total expenses included in employee benefits expense	**69.76**	55.60	**12.54**	2.42
II. Amount recognised in Other Comprehensive income				
Remeasurement (gains)/losses:				
a) Actuarial (gains)/losses arising from changes in -				
– demographic changes	**2.57**	(2.86)	**–**	–
– financial assumptions	**5.88**	0.29	**–**	–
– experience adjustments	**9.80**	(5.70)	**–**	–
b) Return on plan assets, excluding amount included in net interest expense/(income)	**0.92**	2.33	**–**	–
Total amount recognised in other comprehensive income	**19.17**	(5.94)	**–**	–
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	**254.74**	239.43	**194.22**	275.92
Current service cost	**60.13**	50.92	**34.87**	42.56
Past service cost	**–**	–	**–**	–
Interest expense	**19.16**	17.53	**14.61**	15.14
Remeasurement (gains)/losses arising from changes in -		–		–
– demographic changes	**2.57**	(2.86)	**(0.58)**	0.23
– financial assumptions	**5.88**	0.29	**3.55**	(2.15)
– experience adjustments	**9.80**	(5.70)	**(39.91)**	(53.36)
Benefits paid/extinguished	**(18.12)**	(44.86)	**(4.43)**	(84.12)
Closing defined benefit obligation	**334.14**	254.74	**202.33**	194.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Funded Plan Gratuity		Unfunded Plans Exigency leave/Earned leave	
	Year ended 31 March		Year ended 31 March	
Particulars	**2024**	2023	**2024**	2023
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	**127.51**	31.87	**–**	–
Interest income	**8.60**	10.51	**–**	–
Expected return on plan assets	**–**	–	**–**	–
Contributions by employer	**70.00**	130.00	**–**	–
Adjustment due to change in opening balance of Plan assets	**–**	–	**–**	–
Actual Benefits paid	**(18.12)**	(44.86)	**–**	–
Closing Fair value of plan assets	**187.99**	127.51	**–**	–
V. Net defined benefit obligation				
Defined benefit obligation	**334.14**	254.74	**202.33**	194.22
Fair value of plan assets	**187.99**	127.51	**–**	–
Surplus/(Deficit)	**(146.15)**	(127.23)	**(202.33)**	(194.22)
Current portion of the above	**(39.91)**	(34.06)	**(22.64)**	(31.42)
Non current portion of the above	**(106.24)**	(93.17)	**(179.69)**	(162.80)

Details of defined benefit plans as per actuarial valuation are as follows:

	Funded Plan Gratuity		Unfunded Plans Exigency leave/Earned leave	
	Year ended 31 March		Year ended 31 March	
Particulars	**2024**	2023	**2024**	2023
Actuarial assumptions and Sensitivity				
I. Actuarial assumptions				
Discount Rate (p.a.)	**7.23%**	7.52%	**7.23%**	7.52%
Attrition rate	**7% - 34%**	11.11% - 21.74%	**7% - 34%**	11.11% - 21.74%
Rate of Salary increase (p.a.)	**7.00%**	7.00%	**7.00%**	7.00%
In-service Mortality	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:				
One percentage point increase in discount rate	**(23.08)**	(15.21)	**(20.05)**	(8.69)
One percentage point decrease in discount rate	**25.80**	16.62	**11.40**	11.46
One percentage point increase in Salary growth rate	**25.39**	16.54	**11.32**	11.41
One percentage point decrease in Salary growth rate	**(23.42)**	(15.46)	**(20.24)**	(8.82)
III. Maturity profile of defined benefit obligation				
Within 1 year	**39.91**	48.67	**22.64**	28.18
Between 2 and 5 years	**297.27**	405.50	**179.68**	150.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

25. Financial Instruments

i) Financial Instruments regularly measured using Fair Value - recurring items

(Rs. in Lakhs)

Financial assets/ financial liabilities	Financial assets/ financial liabilities	Category	Fair Value As at 31 March 2024	As at 31 March 2023	Fair value hierarchy	Valuation technique(s)
1) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVTOCI	54.35	65.08	Level 3	Based on latest available net worth of investee company
2) Investment in Alternative Investment Fund-Unquoted	Financial Assets	Financial instrument measured at FVTPL	21.15	–	Level 1	NAV
3) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	10,205.29	4,955.94	Level 1	NAV

ii) Financial Instruments measured at amortised cost

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
As at 31 March 2024					
Financial assets					
a) Cash and cash equivalent	**7.55**	**7.55**	**7.55**	**–**	**–**
b) Trade Receivables	**742.80**	**742.80**	**–**	**742.80**	**–**
c) Financial investments - at amortised cost	**4,700.00**	**4,700.00**	**4,700.00**	**–**	**–**
d) Other financial assets	**4,781.04**	**4,781.04**	**452.09**	**4,328.95**	**–**
Total	**10,231.39**	**10,231.39**	**5,159.64**	**5,071.75**	**–**
Financial liabilities					
a) Trade Payables	**274.86**	**274.86**	**–**	**274.86**	**–**
b) Other financial liabilities	**2,408.98**	**2,408.98**	**–**	**2,408.98**	**–**
Total	**2,683.84**	**2,683.84**	**–**	**2,683.84**	**–**
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	9.95	9.95	9.95	–	–
b) Trade Receivables	549.16	549.16	–	549.16	–
c) Financial investments - at amortised cost	4,700.00	4,700.00	4,700.00	–	–
d) Other financial assets	12,308.31	12,308.31	636.82	11,671.49	–
Total	**17,567.42**	**17,567.42**	**5,346.77**	**12,220.65**	**–**
Financial liabilities					
a) Trade Payables	111.02	111.02	–	111.02	–
b) Other financial liabilities	2,228.50	2,228.50	–	2,228.50	–
Total	**2,339.52**	**2,339.52**	**–**	**2,339.52**	**–**

There were no transfers between Level 1 and Level 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

26. Financial Risk Management

In the course of its business, the Company is exposed to certain financial risks: liquidity risk and market risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturity profile of non-derivative financial liabilities

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 - 5 Years	5 years and above	Total
Non-derivative financial liabilities					
As at 31 March 2024					
Trade Payables	**274.86**	–	–	–	**274.86**
Other financial liabilities	**1,054.48**	**427.99**	**384.47**	**542.04**	**2,408.98**
Total	**1,329.34**	**427.99**	**384.47**	**542.04**	**2,683.84**
As at 31 March 2023					
Trade Payables	111.02	–	–	–	111.02
Other financial liabilities	759.47	384.85	353.26	730.92	2,228.50
Total	870.49	384.85	353.26	730.92	2,339.52

Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments, units of mutual fund taking into account the current liquidity requirements. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

27. Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) **Holding Company**

Mahindra & Mahindra Financial Services Ltd

b) **Ultimate Holding Company**

Mahindra & Mahindra Ltd

c) **Fellow Subsidiaries / Associate Companies / Joint Ventures:**

(entities with whom the Company has transactions)

Manulife Investment Management Singapore Pte Ltd
Mahindra Rural Housing Finance Limited
NBS International Limited
Mahindra Integrated Business Solutions Private Limited
Mahindra Defence Systems Ltd
Mahindra Holidays and Resorts India Ltd
Manulife Investment Management (Hong Kong) Limited

d) **Key Management Personnel:**

Mr. Anthony Heredia - Managing Director & CEO (since 1st April, 2022)
Mr. Gianni Fiacco - Director
Mr. Sethu Gururajan - Independent Director
Mrs. Chitra Andrade - Independent Director
Mr. Vijay Ramachandran - Independent Director
Mr. Ashutosh Bishnoi - Managing Director & CEO (till 31st March, 2022)

ii) The nature and volume of transactions of the Company during the year with the above related parties were as follows:

(Rs. in Lakhs)

Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiaries/ Associate Companies/ Joint Ventures		Key Management Personnel	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
Purchase / Transfer of fixed assets								
Mahindra & Mahindra Ltd	**–**	–	**36.58**	133.68	**–**	–	**–**	–
Mahindra & Mahindra Financial Services Ltd	**–**	0.70						
Interest income								
Mahindra Rural Housing Finance Ltd	**–**	–	**–**	–	**410.49**	409.80	**–**	–
Other expenses								
Mahindra Integrated Business Solutions Pvt Ltd	**–**	–	**–**	–	**66.61**	78.49	**–**	–
NBS International Limited	**–**	–	**–**	–	**10.10**	23.21	**–**	–
Mahindra & Mahindra Financial Services Ltd	**58.64**	60.85	**–**	–	**–**	–	**–**	–
Mahindra & Mahindra Ltd	**–**	–	**20.61**	26.96	**–**	–	**–**	–
Mahindra Defence Systems Ltd	**–**	–	**–**	–	**8.76**	–	**–**	–
Mahindra Holidays and Resorts India Ltd	**–**	–	**–**	–	**2.60**	–	**–**	–
Recovery of expenses								
Mahindra & Mahindra Financial Services Ltd	**6.02**	–	**–**	–	**–**	–	**–**	–
Investment Advisory Fees Income								
Manulife Investment Management (Hong Kong) Ltd	**–**	–	**–**	–	**372.57**	362.19	**–**	–
Directors' Sitting Fees	**–**	–	**–**	–	**–**	–	**26.70**	24.60
Remuneration to Managing Director & Chief Executive Officer								
Mr. Anthony Heredia	**–**	–	**–**	–	**–**	–	**381.87**	287.50
Mr. Ashutosh Bishnoi	**–**	–	**–**	–	**–**	–	**–**	348.78

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

iii) Balances as at the end of the year:

Rs. in lakhs

Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiaries/ Associate Companies/ Joint Ventures	
	As at 31 March 2024	As at 31 March 2023	**As at 31 March 2024**	As at 31 March 2023	**As at 31 March 2024**	As at 31 March 2023
Balances as at the end of the period						
Investments						
Investments in Non convertible debentures (including interest accrued but not due)						
Mahindra Rural Housing Finance Limited	**–**	–	**–**	–	**4,857.57**	4,856.15
Trade Receivables						
Manulife Investment Management (Hong Kong) Ltd	**–**	–	**–**	–	**–**	92.42
Trade Payables						
Mahindra & Mahindra Financial Services Limited	**–**	–	**–**	–	**–**	–
Mahindra & Mahindra Ltd	**–**	–	**–**	–	**–**	–
Mahindra Integrated Business Solutions Pvt Ltd	**–**	–	**–**	–	**1.08**	1.58
NBS International Limited	**–**	–	**–**	–	**–**	5.95
Mahindra Defence Systems Ltd	**–**	–	**–**	–	**3.04**	–

28. Disclosure on Employee Share-based Compensation Scheme (Cash-settled phantom share based payments)

The Company has a Long Term Incentive Compensation Scheme ('LTIC') for eligible employees. The same was announced in Financial Year 2018-19. The LTIC payment calculation is based on a framework of phantom shares. The cash-settled share-based amount is measured at the fair value of the liability as per the requirements of Ind AS 102 Share-based payments. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Statement of profit and loss for the period. Accordingly, a charge to Statement of Profit and loss for the year ended March 31, 2024 is Rs. 659.37 lakhs (previous year Rs. 179.61 lakhs).

Summary of phantom shares

Particulars	FY 2022-23 No. of phantom shares	FY 2022-23 Weighted average allocation price (Rs.)	FY 2023-24 No. of phantom shares	FY 2023-24 Weighted average allocation price (Rs.)
Phantom shares outstanding as on 1st April 2022 & 2023	1,10,92,346	3.38	**59,22,973**	**4.84**
Phantom shares granted during the year	8,95,784	6.45	**42,39,286**	**6.95**
Phantom shares exercised during the year	(53,03,118)	2.05	**(12,23,336)**	**4.53**
Phantom shares forfeited during the year	(7,62,039)	4.87	**–**	**–**
Phantom shares outstanding as on 31st March 2023 & 2024	59,22,973	4.84	**89,38,923**	**5.88**

Information in respect of outstanding phantom shares as at 31st March 2024:

Fair Value of phantom shares at the allocation date	Range of Allocation price	Number of Phantom shares outstanding as on 31.03.2024	Weighted average remaining period	Fair Value of Share as on 31.03.2024
Rs. 9.95	**Rs. 3.98 (at 60% discount)**	**5,97,299**	**–**	**Rs. 27.81**
Rs. 8.70	**Rs. 3.48 (at 60% discount)**	**5,36,603**	**5 months**	**Rs. 27.81**
Rs. 12.16	**Rs. 4.86 (at 60% discount)**	**27,44,481**	**14 months**	**Rs. 27.81**
Rs. 16.12	**Rs. 6.45 (at 60% discount)**	**8,95,784**	**26 months**	**Rs. 27.81**
Rs. 18.24	**Rs. 3.65 (at 80% discount)**	**3,26,698**	**38 months**	**Rs. 27.81**
Rs. 18.24	**Rs. 7.30 (at 60% discount)**	**38,38,058**	**38 months**	**Rs. 27.81**

Information in respect of outstanding phantom shares as at 31st March 2023:

Fair Value of phantom shares at the allocation date	Range of Allocation price	Number of Phantom shares outstanding as on 31.03.2023	Weighted average remaining period	Fair Value of Share as on 31.03.2023
Rs. 11.32	Rs. 4.53 (at 60% discount)	12,23,336	–	Rs. 18.24
Rs. 9.95	Rs. 3.98 (at 60% discount)	5,97,299	5 months	Rs. 18.24
Rs. 8.70	Rs. 3.48 (at 60% discount)	4,62,072	14 months	Rs. 18.24
Rs. 12.16	Rs. 4.86 (at 60% discount)	27,44,481	26 months	Rs. 18.24
Rs. 16.12	Rs. 6.45 (at 60% discount)	8,95,784	38 months	Rs. 18.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Period of payout	Payout period completed as on 31 March 2024	Payout period remaining as on 31 March 2024	Provision (Rs. in Lakhs)
April 1 2019 to March 31 2024	**60 months**	**–**	**64.05**
April 1 2020 to March 31 2024	**48 months**	**–**	**39.17**
April 1 2020 to March 31 2025	**48 months**	**12 months**	**47.00**
April 1 2021 to March 31 2024	**36 months**	**–**	**157.46**
April 1 2021 to March 31 2025	**36 months**	**12 months**	**141.72**
April 1 2021 to March 31 2026	**36 months**	**24 months**	**170.06**
April 1 2022 to March 31 2025	**24 months**	**12 months**	**31.89**
April 1 2022 to March 31 2026	**24 months**	**24 months**	**28.70**
April 1 2022 to March 31 2027	**24 months**	**36 months**	**34.44**
April 1 2023 to March 31 2026	**12 months**	**24 months**	**72.18**
April 1 2023 to March 31 2027	**12 months**	**36 months**	**64.96**
April 1 2023 to March 31 2028	**12 months**	**48 months**	**77.95**
Total Provision made as on 31 March 2024			**929.58**

Period of payout	Payout period completed as on 31 March 2023	Payout period remaining as on 31 March 2023	Provision (Rs. in Lakhs)
April 1 2018 to March 31 2022	48 months	–	15.42
April 1 2018 to March 31 2023	60 months	–	75.47
April 1 2019 to March 31 2023	48 months	–	25.55
April 1 2019 to March 31 2024	48 months	12 months	30.66
April 1 2020 to March 31 2023	36 months	–	17.05
April 1 2020 to March 31 2024	36 months	12 months	15.35
April 1 2020 to March 31 2025	36 months	24 months	18.41
April 1 2021 to March 31 2024	24 months	12 months	61.18
April 1 2021 to March 31 2025	24 months	24 months	55.06
April 1 2021 to March 31 2026	24 months	36 months	66.07
April 1 2022 to March 31 2025	12 months	24 months	8.80
April 1 2022 to March 31 2026	12 months	36 months	7.92
April 1 2022 to March 31 2027	12 months	48 months	9.51
Total Provision made as on 31 March 2023			**406.45**

Valuation of the Company has been done by assigning a valuation percentage to the average assets under management of the company for March 2024 plus cash and cash equivalent as of 31st March 2024. A different valuation percentage was assigned to different asset classes. The total value of the company is divided by the total number of shares outstanding as on reporting date, to arrive at the fair value per share of the Company.

29. Leases

Company as a lessee

Following are the changes in the carrying value of Right to Use asset for the year ended 31 March 2024

(Rs. in Lakhs)

Particulars	Category of Asset Building Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning	**1,568.02**	517.68
Additions	**160.92**	1,186.51
Restatement of ROU Asset	**(36.91)**	(4.03)
Deletions	**–**	–
Amortisation on ROU Asset for the year	**(263.12)**	(132.14)
Balance as at the end of the year	**1,428.91**	1,568.02

Following is the movement in the lease liabilities during the year ended 31 March 2024

Rs. in lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning	**1,639.92**	574.44
Additions	**160.92**	1,186.51
Deletions	**–**	–
Restatement of lease liability	**(38.07)**	(12.91)
Finance Cost accrued during the year	**119.46**	53.06
Payment of lease liabilities	**(315.53)**	(161.18)
Balance as at the end of the year	**1,566.70**	1,639.92

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. in lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	**326.02**	286.67
One to five years	**1,086.70**	1,062.06
More than five years	**593.52**	827.87
Balance as at the end of the year	**2,006.24**	2,176.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

30. Additional disclosures

i) Financials Ratios

Ratio	Numerator	Denominator	Ratio as on 31 March 2024	Ratio as on 31 March 2023	% Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	6.81	11.63	-41%	Decrease due to increase in year end Trade Payables
Return on Equity (in %)	Profit/(loss) for the year less Preference dividend (if any)	Total Equity	-14%	-14%	0%	NA
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivable	6.81	7.26	-6%	NA
Net (working) Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	0.34	0.18	87%	Increase in fee income on account of AUM growth resulted in increase in Revenue from operations in current year.
Net Profit Ratio (in %)	Profit/(loss) for the year	Revenue from operations	-62%	-102%	40%	Increase in fee income on account of AUM growth resulted in increase in Revenue from operations in current year. Also, Loss for current year has decreased.
Return on Capital employed Ratio (in %)	Profit/(loss) before tax and interest	Total Assets less Total Current Liabilities	-12%	-13%	1%	NA
Return on investment (in %)	Income from invested funds	Average invested funds	10%	6%	4%	NA
Capital to risk-weighted assets ratio (CRAR)*	–	–	–	–	–	NA
Tier I CRAR*	–	–	–	–	–	NA
Tier II CRAR*	–	–	–	–	–	NA
Liquidity Coverage Ratio*	–	–	–	–	–	NA

* Note: Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

ii) During the financial years ended 31 March 2024 and 31 March 2023, the Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Management Personnel and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

iii) There is no Benami Property held by the Company and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iv) The Company does not have any transactions with companies stuck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

v) There are no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

viii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

ix) There are no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

x) There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

xi) The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

31. Operating Segments

The Company is in the business of providing investment management services to the Mahindra Manulife Mutual Fund and offshore advisory to clients. The primary segment is identified as investment management services. As such the Company's financial statements are largely reflective of the investment management business and there is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

32. Social Security code

The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code and the Rules become effective.

33. Contingent Liabilities

(Rs. in Lakhs)

Particulars	**As at 31 March 2024**	As at 31 March 2023
Claims not acknowledged as debts in respect of:		
– GST demand case (Appeal pending with Joint Commissioner of State Tax for FY 2017-18)	**26.26**	–
Total	**26.26**	–

34. Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

Signatures to material accounting policies and notes to the financial statements – 1 to 34

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

sd/-
Santosh More
Partner
Membership No: 114236

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Manulife Investment Management Private Limited

sd/-
Ramesh Iyer
Chairman
[DIN: 00220759]

sd/-
Anthony Heredia
Managing Director & CEO
[DIN: 02205628]

sd/-
Chitra Andrade
Director
[DIN: 08090478]

sd/-
Vijay Ramchandran
Director
[DIN: 02639324]

sd/-
Ashwini Sankhe
Chief Financial Officer

sd/-
Ravi Dayma
Company Secretary
[ACS - 20803]

Place : Mumbai
Date : April 18, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Manulife Trustee Private Limited

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS Financial Statements of **Mahindra Manulife Trustee Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Audited Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
   g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
   h) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   i) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly

lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

(iv) No dividend (declared/paid/declared and paid) during the year by the Company and therefore the compliance with Section 123 of the Act is not applicable.

(v) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUP2925

Mumbai, April 19, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Mahindra Manulife Trustee Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUP2925
Mumbai, April 19, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Manulife Trustee Private Limited** for the year ended March 31, 2024.

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(a) (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) Company does not hold any immovable property and thus this clause is not applicable.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, thus this clause does not applicable to the company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) As per Section 138 of the Companies Act, 2013, Internal Audit is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Four Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, Section 135 of the Companies Act, 2013 does not applicable to the Company. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary companies. Accordingly, the reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUP2925
Mumbai, April 19, 2024

BALANCE SHEET AS AT 31 MARCH 2024

(Rs. in lakhs)

		Note No.	As at 31 March 2024	As at 31 March 2023
I	**ASSETS**			
	Non-current assets			
	Property, Plant and Equipment	3	**0.01**	0.15
			0.01	0.15
	Current assets			
	(a) Financial Assets			
	(i) Investments	4	**168.38**	126.54
	(ii) Trade receivables	5	**12.60**	4.45
	(iii) Cash and cash equivalents	6	**2.52**	1.49
	(b) Current Tax Assets (Net)	7	**–**	6.32
	(c) Other Current Assets	8	**0.16**	0.63
			183.66	139.43
	TOTAL ASSETS		**183.67**	139.58
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	9	**98.04**	98.04
	(b) Other Equity	10	**80.17**	34.13
			178.21	132.17
	LIABILITIES			
	Non-current liabilities			
	Other Non-current Liabilities & Provisions	11	**1.07**	1.40
			1.07	1.40
	Current liabilities			
	(a) Financial Liabilities			
	Trade Payables	12		
	i) Total outstanding dues of micro and small enterprise		**0.05**	–
	ii) Total outstanding dues of creditors other than micro and small enterprise		**0.68**	0.73
	(b) Current Tax Liabilities (Net)	7	**0.23**	–
	(c) Other Current Liabilities & Provisions	11	**3.43**	5.28
			4.39	6.01
	TOTAL EQUITY AND LIABILITIES		**183.67**	139.58
	Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 19, 2024

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Tejas Agrawal
Company Secretary
[ACS No – 55747]

Place: Mumbai
Date: April 19, 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2024

(Rs. in lakhs)

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	13	**107.03**	73.76
Other Income	14	**10.29**	7.28
Total Income		**117.32**	81.04
Expenses			
Employee benefits expense	15	**20.94**	23.34
Depreciation and amortization expense	16	**0.14**	0.14
Other expenses	17	**36.52**	41.50
Total Expenses		**57.60**	64.98
Profit/(Loss) Before Tax		**59.72**	16.06
Tax expense:	18		
Current tax		**13.68**	1.05
Tax expense of earlier years		**–**	0.67
		13.68	1.72
Profit/ (Loss) for the year		**46.04**	14.34
Other comprehensive income			
(i) Items that will not be reclassified to Statement of Profit and Loss		**–**	–
(a) Remeasurements of the defined benefit liabilities / (asset)		**–**	–
Total Comprehensive Income for the year		**46.04**	14.34
Earnings per equity share (Rs.) :	19		
Basic (INR)		**4.70**	1.46
Diluted (INR)		**4.70**	1.46
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 19, 2024

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

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Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
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Suneet Maheshwari
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[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Tejas Agrawal
Company Secretary
[ACS No – 55747]

Place: Mumbai
Date: April 19, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

A. Equity share capital

	(Rs. in lakhs)
Particulars	**Amount**
As at 1 April 2023	98.04
Changes in equity share capital during the year	–
As at 31 March 2024	**98.04**

	(Rs. in lakhs)
Particulars	**Amount**
As at 1 April 2022	98.04
Changes in equity share capital during the year	–
As at 31 March 2023	**98.04**

B. Other Equity

(Rs. in lakhs)

Particulars	**Securities Premium**	**Profit & Loss Balance**	**Total**
As at 1 April 2023	27.63	6.50	34.13
Profit / (Loss) for the year	–	46.04	46.04
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Income for the year	**–**	**46.04**	**46.04**
As at 31 March 2024	**27.63**	**52.54**	**80.17**

Rs. in lakhs

Particulars	**Securities Premium**	**Profit & Loss Balance**	**Total**
As at 1 April 2022	27.63	(7.84)	19.79
Profit / (Loss) for the year	–	14.34	14.34
Other Comprehensive Income / (Loss)	–	–	**–**
Total Comprehensive Income for the year	**–**	**14.34**	**14.34**
As at 31 March 2023	**27.63**	**6.50**	**34.13**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 19, 2024

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
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A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Tejas Agrawal
Company Secretary
[ACS No – 55747]

Place: Mumbai
Date: April 19, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Rs. in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit / (Loss) before tax for the year	**59.72**	16.06
Adjustments for:		
Investment income recognised in Statement of Profit and Loss	**(10.03)**	(7.02)
Depreciation debited to Statement of Profit and Loss	**0.14**	0.14
Operating Profit / (Loss) before working capital changes (I)	**49.83**	9.18
Movements in working capital:		
(Increase) / decrease in trade receivables	**(8.15)**	3.65
(Increase) / decrease in other assets	**0.47**	0.61
Increase / (decrease) in trade and other payables	**–**	(0.23)
Increase / (decrease) in other liabilities	**(2.17)**	2.22
Net movements in working capital (II)	**(9.85)**	6.25
Cash generated from / (used in) operations (I+II)	**39.98**	15.43
Income taxes paid (net of refunds) (III)	**(7.13)**	(0.78)
Net cash generated from / (used in) operating activities (I+II+III)	**32.85**	14.65
Cash flows from investing activities		
Purchase of investments	**(105.37)**	(75.88)
Proceeds from sale of investments	**73.55**	61.06
Net cash (used in) / generated by investing activities (IV)	**(31.82)**	(14.82)
Cash flows from financing activities		
Issue of equity shares (net off share issue expenses)	–	–
Securities Premium received	–	–
Net cash generated from financing activities (V)	–	–
Net increase in cash and cash equivalents (I+II+III+IV+V)	**1.03**	(0.17)
Cash and cash equivalents at the beginning of the year	**1.49**	1.66
Cash and cash equivalents at the end of the year	**2.52**	1.49
Components of Cash and Cash equivalents		
Particulars		
- Cash on hand	**–**	–
- Balances with banks	**2.52**	1.49
Total	**2.52**	1.49

Note: The above cash flow statement has been prepared under the “Indirect method” as set out in Indian Accounting Standard (Ind AS 7)- ‘Statement of Cash Flows’.

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 19, 2024

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Tejas Agrawal
Company Secretary
[ACS No – 55747]

Place: Mumbai
Date: April 19, 2024

Notes forming part of the Financial Statements for the year ended March 31, 2024

1. CORPORATE INFORMATION

Mahindra Manulife Trustee Private Limited ('the Company'), was incorporated under the Companies Act, 1956 on July 10, 2013. The company is a joint venture of Mahindra & Mahindra Financial Services Ltd. and Manulife Investment Management (Singapore) Pte. Ltd. The Company is incorporated to function as a Trustee to Mahindra Manulife Mutual Fund. The Company has entered into Investment Management Agreement with Mahindra Manulife Investment Management Private Limited ('Investment Manager') for managing the schemes of Mahindra Manulife Mutual Fund.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on April 19, 2024.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

2.4. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

2.6. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within other Ind AS.

The Company recognises revenue from contracts with customers based on five-step model as set out in Ind AS 115:

Step 1: identification of contract(s) with customers: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identification of the separate performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determination of transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocation of transaction price to the separate performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognition of revenue when (or as) the Company satisfies a performance obligation.

Trusteeship Fees (net of tax)

Trusteeship Fees are recognised as revenue when the trusteeship services are performed for the schemes of Mahindra Manulife Mutual Fund. Amount disclosed as fees are exclusive of GST.

Other Income

The gains / losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on FIFO ('first in first out') method.

Recognition of Dividend Income

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

Recognition of Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

2.7. Property, plant and equipment ('PPE')

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under long term loans and advances. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets:

Notes forming part of the Financial Statements for the year ended March 31, 2024

Assets individually costing INR 5,000/- or less are fully depreciated in the year of purchase or acquisition. Further, residual value for all assets is considered as zero due to the difficulty in estimating the same. Accordingly, useful life of assets is estimated as follows:

Computer	– 3 years
Furniture	– 10 years
Office Equipment	– 5 years

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

2.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight-line method to write down the cost of intangible assets over their estimated useful lives.

2.9. Cash and cash equivalent

Cash comprises of cash on hand and bank balances.

2.10. Foreign exchange transactions and translations

Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.11. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement Financial assets

On initial recognition, a financial asset is classified as - measured at:

– Amortised cost; or

– Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

– Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Interest income and impairment, if any, are recognised in the Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

These investments in equity are not held for trading. Instead, they are held for medium or long- term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expenses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

Notes forming part of the Financial Statements for the year ended March 31, 2024

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised, and the proceeds received are recognised as a collateralised borrowing.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled, or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

Impairment of non financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier. The reversal of an impairment loss is recognised in Statement of Profit and Loss.

2.12. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Remeasurement gains / losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

2.13. Income taxes

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14. Securities issue expenses

Expenses incurred in connection with the fresh issue of share capital are adjusted against Securities premium.

2.15. Accounting for provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed when there is a possible obligation

Notes forming part of the Financial Statements for the year ended March 31, 2024

arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.16. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares, etc that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at 1 April 2023	0.66	0.66
Additions during the year	–	–
Disposals during the year	–	–
Balance as at 31 March 2024	**0.66**	**0.66**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2023	0.51	0.51
Depreciation expense for the year	0.14	0.14
Eliminated on disposal of assets	–	–
Balance as at 31 March 2024	**0.65**	**0.65**
III. Net carrying amount (I-II)	**0.01**	**0.01**

(Rs. in lakhs)

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	0.66	0.66
Additions during the year	–	–
Disposals during the year	–	–
Balance as at 31 March 2023	0.66	0.66
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022	0.37	0.37
Depreciation expense for the year	0.14	0.14
Eliminated on disposal of assets	–	–
Balance as at 31 March 2023	**0.51**	**0.51**
III. Net carrying amount (I-II)	**0.15**	**0.15**

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

4 INVESTMENTS

(Rs. in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
Investments Carried at Fair Value				
Unquoted				
Mahindra Manulife Liquid Fund	**168.38**	–	126.54	–
10,710 units in Current Year (8,640 units in Previous Year)				
Total Investments	**168.38**	–	126.54	–

5 TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
Trade receivables				
(a) Unsecured, considered good	**12.60**	–	4.45	–
(b) Doubtful	–	–	–	–
Less: Allowance for Credit Losses	–	–	–	–
Total	**12.60**	–	4.45	–
Of the above, trade receivables from:				
– Related Parties	–	–	–	–
– Others	**12.60**	–	4.45	–
Total Trade receivables	**12.60**	–	4.45	–

No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable is due within 30 days from the date of the invoice.

Notes to the Financial Statements for the period ended March 31, 2024

Trade Receivable Ageing schedule

Trade Receivables - Undisputed Trade receivables – considered good

(Rs. in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 6 months	**12.60**	4.45
6 months - 1 year	**–**	–
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Total	**12.60**	4.45

6 CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Balances with banks	**2.52**	1.49
(b) Cash on hand	**–**	–
Total Cash and cash equivalents	**2.52**	1.49

7 CURRENT TAX ASSETS/(LIABILITIES) (NET)

(i) Tax deducted at source net of provision for tax

(Rs. in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
(a) Advance Income Tax				
(i) TDS Receivable (Net of provision for tax)	**(0.23)**	**–**	6.32	–
Total Income Tax Assets/(Liabilities)	**(0.23)**	**–**	6.32	–

(ii) Unused tax losses - Revenue in nature

(Rs. in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
Expiry period				
Upto Five years	**–**	**–**	–	2.17
More than Five years	**–**	**–**	–	–
No Expiry Date	**–**	**–**	–	0.41
Total	**–**	**–**	–	2.58

8 OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
(a) Advances other than capital advances				
(i) Other assets	**0.16**	**–**	0.63	–
Total Other Assets	**0.16**	**–**	0.63	–

9 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**10,00,000**	**100.00**	10,00,000	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**9,80,400**	**98.04**	9,80,400	98.04
Total	**9,80,400**	**98.04**	9,80,400	98.04

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(Rs. in lakhs)

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*				
Period Ended 31 March 2024				
No. of Shares	**9,80,400**	**–**	**–**	**9,80,400**
Amount (Rs. in Lakhs)	**98.04**	**–**	**–**	**98.04**
Year Ended 31 March 2023				
No. of Shares	9,80,400	–	–	9,80,400
Amount (Rs. in Lakhs)	98.04	–	–	98.04

***Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their associates and subsidiaries:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2024			
Mahindra and Mahindra Financial Services Limited Percentage of holding (51%)	**5,00,000**	**–**	**–**
As at 31 March 2023			
Mahindra and Mahindra Financial Services Limited Percentage of holding (51%)	5,00,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mahindra and Mahindra Financial Services Limited	**5,00,000**	**51%**	5,00,000	51%
Manulife Investment Management (Singapore) Pte Limited	**4,80,400**	**49%**	4,80,400	49%

Notes to the Financial Statements for the period ended March 31, 2024

10 OTHER EQUITY

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013

Retained earning or Profit and loss account: Retained Earnings represents the undistributed earnings.

(Rs. in lakhs)

Particulars	Reserves and Surplus: Securities premium	Reserves and Surplus: Retained earnings or Profit & loss account	Total
Balance as at 01 April 2022	27.63	(7.84)	19.79
Profit / (Loss) for the year	–	14.34	14.34
Other Comprehensive Income	–	–	–
Total Comprehensive Income for the year	**–**	**14.34**	**14.34**
Securities premium on fresh issue of equity share capital	–	–	–
Share issue expenses	–	–	–
Balance as at 31 March 2023	**27.63**	**6.50**	**34.13**
Balance as at 01 April 2023	27.63	6.50	34.13
Profit / (Loss) for the year	–	46.04	46.04
Other Comprehensive Income	–	–	–
Total Comprehensive Income for the year	**–**	**46.04**	**46.04**
Securities premium on fresh issue of equity share capital	–	–	–
Share issue expenses	–	–	–
Balance as at 31 March 2024	**27.63**	**52.54**	**80.17**

11 OTHER NON-CURRENT LIABILITIES & PROVISIONS

(Rs. in lakhs)

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Current	As at 31 March 2023 Non Current
(a) Other non-current liabilities	**–**	**1.00**	–	1.00
(b) Other Current Liabilities & Provisions				
Other Current Liabilities				
i Employee benefits payables	**1.19**	**–**	4.19	–
ii Statutory dues				
- Taxes payable (other than income taxes)	**2.11**	**–**	0.75	–
- TDS payable	**0.13**	**–**	0.33	–
- Professional tax payable	**–**	**–**	–	–
Provisions				
- Provision for leave encashment	**–**	**0.07**	0.01	0.40
Total Other liabilities	**3.43**	**1.07**	5.28	1.40

12 TRADE PAYABLES

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprise and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(Rs. in lakhs)

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Current	As at 31 March 2023 Non Current
Total outstanding dues of Micro and small enterprises				
a) Dues remaining unpaid to any supplier at the year end				
- Principal	**0.05**	**–**	–	–
- Interest on the above				
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	**–**	–	–
- Principal paid beyond the appointed date	**–**	**–**	–	–
- Interest paid in terms of section 16 of the MSMED Act	**–**	**–**	–	–
c) Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	**–**	**–**	–	–
d) Amount of interest accrued and remaining unpaid at the year end	**–**	**–**	–	–
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	**–**	–	–
Total outstanding dues of creditors other than micro and small enterprises	**0.68**	**–**	0.73	–
Total trade payables	**0.73**	**–**	0.73	–

Terms and Conditions of financials liabilities:

- Trade Payables are non-interest bearing and are normally settled on 30 days terms.

Trade Payables Ageing Schedule as at March 31, 2024

Trade Payables - Undisputed

(Rs. in lakhs)

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**0.05**	**–**	**–**	**–**	**0.05**
(ii) Others	**0.68**	**–**	**–**	**–**	**0.68**
Total	**0.73**	**–**	**–**	**–**	**0.73**

Trade Payables Ageing Schedule as at March 31, 2023

Trade Payables - Undisputed

(Rs. in lakhs)

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	0.73	–	–	–	0.73
Total	0.73	–	–	–	0.73

Notes to the Financial Statements for the period ended March 31, 2024

13 REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
(a)	Trusteeship Fees	**107.03**	73.76
Total Revenue from Operations		**107.03**	73.76

14 OTHER INCOME

(Rs. in lakhs)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
(a)	Profit on sale/redemption of Investment	**6.84**	3.94
(b)	Unrealised gain/(loss) on Mutual Fund Investment	**3.19**	3.08
(c)	Interest on Income tax refund	**0.26**	0.26
Total Other Income		**10.29**	7.28

15 EMPLOYEE BENEFIT EXPENSES

(Rs. in lakhs)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
(a)	Salaries and wages	**20.94**	23.34
Total Employee Benefit Expenses		**20.94**	23.34

16 DEPRECIATION AND AMORTISATION

(Rs. in lakhs)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
(a)	Depreciation on Property, Plant and Equipment	**0.14**	0.14
Total Depreciation and amortisation		**0.14**	0.14

17 OTHER EXPENSES

(Rs. in lakhs)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
(a)	Rates & Taxes	**0.03**	0.02
(b)	Legal and professional fees	**1.54**	0.60
(c)	Directors' Sitting Fees	**31.70**	37.10
(d)	Travelling & Conveyance	**1.54**	1.70
(e)	Marketing Expenses	**0.19**	0.75
(f)	Auditors remuneration and out-of-pocket expenses		
–	Audit fees	**0.50**	0.50
–	Other services	**–**	–
(g)	Other Expenses	**1.02**	0.83
Total Other expenses		**36.52**	41.50

18 INCOME TAX EXPENSE

(Rs. in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
In respect of current year	**13.68**	1.05
In respect of prior years	**–**	0.67
	13.68	1.72
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**–**	–
	–	–
Total income tax expense on continuing operations	**13.68**	1.72

Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate:

(Rs. in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	**59.72**	16.06
Income tax expense calculated at 25.168%	**15.03**	4.04
Effect of income that is exempt from taxation	**(0.80)**	(0.78)
Effect of tax on income chargeable at different rate including exempt income/loss	**(0.57)**	(2.22)
Changes in recognised deductible temporary differences	**0.02**	0.01
	13.68	1.05
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	0.67
Total Tax expense	**13.68**	1.72

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the rate of income tax applicable to the company is (Base rate-22%, plus 10% surcharge and 4% cess = 25.168%)

19 EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit / (loss) for the year (Rs. in Lakhs)	**46.04**	14.34
Weighted average number of equity shares	**9,80,400**	9,80,400
Earnings per share - Basic (INR)	**4.70**	1.46
Earnings per share - Diluted (INR)	**4.70**	1.46

Notes to the Financial Statements for the period ended March 31, 2024

20 ADDITIONAL REGULATORY INFORMATION

i) Financials Ratios

Ratio	Numerator	Denominator	Ratio as on 31 March 2024	Ratio as on 31 March 2023	% Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	**41.84**	23.20	80%	Increase in fees income and resultant increase in profitability contributed to increase in current assets of the company
Return on Equity (in %)	Profit for the year less Preference dividend (if any)	Total Equity	**26%**	11%	15%	NA
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivable	**12.55**	11.75	7%	NA
Net (working) Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	**0.68**	0.58	17%	NA
Net Profit Ratio (in %)	Profit for the year	Revenue from operations	**43%**	19%	24%	NA
Return on Capital employed Ratio (in %)	Profit before tax and interest	Total Assets less Total Current Liabilities	**33%**	12%	21%	NA
Return on investment (in %)	Income from invested funds	Average invested funds	**8%**	6%	2%	NA

ii) During the financial years ended 31 March 2024 and 31 March 2023, the Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Management Personnel and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

iii) There is no Benami Property held by the Company and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iv) The Company does not have any transactions with companies stuck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

v) There are no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

viii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

ix) There are no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

x) There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

xi) The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

21 EMPLOYEE BENEFITS

Details of defined benefit plans as per actuarial valuation are as follows:

(Rs. in lakhs)

	Particulars	Unfunded Plans Exigency and Earned leave Year ended 31 March 2024	2023
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	**0.07**	0.18
	Past Service Cost	**–**	0.02
	Net Interest cost	**0.03**	–
	Actuarial (gain)/loss	**(0.44)**	(0.08)
	Total expenses included in employee benefits expense	**(0.34)**	0.12
II.	**Amount recognised in Other Comprehensive income**	**–**	–
III.	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	**0.41**	0.42
	Current service cost	**0.07**	0.18
	Past service cost	**–**	0.02
	Interest expense	**0.03**	–
	Remeasurement (gains)/losses arising from changes in -		
	- demographic changes	**–**	–
	- financial assumptions	**–**	(0.02)
	- experience adjustments	**–**	(0.06)
	Benefits paid//extinguished	**(0.44)**	(0.13)
	Closing defined benefit obligation	**0.07**	0.41
IV.	**Change in the fair value of plan assets during the year**		
	Opening Fair value of plan assets	**–**	–
	Interest income	**–**	–
	Closing Fair value of plan assets	**–**	–
V.	**Net defined benefit obligation**		
	Defined benefit obligation	**0.07**	0.41
	Fair value of plan assets	**–**	–
	Surplus/(Deficit)	**(0.07)**	(0.41)

Notes to the Financial Statements for the period ended March 31, 2024

(Rs. in lakhs)

Particulars	Unfunded Plans Exigency and Earned leave Year ended 31 March 2024	2023
Current portion of the above	**(0.00)**	(0.01)
Non current portion of the above	**(0.07)**	(0.40)
Actuarial assumptions and Sensitivity		
VI. Actuarial assumptions		
Discount Rate (p.a.)	**7.22%**	7.52%
Attrition rate	**1-3%**	1-3%
Expected rate of return on plan assets (p.a.)	**–**	–
Rate of Salary increase (p.a.)	**7.00%**	7.00%
In-service Mortality	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)
VII. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:		
One percentage point increase in discount rate	**(0.01)**	(0.07)
One percentage point decrease in discount rate	**0.01**	0.09
One percentage point increase in Salary growth rate	**0.01**	0.09
One percentage point decrease in Salary growth rate	**(0.01)**	(0.07)
VIII. Maturity profile of defined benefit obligation		
Within 1 year	**0.00**	0.01
Between 2 and 5 years	**0.01**	0.05

22 FINANCIAL INSTRUMENTS

i) Financial Instruments regularly measured using Fair Value - recurring items

(Rs. in lakhs)

Financial assets/ financial liabilities	Financial assets / financial liabilities	Category	Fair Value As at 31 March 2024	As at 31 March 2023	Fair value hierarchy	Valuation technique(s)
1) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**168.38**	126.54	Level 1	NAV

ii) Financial Instruments measured at amortised cost

(Rs. in lakhs)

Particulars	Carrying Value	Fair value	Fair Value Level 1	Level 2	Level 3
As at 31 March 2024					
Financial assets					
a) Cash and cash equivalent	**2.52**	**2.52**	**2.52**	**–**	**–**
b) Trade Receivables	**12.60**	**12.60**	**–**	**12.60**	**–**
Total	**15.12**	**15.12**	**2.52**	**12.60**	**–**
Financial liabilities					
a) Trade Payables	**0.73**	**0.73**	**–**	**0.73**	**–**
Total	**0.73**	**0.73**	**–**	**0.73**	**–**
As at 31 March 2023					
Financial assets					
a) Cash and cash equivalent	1.49	1.49	1.49	–	–
b) Trade Receivables	4.45	4.45	–	4.45	–
Total	5.94	5.94	1.49	4.45	–
Financial liabilities					
a) Trade Payables	0.73	0.73	–	0.73	–
Total	0.73	0.73	–	0.73	–

There were no transfers between Level 1 and Level 2 during the year.

23 FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed to certain financial risks: liquidity risk and market risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturity profile of non-derivative financial liabilities

(Rs. in lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2024				
Trade Payables	**0.73**	**–**	**–**	**–**
Total	**0.73**	**–**	**–**	**–**
As at 31 March 2023				
Trade Payables	0.73	–	–	–
Total	0.73	–	–	–

Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments, units of mutual fund taking into account the current liquidity requirements. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

24 RELATED PARTY DISCLOSURES:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

(a) Holding Company

Mahindra & Mahindra Financial Services Ltd

(b) Ultimate Holding Company

Mahindra & Mahindra Ltd

(c) Fellow Subsidiaries / Associate Companies / Joint Ventures

Manulife Investment Management Singapore Pte Ltd

Mahindra Integrated Business Solutions Private Limited

(d) Key Management Personnel

(i) Mr. Manohar G. Bhide - Chairman

(ii) Mr. Gautam G. Parekh - Independent Director

(iii) Mr. Suneet K. Maheshwari - Independent Director

(iv) Mr. Nilesh Sathe - Independent Director

(v) Mr. A. K. Sridhar - Independent Director

(vi) Mr. Michael Fitzgerald - Director

Notes to the Financial Statements for the period ended March 31, 2024

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

(Rs. in lakhs)

Particulars	Holding Company /Ultimate Holding Company		Fellow Subsidiaries / Associate Companies/ Joint Ventures		Key Managerial Personnel	
	Year ended 31 March 2024	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023	**Year ended 31 March 2024**	Year ended 31 March 2023
Expenses						
Mahindra & Mahindra Financial Services Ltd	**–**	0.84	**–**	–	**–**	–
Mahindra & Mahindra Ltd	**0.22**	–				
Mahindra Integrated Business Solutions Private Limited	**–**	–	**0.14**	0.14	**–**	–
Directors' Sitting Fees	**–**	–	**–**	–	**31.70**	37.10

iii) Balances as at the end of the year:

(Rs. in lakhs)

Particulars	Holding Company		Fellow Subsidiaries / Associate Companies / Joint Ventures	
	As at 31 March 2024	As at 31 March 2023	**As at 31 March 2024**	As at 31 March 2023
Other Non-current Liabilities				
Mahindra & Mahindra Financial Services Ltd	**–**	1.00	**–**	–
Trade Payables				
Mahindra Integrated Business Solutions Private Limited	**–**	–	**0.01**	0.01

25 OPERATING SEGMENTS

The Company is in the business of providing Trusteeship services to the Mahindra Manulife Mutual Fund. The primary segment is identified as Trusteeship services. As such the Company's financial statements are largely reflective of the Trusteeship services and there is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

26 SOCIAL SECURITY CODE

The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code and the Rules become effective.

27 EVENTS AFTER THE REPORTING DATE

There have been no other events after the reporting date that require disclosure in these financial statements.

28 Previous year figures have been regrouped /reclassified wherever nessesary to conform to current year presentation.

Signatures to material accounting policies and Notes to the financial statements 1 to 28

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

sd/-
Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 19, 2024

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited

sd/-
Manohar Bhide
Chairman
[DIN NO. 00001826]

sd/-
Gautam Parekh
Director
[DIN NO. 00365417]

sd/-
Suneet Maheshwari
Director
[DIN NO. 00420952]

sd/-
A K Sridhar
Director
[DIN NO. 00046719]

sd/-
Tejas Agrawal
Company Secretary
[ACS No – 55747]

Place: Mumbai
Date: April 19, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MAHINDRA IDEAL FINANCE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAHINDRA IDEAL Finance Limited ("the Company"), which comprise the Statement of Financial Position as at 31 March 2024, and the Statement of Profit or Loss and Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information included in the Company's 31 March 2024 Annual Report

Management is responsible for the other information included in the Company's 31 March 2024 annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is lo read the. other information and, in doing so, consider whether the other information Is materially inconsistent with the financial statements, or our knowledge obtained In the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

For Ernst & Young
Chartered Accountants

Ms Hiranthi Fonseka
Audit Partner

18 April 2024
Colombo

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2024

	Notes	2024 LKR	2023 LKR
Income	3	**2,309,040,380**	1,924,279,355
Interest Income	4.1	**2,153,618,043**	1,805,299,948
Interest Expenses	4.2	**(1,061,880,311)**	(921,725,959)
Net Interest Income		**1,091,737,732**	883,573,989
Fees and Commission Income	5	**10,249,062**	13,067,675
Net Fee and Commission Income		**10,249,062**	13,067,675
Other Operating Income	6	**145,173,275**	105,911,732
Total Operating Income		**1,247,160,069**	1,002,553,396
Impairment Charges for Loans and other Losses	7	**49,871,815**	(70,983,116)
Net Operating Income		**1,297,031,884**	931,570,280
Operating Expenses			
Personnel Expenses	8	**(501,575,385)**	(349,974,582)
Depreciation of Property Plant & Equipment	22.2	**(110,425,685)**	(93,972,623)
Amortization of Intangible Assets	23	**(5,067,304)**	(3,333,640)
Other Operating Expenses	9	**(345,864,952)**	(236,296,248)
Operating Profit before VAT on Financial Services and Social Security Contribution Levy		**334,098,558**	247,993,187
Value Added Tax on Financial Services	10	**(116,700,020)**	(88,673,219)
Social Security Contribution Levy	10	**(16,208,337)**	(6,227,766)
Profit before Taxation		**201,190,201**	153,092,202
Income Tax Expenses	11.1	**(97,898,498)**	(66,194,388)
Profit/ (Loss) for the period		**103,291,703**	86,897,814
Basic and Diluted Earning per Share	12.2	**0.71**	0.60
Profit/ (Loss) for the period		**103,291,703**	86,897,814
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/ (Loss) on Defined Benefit Obligations	28.3	**(8,101,913)**	2,130,956
Deferred Tax (Charge)/Reversal on Other Comprehensive Income	29	**2,430,574**	(639,287)
Other Comprehensive Income for the period, Net of Tax		**(5,671,339)**	1,491,669
Total Comprehensive Income for the period, Net of Tax		**97,620,364**	88,389,483

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 LKR	2023 LKR
ASSETS			
Cash and Bank Balances	13	**110,767,720**	165,583,696
Investment in Government Securities at Amortized cost	14	**1,819,024,328**	458,137,517
Financial Investments-Measured at Fair Value through PL	14.1	**1,001,278,217**	–
Placements with Banks and Other Financial Institutions	15	**355,848,060**	445,268,915
Gold Advances	16	**4,505,162,573**	3,950,688,495
Lease Rental Receivables	17	**2,864,129,749**	2,374,025,383
Loans and Advances	18	**1,173,631,285**	798,812,852
Other Financial Assets	19	**29,495,526**	24,340,891
Other Non Financial Assets	20	**188,496,352**	58,781,143
Financial Investments-Measured at Fair Value through OCI	21	**457,700**	457,700
Property, Plant and Equipment	22.3	**534,360,642**	470,357,459
Intangible Assets	23	**43,094,228**	18,047,136
Deferred Tax Assets	29	**24,116,990**	27,648,433
TOTAL ASSETS		**12,649,863,370**	8,792,149,620
LIABILITIES			
Interest Bearing Borrowings	24	**3,843,671,591**	1,989,957,781
Due to the Customers	25	**5,204,224,178**	3,487,076,917
Other Financial Liabilities	26	**547,160,170**	379,280,751
Other Non Financial Liabilities	27	**67,585,280**	37,393,905
Post Employment Benefit Liability	28	**49,036,778**	30,896,045
Current Tax Liabilities		**5,942,625**	32,921,837
TOTAL LIABILITIES		**9,717,620,622**	5,957,527,236
EQUITY			
Stated Capital	30	**1,908,247,125**	1,908,247,125
Retained Earnings		**970,936,139**	878,196,794
Reserves	31	**53,059,484**	48,178,465
TOTAL EQUITY		**2,932,242,748**	2,834,622,384
TOTAL LIABILITIES AND EQUITY		**12,649,863,370**	8,792,149,620

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

Mr Rohit Agarwalla
Chief Financial Officer

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board of by;

Mr Nalin J Welgama
Chairman

Mr P A De Silva
Deputy Chairman

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

18 April 2024
Colombo

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2024

	Stated Capital LKR	Retained Earnings LKR	Statutory Reserve Fund LKR	Total LKR
Balance As at 1 April 2022	1,908,247,125	794,226,786	43,758,990	2,746,232,902
Total Income / (Loss) for the Period	–	86,897,814	–	86,897,814
Other Comprehensive Income (Net of Tax)	–	1,491,669	–	1,491,669
Transfer to Statutory Reserve Fund	–	(4,419,474)	4,419,474	–
Balance As at 31 March 2023	1,908,247,125	878,196,794	48,178,465	2,834,622,384
Balance As at 1 April 2023	**1,908,247,125**	**878,196,794**	**48,178,465**	**2,834,622,384**
Total Income / (Loss) for the Period	**–**	**103,291,703**	**–**	**103,291,703**
Other Comprehensive Income (Net of Tax)	**–**	**(5,671,339)**	**–**	**(5,671,339)**
Transfer to Statutory Reserve Fund	**–**	**(4,881,019)**	**4,881,019**	**–**
Balance As at 31 March 2024	**1,908,247,125**	**970,936,139**	**53,059,484**	**2,932,242,748**

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2024

	Note	2024 LKR	2023 LKR
Cash Flows From / (Used in) Operating Activities			
Profit before Income Tax Expense		**201,190,201**	153,092,202
Adjustment for Other Non Cash Items Included in Profit Before Tax			
Depreciation of Property, Plant and Equipment & ROU Assets	22.3	**110,425,685**	93,972,623
Amortization of Intangible Assets	23	**5,067,304**	3,333,640
Provision for Impairment	7	**(49,871,815)**	70,983,116
Interest expenses on Borrowings	4.2	**377,945,850**	434,895,016
Defined Benefit Obligation	8	**12,673,570**	9,450,813
Dividend Income	6	**(179,520)**	(240,000)
Disposal (Gain)/Loss on Fixed Assets		**–**	–
Operating Profit before Working Capital Changes		**657,251,275**	765,487,410
(Increase)/Decrease in Lease Rental Receivables		**(463,612,467)**	1,135,054,895
(Increase)/Decrease in Loans and Advances		**(347,074,261)**	603,795,207
(Increase)/Decrease in Gold Advance		**(558,838,334)**	(1,703,801,685)
(Increase)/Decrease in Other Financial Assets		**(5,154,635)**	(7,967,458)
(Increase)/Decrease in Other Non Financial Assets		**(123,753,192)**	113,784,455
(Increase)/Decrease in Inventories		**–**	328,056
Increase/(Decrease) in Amounts Due to Customers		**1,717,147,261**	1,292,058,075
Increase/(Decrease) in Other Financial Liabilities		**231,602,037**	(110,978,929)
Increase/(Decrease) in Other Non Financial Liabilities		**30,191,375**	(7,573,033)
Increase/(Decrease) in Current Tax liabilities		**(8,732,522)**	3,633,728
Cash Generated from Operations		**1,129,026,537**	2,083,820,723
Retirement Benefit Liabilities Paid	28.2	**(2,634,750)**	(2,762,375)
Income Tax Paid		**(116,145,188)**	(87,024,625)
Net Cash Flows from/(Used in) Operating Activities		**1,010,246,599**	1,994,033,723
Cash Flows from / (Used in) Investing Activities			
Purchase of Property, Plant and Equipment	22.1	**(88,766,534)**	(141,303,856)
Purchase of Right of Use Assets	22.1	**(85,662,333)**	(76,526,736)
Purchase of Intangible Assets	23	**(30,114,398)**	(2,184,070)
Disposal of Property, Plant and Equipment			
Dividend Received	6	**179,520**	240,000
Investment in Treasury Bills	14	**(515,700,380)**	(300,329,263)
Investing in Fixed Deposits	15	**189,420,855**	(157,524,998)
Net Cash Flows from/(Used in) Investment Activities		**(530,643,270)**	(677,628,924)
Cash Flows from / (Used in) Financing Activities			
Proceeds from Bank Borrowings		**15,985,000,000**	6,424,000,000
Repayment of Bank Borrowings		**(15,340,051,428)**	(7,494,177,824)
Rental Paid for Lease Obligation		**(63,722,616)**	(60,047,593)
Repayment of Other Borrowed Funds		**–**	–
Net Cash Flows from/(Used in) Financing Activities		**581,225,956**	(1,130,225,417)
Net Increase/(Decrease) in Cash & Cash Equivalents		**1,060,829,285**	186,179,382
Cash and Cash Equivalents at the Beginning of the Period		**251,915,083**	65,735,701
Cash and Cash Equivalents at the End of the Year	32	**1,312,744,367**	251,915,083

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

1.1 General

IDEAL Investment Limited is a limited liability company, incorporated on 24 January 2012 under companies Act No.7 of 2007 and then changed the name as IDEAL Finance Limited on 12 March 2012 and domiciled in Sri Lanka. The registered office of the company is situated at No.299, Dr. Colvin R De. Silva Mawatha (Union Place), Colombo 02. On 28th January 2022 the company changed its' name to MAHINDRA IDEAL Finance Limited.

MAHINDRA IDEAL Finance Limited is licensed by Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, and also registered under the Finance Leasing Act No.56 of 2000.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were Acceptance of Deposits, Granting Lease, Loan Facilities and Gold Advances.

1.3 Parent Entity and Ultimate Parent Entity

Mahindra and Mahindra Financial Services Limited, India is the parent of MAHINDRA IDEAL Finance Limited. Further the company does not have any investments in the form of subsidiary, joint venture or associate.

1.4 Date of Authorization for Issue

The financial statements of MAHINDRA IDEAL Finance Limited for the period ended 31 March 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 18 April 2024.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with Accounting Policies and Notes, ('Financial Statements'),as at 31 March 2024 and for the period then ended, have been prepared in accordance with Sri Lanka Accounting Standards (hereafter referred as "SLFRS"), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007 and amendments thereto.

2.1.2 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for these Financial Statements of the Company as per Sri Lanka Accounting Standards (SLFRSs and LKASs) and the provisions of the Companies Act No 7 of 2007.

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost basis except retirement benefits obligation, which was ascertained by an actuarial valuation.

2.1.4 Presentation of Financial Statements

In compliance with LKAS 01 on Presentation of Financial Statements, each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial.

The company presents its Statements of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 35.

2.1.5 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, except when otherwise is indicated. No adjustments have been made for inflationary factors.

2.1.6 Materiality, Aggregation Offsetting and Rounding Off

In compliance with LKAS 01 on Presentation of Financial Statements, each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately, unless they are immaterial.

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

The amounts in the financial statements have been rounded off to the nearest Sri Lankan Rupee, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard (LKAS 1) – 'Presentation of Financial Statements'.

2.1.7 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous financial year. Further comparative information is reclassified whenever necessary to comply with the current presentation in the Financial Statements. However, the Company has not restated comparative information for 2024.

2.1.8 Statement of Cash Flow

The cash flow statement has been prepared by using the indirect method in accordance with the Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash Flows), whereby operating, investing and financial activities have been separately recognised. Cash and cash equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents include cash in hand, balances with banks, placements with banks (less than 3 months), net of unfavorable bank balances and securities purchased under repurchase agreement (less than three months).

2.1.9 Events After the Reporting Date

Events after the Reporting Date are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period have been considered and appropriate disclosures are made in Note 37 to the Financial Statements.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

i. Going Concern

The board has made an assessment of the company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the company. Further, the Directors have considered the potential downsides that the recent economic stress could bring to the business operations of the Company, in making this assessment. Therefore, the financial statements continue to be prepared on the going concern basis.

ii. Impairment losses on loans and receivables

The measurement of impairment losses under SLFRS 9 across all categories of financial assets requires judgement, in particular,

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Number of days past due and the Guidelines issued by the Central Bank of Sri Lanka
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

iii. Fair Value of Financial Instruments

The determination of fair values of financial assets and financial liabilities recorded in the Statement of Financial Position for which there is no observable market price is based on using a variety of valuation techniques that include the use of mathematical models. The valuation of financial instruments is described in Note 34 to the Financial Statements. The Company measures fair value using the fair value hierarchy that reflects the significance of input used in making measurements. The fair value hierarchy is given in Note 34 to the Financial Statements.

iv. Financial Assets and Financial Liabilities Classification

The Company's accounting policies provide scope for assets and liabilities to be classified, at inception in to different accounting categories. The classification of financial instruments is given in Note 33 "Analysis of Financial Instruments by Measurement Basis".

v. Defined Benefit Plan

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 28.

vi. Useful Life-time of the Property, Plant, Equipment and Intangible Assets

The Company reviews the residual values, useful lives and methods of depreciation and amortization of property, plant, equipment and intangible assets at each reporting date. The judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in preparation of its Financial Statements are included in below.

2.3.1 SLFRS 09 Financial Instrument

SLFRS 9 –Financial Instruments replaces LKAS 39 for annual periods on or after 1 January 2018. The company has adopted SLFRS-09 Financial Instruments with an initial application date of 1 April 2018.

2.3.1.1 Classification & Measurement of Financial Assets and Liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised Cost,
- Fair Value through Other Comprehensive Income (FVOCI),
- Fair Value through Profit or Loss

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL or the fair value designation is applied.

2.3.1.2 Financial Assets and liabilities

2.3.1.2.1 Lease rental receivables, Loans and Receivables to Other Customers, Financial Investments at Amortised Cost.

The company only measures Lease, Loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The classification of financial liabilities under SLFRS 9 does not follow the approach for the classification on financial assets. Financial liabilities are measured at amortised cost or fair value through profit or loss.

The details of conditions of business model assessment and the SPPI test are outlined below.

(a) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

(b) The SPPI Test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

An entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

2.3.1.2.2 Reclassification of Financial Assets and Liabilities

The company does not reclassify its financial assets or liability subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company did not reclassify any of its financial assets or liabilities in year 2023/24.

2.3.1.3 De-recognition of Financial Instruments

2.3.1.3.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired.

2.3.1.3.2 Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

2.3.1.4 Impairment of Financial Assets

Overview of the Expected Credit Loss (ECL) Principles

The Company's loan loss impairment method by using forward-looking Expected Credit Loss (ECL) approach. From 1 April 2018, the Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under SLFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset. The 12 months ECL is the portion of Life time ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Life time ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into Stage 1, Stage 2 and Stage 3.

Stage 1

When loans are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the Life time ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3

Loans considered credit-impaired. The Company records an allowance for the Life time ECLs.

2.3.1.4.1 The Calculation of Expected Credit Loss (ECL)

The Company calculates ECLs under three staging approaches to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes 90 days past due on its contractual payments.

Probability of Default (PD)

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously recognised and is still in the portfolio.

However, for placements with Banks and other financial investments classified as amortised cost and fair value through other Comprehensive Income the Company relies on external credit rating in determining their respective PDs.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

EAD

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

2.3.1.4.2 The mechanics of the ECL method are summarized below:

Stage 1

The 12 months ECL is calculated as the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For loans considered credit-impaired, the Company recognises the LTECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%. The Company recognises the interest income on loans classified under stage 3 at the effective interest rate on amortised cost.

Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer with an increased credit risk level, following are such instances:

- Stage 1 and Stage 2 facilities of a Stage 3 customer are also classified as Stage 3.
- Stage 1 facilities of a Stage 2 customer are classified as Stage 2.
- Facilities related to management identified risk elevated industries are classified as Stage 3.
- Rescheduled facilities are categorized based on their aggregate days past due, ie, the aggregate of the present age of the facility and the age prior to reschedule.
- Originated credit impaired assets :-These are financial assets that are credit impaired on initial recognition. They are recorded at fair value at initial recognition and interest income is subsequently recognized based on credit adjusted EIR. ECLs are recognized or released to the extent that there is subsequent change in expected credit losses.

Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

Quantitative	Qualitative
GDP Growth	Government Policies
Inflation	Status of the Industry Business
Unemployment	Regulatory Impact
Interest Rates	Global Economic Environment
Exchange Rates	

The inputs and models used for calculating ECLs may not always capture all the characteristics of the market at the date of the financial statements.

To reflect the uncertainties in the calculation of expected credit losses, the Company has changed the weightages assigned for multiple economic scenarios during the year. Weightages assigned for each scenario is given below along with the weightages used in 2022/23.

	2023/24	2022/23
Base case	50%	50%
Best case	10%	10%
Worst case	40%	40%

The inputs and models used for calculating ECLs may not always capture all characteristics of the market as at the date

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

To ensure completeness and accuracy, the company obtains necessary data primarily from publications of Central Bank of Sri Lanka.

2.3.1.5 Determination of Fair Value

The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The disclosure of fair value of financial instruments is disclosed in Note 34 to the Financial Statements.

2.3.2 Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.3.2.1 Finance Lease

Company as a lessor

Assets leased to customers which transfer substantially all the risks and rewards associated with ownership other than legal title, are classified as 'Finance Lease". Amount receivables under finance lease are included under 'Lease Rentals Receivables' in the Statement of Financial Position after deduction of unearned lease income and accumulated impairment losses. When assets are held subject to a finance lease, the present value of the lease payments, discounted at the rate of interest implicit in the lease, is recognized as a receivable. The difference between the total payments receivable under the lease and the present value of the receivable is recognized as unearned finance income, which is allocated to accounting periods reflect a constant periodic rate of return.

2.3.2.2 SLFRS 16 – Leases

Company as a lessee

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. lessee and lessor. SLFRS 16 supersedes Sri Lanka Accounting Standard - LKAS 17 (Leases) and related interpretations, SLFRS 16 introduces a single accounting model for the lessee, eliminating the present classification of leases in LKAS 17 as either operating leases or finance leases.

The company has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard. At the date of adoption, right of use was recognized as amount equal to the lease liability, adjusted by the amount of prepaid lease rentals.

Under this method, the standard is applied retrospectively and the cumulative effect as at initial date of application of the standard i.e 1 April 2019 has been duly adjusted. The company elected to use the transitional practical expedient to not reassess whether an existing contract forms a lease as at 1st April 2019, under the definitions provided in the standard. Instead, the company applied the standard only to contracts that were previously identified as leases applying LKAS 17 at the date of initial application.

The contracts which were previously classified as "operating leases" under the principles of LKAS 17 -Leases, have been recognize as "right of- use assets" with the adoption of SLFRS 16 -Leases.

2.3.3 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash in hand, and amounts due from banks on demand or with an original maturity of three months or less.

2.3.4 Property, Plant and Equipment

Property, plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The estimated useful lives are as follows:

Category	Years
Furniture & Fittings	05
Office Equipment	05
Motor Vehicles	05
Computer Equipment	05

The depreciation method and residual values of assets are reviewed at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method shall be changed to reflect the changed pattern.

Property plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is recognized in 'Other Operating Income' in the Statement of Comprehensive Income (Profit or Loss) in the year the asset is recognized.

2.3.5 Right-Of-Use Assets

2.3.5.1 Basis of recognition

The Company applies Sri Lanka Accounting Standard SLFRS 16 "Leases" in accounting for all lease hold rights except for leases due to expire during the financial year and leases on which implications to the financial statements are not considered to be material. The company uses its judgment to determine whether an operating lease contract qualifies for recognition of right-of-use assets. The company applies judgements in evaluating the level of certainty whether the option of renewing the lease exits or otherwise. That is, it considers all relevant factors that create an economic benefits for it to exercise either the renewal or termination.

Basis of measurement

The company recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use assets are measured at cost less any accumulated amortization and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortised on the straight line basis over the lease term.

When measuring lease liabilities for leases that were classified previously as operating leases, the company discounted future lease payments due as of 1 April 2019 using the incremental borrowing rate as at 1 April 2019. The rate applicable was 14%.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3.6 Intangible assets

The company's other intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial yearend.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of comprehensive income.

Computer System software is amortised over: 10 years

2.3.7 Other Assets

All other assets are stated at amortised cost less accumulated impairment losses.

2.3.8 Inventories

Inventories include stationeries and these are valued at the lower of cost and net realizable value.

2.3.9 Impairment of non–financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

2.3.10 Employee Retirement Benefits

Defined Contribution Plan Costs

Defined contribution plan is a post- employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to a defined contribution plan are recognized as a Personnel Expenses in the Statement of comprehensive income in the periods during which services are rendered by employees. Employees are eligible for employees' Provident Fund and Employees Trust Fund Contributions in line with the respective Statutes and regulations. Accordingly, the company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employee Trust Fund respectively and is recognized as an expense under "Personnel Expenses".

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

Defined Benefit Plan Costs

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rate that are denominated in the currency in which the benefit will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the Financial Statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19-"Employee Benefits".

However, according to the payment of Gratuity Act No.12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued services. The liability is not externally funded.

2.3.11 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

2.3.12 Other Liabilities

Other liabilities are recorded at the cash value to be realized when settled.

2.3.13 Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the statement of financial position date. All differences arising on non–trading activities are taken to 'Other operating income' in the income statement.

2.3.14 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest income and interest expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the Effective Interest Rate. Effective Interest Rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original Effective Interest Rate and the change in carrying amount is recorded as 'Interest Income' for financial assets and Interest Expense for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the Effective Interest Rate from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

– Fee income earned from services that are provided over a certain period of time.

– Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and service charges.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iii) Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

(iv) Expenditure Recognition

Expenses are recognized in profit or loss in the statement of comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of Comprehensive Income (Profit or loss). For the purpose of presentation of the statement of comprehensive Income, the "function of expenses" method has been adopted, on the basis that it presents fairly the element of the company's performance.

2.3.15 Taxes

a. Current Tax

The provision for the income tax is based on the elements of the income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of Inland Revenue Act, No. 24 of 2017.

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

b. Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credit and unused tax losses can be utilized.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Value Added Tax on Financial Services and Social Security Contribution Levy

Value Added Tax on Financial Services is calculated at the rate of 18% in accordance with the provisions of the Value Added Tax Act No. 14 of 2002 and amendments thereto. The Social Security Contribution Levy is calculated at the rate of 2.5% on the turnover applicable for Value Added Tax on Financial Services with effect from 01st October 2022.

2.3.16 Regulatory provisions

a) Deposit Insurance and Liquidity Support Scheme

In terms of the Finance Companies Direction No.2 of 2010 "Insurance of Deposit Liabilities" issued on 27 September 2010 and subsequent amendments thereto, all Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No.1 of 2010 issued under Sections 32A to 32E of the Monetary Law Act with effect from 1 October 2010.The said Scheme was renamed as the "Sri Lanka Deposit Insurance and Liquidity Support Scheme" as per the Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulation No. 1 of 2013.

The deposits to be insured shall include demand, time and savings deposit liabilities and exclude the following.

- Deposit liabilities to member institutions
- Deposit liabilities to the Government of Sri Lanka
- Deposit liabilities to shareholders, directors, key management personnel and other related parties as defined in Finance Companies Act (Corporate Governance) Direction No.3 of 2008 for Registered Finance Companies
- Deposit liabilities held as collateral against any accommodation granted
- Deposits falling within the meaning of abandoned property in terms of the Banking Act and dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to the Central Bank of Sri Lanka in terms of the relevant Directions issued by the Monetary Board.

Registered Finance Companies are required to pay a premium of 0.15% on total amount of eligible deposits as at end of the month with in a period of 15 days from the end of the respective month.

b) Crop Insurance Levy (CIL)

As per the provisions of the Section 14 of the Finance Act No.12 of 2013, the CIL was introduced with effect from April 1, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

2.3.17 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating policies/ decisions of the other, irrespective of whether a price is being charged.

2.3.18 Segment Reporting

The Company's segmental reporting is based on the following operating segments identified based on products and services;

- Finance Lease
- Term Loans
- Gold Loans
- Others

A segment is a distinguishable component of a Company that is engaged in providing products and services. (Business segment, which is subject to risks and rewards that are different from those of other segments).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The accounting policies adopted for segment reporting are those accounting policies adopted for preparing the financial statements of the Company.

2.3.19 Sri Lanka Accounting Standards Not Yet Effective as at 31 March 2024

- SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. On effective, SLFRS 17 will replace SLFRS 4 (Insurance Contracts)

No material impact on the financial statements of the Company.

Amendments to LKAS 1 - Presentation of Financial Statements

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements. The amendments are effective for annual periods beginning on or after 1 January 2024.

No material impact on the financial statements of the Company.

- Amendments to LKAS 12 – Income taxes

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

No impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

3. INCOME

	2024 LKR	2023 LKR
Interest Income (4.1)	**2,153,618,043**	1,805,299,948
Fee and Commission Income (5)	**10,249,062**	13,067,675
Other Operating Income (6)	**145,173,275**	105,911,732
Total Income	**2,309,040,380**	1,924,279,355

4. NET INTEREST INCOME

4.1 Interest Income

	2024 LKR	2023 LKR
From Placements with Banks and Other Financial Institutions	**70,723,448**	55,087,026
From Government Securities	**169,043,385**	60,364,968
From Lease Rental Receivable	**574,634,047**	641,168,494
From Loans and Advances	**154,281,660**	239,486,405
From Gold Advances	**1,183,588,966**	807,982,594
From Refundable Deposits	**1,346,537**	1,210,461
Total Interest Income	**2,153,618,043**	1,805,299,948

4.2 Interest Expense

	2024 LKR	2023 LKR
Due to Banks	**377,945,850**	434,895,016
Due to Customers	**646,062,235**	452,995,806
On Intercompany Borrowings	**–**	–
On Obligation to Make the Lease Payment for Right of Use Assets	**37,872,226**	33,835,137
Total Interest Expenses	**1,061,880,311**	921,725,959
Net Interest Income	**1,091,737,732**	883,573,989

5. FEE AND COMMISSION INCOME

	2024 LKR	2023 LKR
Commission Income	**10,249,062**	13,067,675
Fee and Commission Income	**10,249,062**	13,067,675

6. OTHER OPERATING INCOME

	2024 LKR	2023 LKR
Dividend Income	**179,520**	240,000
Service Charges - Gold Loans	**74,157,350**	88,672,799
Service Charges - Leases & Other Loans	**14,487,892**	–
Fair Value Gain or Loss	**45,883,569**	
Other Operating Income	**10,464,944**	16,998,933
Total Other Operating Income	**145,173,275**	105,911,732

7. IMPAIRMENT CHARGES FOR LOANS AND OTHER LOSSES

	2024 LKR	2023 LKR
Charge/(write-back) to the statement of comprehensive income		
– Impairment on individually significant loans	**(12,422,784)**	1,568,253
– Impairment on collective loan portfolio	**(97,507,252)**	20,749,444
– Write-offs net of recoveries	**60,058,221**	48,665,419
Total Impairment Charge	**(49,871,815)**	70,983,116

Lease Rentals Receivable (Note 17.2.a)	2024 LKR	2023 LKR
Stage 1	**(5,674,981)**	(20,244,828)
Stage 2	**(29,921,311)**	5,722,590
Stage 3	**(50,953,828)**	20,852,917
	(86,550,120)	6,330,679
Loans and Advances (Note 18.2.a)		
Stage 1	**4,985,876**	(18,581,605)
Stage 2	**(8,415,989)**	1,983,542
Stage 3	**(24,314,060)**	20,612,805
	(27,744,173)	4,014,741
Gold Advances		
Stage 1	**9,057,810**	2,742,606
Stage 2	**(1,501,914)**	5,548,169
Stage 3	**(3,191,639)**	3,681,501
	4,364,256	11,972,276

8. PERSONNEL EXPENSES

	2024 LKR	2023 LKR
Salaries	**373,156,843**	278,909,249
Employers' Contribution to Employee's Provident Fund	**33,224,198**	27,527,802
Employers' Contribution to Employee's Trust Fund	**8,303,550**	6,881,950
Gratuity Charge for the year	**12,673,570**	9,450,813
Other Staff Related Expenses	**74,217,224**	27,204,768
Total Personnel expenses	**501,575,385**	349,974,582

9. OTHER OPERATING EXPENSES

	2024 LKR	2023 LKR
Directors' Emoluments	**4,499,783**	5,600,000
Auditors' Remuneration	**1,663,063**	965,613
Professional and Legal Expenses	**14,263,904**	8,989,716
Office Administration and Establishment Expenses	**176,433,985**	126,056,473
Advertising and Promotional Expenses	**65,632,021**	35,933,596
License and Renewal Fees	**1,083,080**	4,051,298
Other Expenses	**67,835,890**	54,699,552
Total Other Operating expenses	**345,864,952**	236,296,248

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

10. VALUE ADDED TAX AND NBT ON FINANCIAL SERVICES AND SSCL

	2024 LKR	2023 LKR
VAT on Financial Services	**116,700,020**	88,673,219
Social Security Contribution Levy (SSCL)	**16,208,337**	6,227,766
	132,908,357	94,900,985

11. INCOME TAX EXPENSES

11.1 The major component of income tax for the period ended 31 March as follows;

Income Statement	2024 LKR	2023 LKR
Current Income Tax		
Income Tax for the Period	**91,687,602**	71,056,252
Due to rate reduction	**–**	–
Tax Adjustment with Final Payment	**248,879**	(258,011)
Deferred Tax (Note 29)		
Due to change in temporary differences	**5,962,017**	2,255,098
Due to rate change	**–**	(6,858,952)
Income Tax Expenses reported in the Income Statement	**97,898,498**	66,194,388
Statement of Other Comprehensive Income		
Deffered Tax related to items recognized in OCI during the year		
Net Gain/(Loss) on Actuarial Gains/Losses during the year	**(2,430,574)**	639,287
Income Tax Expenses reported in the Other Comprehensive Income	**(2,430,574)**	639,287
Total Income Tax Expense for the year	**95,467,924**	66,833,675
Income Tax Rate Applicable	**30%**	30%

11.2 Reconciliation of Accounting Profit and Taxable Income

A reconciliation between the tax expense and the accounting profit multiplied by Income tax rate for the year ended 31 March 2024 as follows.

	2024 LKR	2023 LKR
Accounting Profit / (Loss) Before Income Taxation	**201,190,201**	153,092,202
Aggregate allowable expenditure	**(69,686,692)**	(169,784,887)
Tax loss utilised	**–**	–
Aggregate disallowable expenditure	**174,121,831**	279,979,545
	305,625,340	263,286,860
Tax at statutory rates	**91,687,602**	71,056,252
Less : Due to rate reduction	**–**	–
Less : Tax Adjustment with Final Payment	**248,879**	(258,011)
	91,936,481	70,798,241
Deferred taxation charged/(Reversal)	**5,962,017**	2,255,098
Less : Due to rate change	**–**	(6,858,952)
	97,898,498	66,194,388
Effective Tax Rate	**48.66%**	43.24%

12. BASIC AND DILUTED EARNING PER ORDINARY SHARES

12.1 Basic and diluted earning per share is calculated by dividing net profit for the period attributable to ordinary share holders by weighted average number of ordinary shares outstanding during the period, as per LKAS-33-Earning Per Share.

12.2 The following reflect the income and share details used in Basic and Diluted Earning Per Share computation;

	2024 LKR	2023 LKR
Amount Used as Numerators		
Profit attributable to Ordinary Share Holders	**103,291,703**	86,897,814
Number of Ordinary shares used as Denominator		
Weighted Average Number of Ordinary Shares	**145,639,098**	145,639,098
Basic and Diluted Earning Per Ordinary Shares	**0.71**	0.60

13. CASH AND BANK BALANCES

	2024 LKR	2023 LKR
Cash in Hand	**102,627,472**	127,864,098
Bank Balances	**8,140,248**	37,719,598
	110,767,720	165,583,696

14. INVESTMENT IN GOVERNMENT SECURITIES

	2024 LKR	2023 LKR
Investment in Treasury Bills with original maturity less than 3 months	**–**	157,808,254
Investment in Treasury Bills with original maturity more than 3 months	**816,029,643**	300,329,263
Investment in Reverse Repurchase Agreements (less than 3 months)	**1,002,994,685**	–
	1,819,024,328	458,137,517

14.1 Financial Investments-Measured at Fair Value Through PL

	2024 LKR	2023 LKR
Investment in Unit Trust Funds	**1,001,278,217**	–
	1,001,278,217	–

15. PLACEMENT WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024 LKR	2023 LKR
Fixed Deposits placed with banks original maturity less than 3 months	**100,000,000**	–
Fixed Deposits placed with banks original maturity more than 3 months	**255,848,060**	445,268,915
	355,848,060	445,268,915

16. GOLD ADVANCES

	2024 LKR	2023 LKR
Gold Advances	**4,530,164,582**	3,971,326,248
Less : Allowance for Impairment Losses	**(25,002,009)**	(20,637,753)
Net Gold Advances	**4,505,162,573**	3,950,688,495

Collective Impairment	2024 LKR	2023 LKR
As at 1 April	**20,637,753**	8,665,477
Charges/(reversals) for the year	**4,364,256**	11,972,276
As at 31 March	**25,002,009**	20,637,753

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

17. LEASE RENTALS RECEIVABLES

	2024 LKR	2023 LKR
Rental Receivable on Lease	**3,788,875,387**	3,224,676,754
Gross Rentals Receivables	**3,788,875,387**	3,224,676,754
Less: Unearned Income	**(796,367,769)**	(656,352,549)
	2,992,507,618	2,568,324,205
Less : Rentals Received in Advance	**(35,457,655)**	(14,828,488)
Net Rentals Receivables before charging Allowance for Impairment Losses	**2,957,049,963**	2,553,495,717
Less : Allowance for Impairment Losses (Note 17.2)	**(92,920,215)**	(179,470,334)
Total Net Rentals Receivable	**2,864,129,749**	2,374,025,383

17.1 Net Rentals Receivable on Lease 'LKR

	As at 31st March 2024			**As at 31st March 2023**		
	Gross Rentals Receivables	**Allowance for Impairment Losses**	**Net Rentals Receivables**	**Gross Rentals Receivables**	**Allowance for Impairment Losses**	**Net Rentals Receivables**
Stage - 1	2,114,556,470	24,258,088	2,090,298,382	1,120,683,414	29,933,070	1,090,750,344
Stage - 2	584,202,430	13,254,909	570,947,522	833,587,566	43,176,219	790,411,347
Stage - 3	258,291,063	55,407,218	202,883,845	599,224,738	106,361,045	492,863,692
	2,957,049,964	92,920,215	2,864,129,749	2,553,495,717	179,470,334	2,374,025,383

17.2 Allowance for Impairment Losses 'LKR.

(a) Allowance for Impairment with stage wise

	Collective			**Individual**	
	Stage -1	**Stage -2**	**Stage -3**	**Stage -3**	**Total**
Balance as at 01 April 2023	29,933,069	43,176,219	101,312,999	5,048,046	179,470,334
Charges/(Reversals) for the year	(5,674,981)	(29,921,311)	(46,060,251)	(4,893,577)	(86,550,120)
Amount written off	–	–	–	–	–
Balance as at 31 March 2024	**24,258,088**	**13,254,909**	**55,252,748**	**154,470**	**92,920,214**

(b) Movement in allowance for impairment

	2024 LKR	2023 LKR
As at 01 April	**179,470,334**	173,139,654
Charges/(reversals) for the year	**(86,550,120)**	6,330,679
Amounts written off	**–**	–
As at 31 March	**92,920,214**	179,470,334
Individual impairment	**154,470**	5,048,046
Collective impairment	**92,765,744**	174,422,287
Total	**92,920,214**	179,470,334

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

(c) Movements in Individual and Collective impairment allowance for Leasing & Hire Purchase Rentals Receivables during the year

Individual Impairment	2024 LKR	2023 LKR
As at 1 April	**5,048,046**	10,525,173
Charges/(reversals) for the year	**(4,893,577)**	(5,477,127)
Amounts written off	**–**	–
As at 31 March	**154,469**	5,048,046

Collective Impairment	2024 LKR	2023 LKR
As at 1 April	**174,422,287**	162,614,481
Charges/(reversals) for the year	**(81,656,543)**	11,807,806
Amounts written off	**–**	–
As at 31 March	**92,765,744**	174,422,287
Total	**92,920,214**	179,470,333

17.3 Credit Exposure and ECL Stage wise movement

An analysis of changes in the gross carrying amount and the corresponding ECL of Lease Rental Receivables is as follows :

Gross exposure reconciliation

As at 31st March 2024

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2023	1,120,683,414	833,587,566	599,224,738	2,553,495,717
Changes due to loans recognized in the opening balance that have:	–	–	–	–
- Transfers to Stage 1	259,846,167	(180,594,784)	(79,251,383)	–
- Transfers to Stage 2	(207,837,062)	319,394,085	(111,557,023)	–
- Transfers to Stage 3	(25,314,339)	(87,748,669)	113,063,008	–
- Loans that have been derecognized during the period	(289,222,180)	(226,298,799)	(148,852,603)	(664,373,582)
New loans originated during the year	1,563,366,281	108,204,972	27,922,744	1,699,493,997
Write-offs	(1,966,316)	(8,152,365)	(92,296,742)	(102,415,423)
Remeasurement of net exposure	(304,999,494)	(174,189,576)	(49,961,676)	(529,150,746)
Gross carrying amount balance as at 31 March 2024	**2,114,556,469**	**584,202,430**	**258,291,063**	**2,957,049,963**

As at 31st March 2023

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2022	2,363,139,989	841,524,574	532,551,469	3,737,216,031
Changes due to loans recognized in the opening balance that have:	–	–	–	
- Transfers to Stage 1	305,252,733	(227,982,508)	(77,270,225)	–
- Transfers to Stage 2	(650,847,342)	733,912,019	(83,064,676)	–
- Transfers to Stage 3	(280,333,439)	(195,939,914)	476,273,353	–
- Loans that have been derecognized during the period	(213,684,737)	(129,572,711)	(193,726,965)	(536,984,413)
New loans originated during the year	35,329,389	22,163,570	12,596,816	70,089,776
Write-offs	–	–	49,227,956	49,227,956
Remeasurement of net exposure	(438,173,179)	(210,517,464)	(117,362,989)	(766,053,632)
Gross carrying amount balance as at 31 March 2023	**1,120,683,414**	**833,587,566**	**599,224,738**	**2,553,495,717**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

Reconciliation of ECL balance

As at 31st March 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2023	29,933,070	43,176,219	106,361,045	179,470,334
Changes due to loans recognized in the opening balance that have:				–
- Transfers to Stage 1	23,420,969	(9,354,026)	(14,066,942)	–
- Transfers to Stage 2	(5,551,332)	25,352,453	(19,801,121)	–
- Transfers to Stage 3	(676,146)	(4,545,000)	5,221,147	–
- Loans that have been derecognized during the period	(7,725,130)	(11,721,296)	(26,421,003)	(45,867,429)
New loans originated during the year	17,934,861	2,455,051	5,989,838	26,379,750
Write-offs	(52,520)	(422,257)	(16,382,464)	(16,857,242)
Net remeasurement of loss allowance	(33,025,682)	(31,686,235)	14,506,719	(50,205,199)
ECL allowance balance as at 31 March 2024	**24,258,088**	**13,254,909**	**55,407,218**	**92,920,215**

As at 31st March 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	49,803,710	37,453,629	85,882,316	173,139,655
Changes due to loans recognized in the opening balance that have:	–	–	–	–
- Transfers to Stage 1	22,607,830	(10,146,789)	(12,461,041)	–
- Transfers to Stage 2	(13,819,851)	27,215,339	(13,395,488)	–
- Transfers to Stage 3	(5,952,496)	(8,720,673)	14,673,169	–
- Loans that have been derecognized during the period	(4,537,302)	(5,766,876)	(31,241,526)	(41,545,705)
New loans originated during the year	943,649	1,147,977	2,235,907	4,327,532
Write-offs	–	–	7,938,784	7,938,784
Net remeasurement of loss allowance	(19,112,471)	1,993,613	52,728,925	35,610,068
ECL allowance balance as at 31 March 2023	**29,933,070**	**43,176,219**	**106,361,045**	**179,470,334**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2024 and that were still subject to enforcement activity was Rs 49,530,354.

The decrease in ECL of the portfolio was driven by improvement in economic conditions during the year leading to higher overall collections. The Stage 3 provision includes management overlay of Rs 23,754,455.

17.4 Sensitivity Analysis of Accumulated Impairment for Lease Rentals Receivables and Stock Out on Hire as at 31st March

		2024	2023
Changed Criteria	**Changed Factor**	**Sensitivity effect on Impairment Allowance Increase**	**Sensitivity effect on Impairment Allowance Increase**
Loss Given Default (LGD)	Increase by 1%	3,899,660	9,352,206
Probability of Default (PD)	Increase by 1%	2,715,477	4,278,683
Economic Factor Adjustment (EFA)	Increase by 5%	1,324,978	2,209,628

17.5 Rental Receivable on Lease

Changed Criteria	Within One Year LKR	1 to 5 Years LKR	Over 5 Years LKR	Total LKR
Gross Rentals Receivables	1,805,146,134	1,983,379,020	350,232	3,788,875,386
Less: Unearned Income	419,625,688	376,717,797	24,285	796,367,769
	1,385,520,447	1,606,661,223	325,947	2,992,507,618
Less : Rentals Received in Advance				(35,457,655)
Net Rentals Receivable before charging Allowance for Impairment Losses				**2,957,049,963**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

18. LOANS AND ADVANCES

	2024 LKR	2023 LKR
Loan Receivable	**1,467,645,333**	1,019,283,159
Less : Unearned Interest Income	**(235,976,588)**	(127,899,429)
Net Receivable	**1,231,668,745**	891,383,730
Less : Repayments In Advance	**(14,352,641)**	(21,141,887)
Net Loan Receivables before charging Allowance for Impairment Losses	**1,217,316,104**	870,241,843
Less : Allowance for Impairment Losses (Note 18.2)	**(43,684,818)**	(71,428,991)
Total Net Loan Receivable	**1,173,631,285**	798,812,852

18.1 Net Receivable on Loans

	As at 31st March 2024			As at 31st March 2023		
	Gross Loan Receivables	Allowance for Impairment Losses	Net Loan Receivables	Gross Loan Receivables	Allowance for Impairment Losses	Net Loan Receivables
Stage - 1	1,084,097,928	12,640,689	1,071,457,239	364,983,716	7,654,812	357,328,904
Stage - 2	59,655,503	1,590,175	58,065,327	202,548,041	10,006,164	192,541,877
Stage - 3	73,562,674	29,453,955	44,108,719	302,710,086	53,768,015	248,942,071
	1,217,316,104	**43,684,818**	**1,173,631,285**	**870,241,843**	**71,428,991**	**798,812,852**

18.2 Allowance for Impairment Losses ‘LKR.

(a) Allowance for Impairment with stage wise

	Collective			Individual	
	Stage -1	Stage -2	Stage -3	Stage -3	Total
Balance as at 01 April 2023	7,654,812	10,006,164	44,746,543	9,021,472	71,428,991
Charges/(Reversals) for the year	4,985,876	(8,415,989)	(16,784,853)	(7,529,207)	(27,744,173)
Amount written off	–	–		–	–
Balance as at 31 March 2024	**12,640,689**	**1,590,175**	**27,961,689**	**1,492,265**	**43,684,818**

(b) Movement in allowance for impairment

	2024 LKR	2023 LKR
As at 01 April	**71,428,991**	67,414,250
Charges/(reversals) for the year	**(27,744,173)**	4,014,742
Amounts written off	**–**	–
As at 31 March	**43,684,818**	71,428,991
Individual impairment	**1,492,265**	9,021,472
Collective impairment	**42,192,553**	62,407,519
Total	**43,684,818**	71,428,991

(c) Movements in Individual and Collective impairment allowance for Loans & Advances during the year.

Individual Impairment	2024 LKR	2023 LKR
As at 1 April	**9,021,473**	1,976,093
Charges/(reversals) for the year	**(7,529,207)**	7,045,380
Amounts written off	**–**	–
As at 31 March	**1,492,266**	9,021,473

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

Collective Impairment	2024 LKR	2023 LKR
As at 1 April	**62,407,519**	65,438,157
Charges/(reversals) for the year	**(20,214,966)**	(3,030,638)
Amounts written off	**–**	–
As at 31 March	**42,192,553**	62,407,519
Total	**43,684,819**	71,428,992

18.3 Credit Exposure and ECL Stage wise movement

An analysis of changes in the gross carrying amount and the corresponding ECLs of Loan Receivables is as follows :

Gross exposure reconciliation

As at 31st March 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2023	364,983,716	202,548,041	302,710,086	870,241,843
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	96,712,040	(70,066,030)	(26,646,011)	–
- Transfers to Stage 2	(9,897,875)	35,770,649	(25,872,774)	–
- Transfers to Stage 3	(12,138,897)	(11,097,387)	23,236,284	–
- Loans that have been derecognized during the period	(273,511,729)	(84,644,502)	(120,373,419)	(478,529,650)
New loans originated during the year	987,827,545	13,361,561	–	1,001,189,106
Write-offs	–	(4,294,986)	(53,877,770)	(58,172,756)
Remeasurement of net exposure	(69,876,872)	(21,921,844)	(25,613,722)	(117,412,438)
Gross carrying amount balance as at 31 March 2024	**1,084,097,928**	**59,655,503**	**73,562,674**	**1,217,316,104**

As at 31st March 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	1,058,746,170	210,345,614	204,945,266	1,474,037,050
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	69,073,810	(42,431,345)	(26,642,465)	–
- Transfers to Stage 2	(149,180,252)	173,255,751	(24,075,499)	–
- Transfers to Stage 3	(223,213,603)	(51,214,980)	274,428,583	–
- Loans that have been derecognized during the period	(345,967,767)	(67,080,485)	(93,967,075)	(507,015,327)
New loans originated during the year	160,782,531	43,234,528	9,497,349	213,514,408
Write-offs	–	–	18,275,514	18,275,514
Remeasurement of net exposure	(205,257,173)	(63,561,042)	(59,751,587)	(328,569,802)
Gross carrying amount balance as at 31 March 2023	**364,983,716**	**202,548,041**	**302,710,086**	**870,241,843**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

Reconciliation of ECL balance

As at 31st March 2024

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2023	7,654,812	10,006,164	**53,768,015**	71,428,991
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	8,194,284	(3,461,362)	**(4,732,922)**	–
- Transfers to Stage 2	(329,741)	4,925,319	**(4,595,578)**	–
- Transfers to Stage 3	(404,399)	(548,227)	**952,626**	–
- Loans that have been derecognized during the period	(4,608,040)	(4,181,560)	**(21,380,985)**	(30,170,585)
New loans originated during the year	11,241,350	356,165	**–**	11,597,515
Write-offs	–	(212,178)	**(9,569,885)**	(9,782,064)
Net remeasurement of loss allowance	(9,107,577)	(5,294,145)	**15,012,683**	610,960
ECL allowance balance as at 31 March 2024	12,640,689	1,590,175	**29,453,955**	43,684,818

As at 31st March 2023

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2022	26,610,604	8,022,622	**32,781,024**	67,414,250
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	5,879,806	(1,618,340)	**(4,261,466)**	–
- Transfers to Stage 2	(3,729,225)	7,580,105	**(3,850,879)**	–
- Transfers to Stage 3	(5,579,920)	(1,953,349)	**7,533,269**	–
- Loans that have been derecognized during the period	(8,418,161)	(2,558,463)	**(15,030,047)**	(26,006,670)
New loans originated during the year	851,985	2,135,848	**1,686,940**	4,674,772
Write-offs	–	–	**2,923,171**	2,923,171
Net remeasurement of loss allowance	(7,960,276)	(1,602,259)	**31,986,004**	22,423,469
ECL allowance balance as at 31 March 2023	7,654,812.23	10,006,164.13	**53,768,015.01**	71,428,991

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2024 and that were still subject to enforcement activity was Rs 6,161,538.

The decrease in ECL of the portfolio was driven by improvement in economic conditions during the year leading to higher overall collections. The Stage 3 provision includes management overlay of Rs 4,725,652.

18.4 Sensitivity Analysis of Accumulated Impairment for Loan Receivable as at 31st March

		2024	2023
Changed Criteria	**Changed Factor**	**Sensitivity effect on Impairment Allowance Increase**	Sensitivity effect on Impairment Allowance Increase
Loss Given Default (LGD)	Increase by 1%	**1,459,373**	2,642,881
Probability of Default (PD)	Increase by 1%	**823,696**	843,450
Economic Factor Adjustment (EFA)	Increase by 5%	**471,413**	532,662

18.5 Receivable on Loans and Advances

	Within One Year	**1 to 5 Years**	**Over 5 Years**	**Total**
	LKR	**LKR**	**LKR**	**LKR**
Gross Receivables	827,958,394	632,088,411	4,836,052	1,464,882,856
Less: Unearned Income	150,850,585	81,996,760	366,766	233,214,112
	677,107,808	550,091,650	4,469,286	1,231,668,745
Less : Rentals Received in Advance				(14,352,641)
Net Receivable before charging Allowance for Impairment Losses				**1,217,316,104**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

19. OTHER FINANCIAL ASSETS

	2024 LKR	2023 LKR
Refundable Deposit	**18,353,600**	15,181,797
Sundry Debtors	**9,107,107**	7,120,075
Other Receivable	**2,034,819**	2,039,019
	29,495,526	24,340,891

20. OTHER NON FINANCIAL ASSETS

	2024 LKR	2023 LKR
Advances and Prepayment	**188,215,932**	58,781,143
Other Receivable	**280,420**	–
	188,496,352	58,781,143

21. FINANCIAL INVESTMENT- MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024		2023	
	LKR	No. of Shares	LKR	No. of Shares
Equities-Unquoted				
Credit Information Bureau of Sri Lanka	457,700	100	457,700	100
	457,700	**100**	**457,700**	**100**

All unquoted equities shares are recorded at cost since its fair value cannot be reliably estimated. There is no market for these investments and company intend to hold these for long term.

22. PROPERTY, PLANT & EQUIPMENT

22.1 Gross Carrying Amounts

At Cost	Balance As at 31.03.2023 LKR	Additions LKR	Disposals LKR	Balance As at 31.03.2024 LKR
Freehold Assets				
Furniture & Fittings	205,341,810	43,044,101	–	248,385,911
Office Equipment	119,319,009	33,942,191	–	153,261,199
Computer Equipment	42,516,968	11,780,242	–	54,297,211
Motor Vehicles	49,389,445	–		49,389,445
	416,567,232	**88,766,534**	**–**	**505,333,766**
Assets on Leases				
Right of Use Assets	359,437,947	85,662,333		445,100,281
Total Value of Depreciable Assets	**776,005,179**	**174,428,867**	**–**	**950,434,046**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

22.2 Depreciation

At Cost	Balance As at 31.03.2023 LKR	Charge for the year LKR	Disposals LKR	Balance As at 31.03.2024 LKR
Freehold Assets				
Furniture & Fittings	88,457,171	34,918,792		123,375,963
Office Equipment	51,040,552	21,641,724		72,682,277
Computer Equipment	23,103,375	6,290,511		29,393,886
Motor Vehicles	17,863,464	1,796,488		19,659,953
	180,464,564	**64,647,516**	**–**	**245,112,079**
Assets On Leases				
Motor Vehicles	–	–	–	–
Right of Use Assets	125,183,156	45,778,169		170,961,325
Total Depreciation	**305,647,720**	**110,425,685**	**–**	**416,073,405**

22.3 Net Book Values

At Cost	2024 LKR	2023 LKR
Furniture & Fittings	**125,009,948**	116,884,638
Office Equipment	**80,578,923**	68,278,456
Computer Equipment	**24,903,325**	19,413,594
Motor Vehicles	**29,729,492**	31,525,981
	260,221,687	236,102,668
Assets on Leases		
Motor Vehicles	**–**	–
Right of Use Assets	**274,138,955**	234,254,791
Total Carrying Amount of Property, Plant & Equipment	**534,360,642**	470,357,459

22.4 Fully Depreciated Property, Plant and Equipment

The initial cost of fully-depreciated property, plant and equipment as at 31 March 2024, which are still in use as at the reporting date is as follows;

	2024 LKR	2023 LKR
Furniture & Fittings	**56,943,791**	35,607,005
Office Equipment	**32,360,152**	19,829,301
Computer Equipment	**17,968,149**	12,885,109
Motor Vehicles	**3,257,000**	3,257,000
Computer Equipment	**40,524,609**	39,350,000
	151,053,700	110,928,414

23. INTANGIBLE ASSETS

	2024 LKR	2023 LKR
Computer System Software		
Cost:		
Opening Balance	**68,674,106**	66,490,036
Addition	**30,114,396**	2,184,070
Disposal	**–**	–
Closing Balance	**98,788,502**	68,674,106
Less: Amortization		
Opening Balance	**50,626,970**	47,293,330
Amortization Charge for the Period	**5,067,304**	3,333,640
Closing Balance	**55,694,274**	50,626,970
Net Book Value as at 31 March	**43,094,228**	18,047,136

24. INTEREST BEARING BORROWINGS

	2024 LKR	2023 LKR
Bank Over Draft	**902,296,255**	71,476,867
Bank Borrowings	**2,324,856,046**	1,437,647,334
Securitization Borrowings	**616,519,290**	480,833,580
	3,843,671,591	1,989,957,781

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

24. INTEREST BEARING BORROWINGS (contd.)

24.1 Bank Borrowings

	2024 LKR	2023 LKR
Gross liability	**2,399,585,802**	1,423,450,494
Less: Finance Charge Allocated to Future Period	**(74,729,756)**	(164,303,160)
Net Liability	**2,324,856,046**	1,259,147,334
Repayable Within one year		
Gross Liability	**2,341,551,742**	1,187,267,248
Less: Finance Charge Allocated to Future Period	**(71,789,314)**	(124,937,579)
Net Liability	**2,269,762,428**	1,062,329,669
Repayable After one year (1 to 5 Year)		
Gross Liability	**58,034,060**	236,183,245
Less: Finance Charge Allocated to Future Period	**(2,940,442)**	(39,365,580)
Net Liability	**55,093,618**	196,817,665
Total Net Liability	**2,324,856,046**	1,259,147,334

24.2 Securitization Borrowings

	2024 LKR	2023 LKR
Gross liability	**789,789,817**	778,883,800
Less: Finance Charge Allocated to Future Period	**(173,270,527)**	(119,550,220)
Net Liability	**616,519,290**	659,333,580
Repayable Within one year		
Gross Liability	**154,083,064**	649,640,587
Less: Finance Charge Allocated to Future Period	**(29,963,774)**	(90,307,007)
Net Liability	**124,119,290**	559,333,580
Repayable After one year (1 to 5 Year)		
Gross Liability	**635,706,754**	129,243,213
Less: Finance Charge Allocated to Future Period	**(143,306,754)**	(29,243,213)
Net Liability	**492,400,000**	100,000,000
Total Net Liability	**616,519,290**	659,333,580

24.2.1 Institution Wise Loan Facilities

	As at 31.03.2024 LKR.	As at 01.04.2023 LKR.	Security
Short Term			
HSBC	**1,925,642,546**	762,945,205	Mortgage over Lease and Gold Loan Receivables
Deutsche Bank	**788,537,189**	–	Mortgage over Lease and Gold Loan Receivables
Hatton National Bank PLC	**200,153,233**	75,423,781	Mortgage over Gold Loan Receivables
Commercial Bank of Ceylon PLC	**81,201,759**		Lien over Treasury Bills
Seylan Bank PLC	**32,404,075**		Mortgage over Lease and Gold Loan Receivables
	3,027,938,802	838,368,986	
Long Term			
Bank of Ceylon	**107,373,499**	260,204,847	Mortgage over Lease Receivables
Hatton National Bank PLC	**91,840,000**	160,573,500	Mortgage over Loan Receivables
M Power Capital Limited	**–**	198,205,286	Mortgage over Gold Loan receivables
National Development Bank PLC	**–**	89,430,409	Mortgage over Lease Receivables
Agora Securities (Private) Limited	**616,519,290**	371,697,886	Mortgage over Lease and Gold Loan Receivables
	815,732,789	1,080,111,928	
	3,843,671,591	1,918,480,914	

25. DUE TO CUSTOMERS

	2024 LKR	2023 LKR
Fixed Deposits accepted from public	**5,204,224,178**	3,487,076,917
	5,204,224,178	3,487,076,917

26. OTHER FINANCIAL LIABILITIES

	2024 LKR	2023 LKR
Trade Payable	**44,585,480**	2,924,680
Accrued Expense	**85,192,918**	45,622,351
Obligation to Make the Lease Payment (Note 26.1)	**303,757,226**	251,265,783
Sundry Creditors	**113,624,546**	79,467,937
	547,160,170	379,280,751

26.1 Obligation to Make the Lease Payment

	2024 LKR	2023 LKR
As at 1 April	**251,265,783**	205,263,558
Additions and improvements during the year	**78,341,834**	109,009,988
Disposals during the year	**–**	(36,795,307)
Accretion of interest during the year	**37,872,226**	33,835,137
Payments to lease creditors	**(63,722,616)**	(60,047,593)
As at 31 March	**303,757,226**	251,265,783

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

27. OTHER NON FINANCIAL LIABILITIES

	2024 LKR	2023 LKR
WHT Payable	**4,657,803**	3,140,234
Stamp Duty Payable	**8,351,337**	561,350
VAT Payable	**17,374,405**	276,844
Dividend Payable	**961,829**	961,829
Other Liabilities	**36,239,905**	32,453,647
	67,585,279	37,393,904

28. RETIREMENT BENEFIT LIABILITY

28.1 Defined Benefit Liability

	2024 LKR	2023 LKR
Defined Benefit Liability	**49,036,778**	30,896,045
	49,036,778	30,896,045

28.2 Changes in the Defined benefit obligation are as follows

	2024	2023
Opening Liability	**30,896,045**	26,338,562
Net Benefit expense	**20,775,483**	7,319,858
Benefit paid	**(2,634,750)**	(2,762,375)
Closing Liability	**49,036,778**	30,896,045

28.3 Net Benefit expense

	2024	2023
Interest Cost	**6,055,624**	3,979,756
Current Service Cost	**6,617,946**	5,471,057
Gain on Plan Amendment	**–**	–
Actuarial Gain on obligations	**8,101,913**	(2,130,956)
	20,775,483	7,319,857

28.4 The principal financial assumptions used are as follows

Messrs. Piyal S Goonetilleke Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2024. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2024	2023
Discount Rate*	**12.30%**	19.60%
Future Salary Increment Rate	**12.00%**	15.00%
Retirement age	**60 Years**	60 Years
The weighted average duration of the defined benefit obligation	**8.2 Years**	6 Years
Mortality - GA 1983 Mortality Table issued by the Institute of Actuaries London		

* Discount rate used for the actuarial valuation changed during the year due to changes in market interest rates. Future salary increment rate too was revised to fall in line with the decrease in inflation rates.

28.5 Sensitivity Analysis

`+/- 1% change on Discount Rate and Salary Increase- present value of defined benefit obligation as at 31 March 2024.

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-24	**31-Mar-24**	**31-Mar-24**
Discount Rate	**11.30%**	**12.30%**	**13.30%**
Basic Salary Scale	**12.0%**	**12.0%**	**12.0%**
Census at	**31-Mar-24**	**31-Mar-24**	**31-Mar-24**
Total PVDBO	**52,757,318**	**49,036,778**	**45,932,740**

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-24	**31-Mar-24**	**31-Mar-24**
Discount Rate	**12.30%**	**12.30%**	**12.30%**
Basic Salary Scale	**11.0%**	**12.0%**	**13.0%**
Census at	**31-Mar-24**	**31-Mar-24**	**31-Mar-24**
Total PVDBO	**45,935,992**	**49,036,778**	**52,681,635**

Sensitivity Analysis

`+/- 1% change on Discount Rate and Salary Increase- present value of defined benefit obligation as at 31 March 2023.

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-23	31-Mar-23	31-Mar-23
Discount Rate	18.60%	19.60%	20.60%
Basic Salary Scale	15.0%	15.0%	15.0%
Census at	31-Mar-23	31-Mar-23	31-Mar-23
Total PVDBO	**32,363,756**	**30,896,045**	**29,625,022**

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-23	31-Mar-23	31-Mar-23
Discount Rate	19.60%	19.60%	19.60%
Basic Salary Scale	14.0%	15.0%	16.0%
Census at	31-Mar-23	31-Mar-23	31-Mar-23
Total PVDBO	**29,580,915**	**30,896,045**	**32,394,685**

28.6 Maturity profile of undiscounted cash flows of defined benefit obligation

	2024
Within 1 year	17,911,586
Between 1 and 5 years	26,264,322
More than 5 years	38,975,154
	83,151,062

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

29. DEFERRED TAX (ASSET)/LIABILITY

As at 31st March 2024

	Accelerated Depreciation for Tax Purposes							
	Property, Plant and Equipment	**Intangible Assets**	**Right of Use Assets**	**Lease Rentals**	**Impairment of Loans and Receivables**	**Defined Benefit Plan Obligation**	**Others**	**Total**
Balance as at 1st April 2023	18,075,244	1,817,178	(5,103,297)	253,661	(33,422,405)	(9,268,814)	–	(27,648,433)
Profit or loss (Note no. 11.1)								
Due to change in temporary differences	1,911,192	699,671	(3,782,184)	(253,661)	10,398,644	(3,011,646)		5,962,017
Other comprehensive income								
Due to change in temporary differences	**–**	**–**	**–**	**–**	**–**	**(2,430,574)**	**–**	**(2,430,574)**
Balance as at 31st March 2024	**19,986,436**	**2,516,849**	**(8,885,481)**	**–**	**(23,023,761)**	**(12,280,460)**	**–**	**(24,116,990)**

As at 31st March 2023

	Accelerated Depreciation for Tax Purposes							
	Property, Plant and Equipment	**Intangible Assets**	**Right of Use Assets**	**Lease Rentals**	**Impairment of Loans and Receivables**	**Defined Benefit Plan Obligation**	**Others**	**Total**
Balance as at 1st April 2022	11,183,186	1,791,923	(12,217,434)	5,015,292	(23,885,966)	(6,321,255)	750,388	(23,683,867)
Profit or loss (Note no. 11.1)								
Due to rate change	2,795,796	447,981	(3,054,359)	1,253,823	(5,971,491)	(1,580,314)	(750,388)	(6,858,952)
Due to change in temporary differences	4,096,261	(422,727)	10,168,495	(6,015,453)	(3,564,947)	(2,006,531)		2,255,098
Other comprehensive income								
Due to rate change	**–**	**–**	**–**	**–**	**–**	**(8,780)**	**–**	**(8,779)**
Due to change in temporary differences	**–**	**–**	**–**	**–**	**–**	**648,066**	**–**	**648,066**
Balance as at 31st March 2023	**18,075,244**	**1,817,178**	**(5,103,297)**	**253,661**	**(33,422,405)**	**(9,268,814)**	**–**	**(27,648,433)**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

30. STATED CAPITAL

Issued and Fully Paid-Ordinary Shares	No. of Shares	Rs.
Balance as of 1 April 2022	**145,639,098**	1,908,247,125
Issued during the Period	**–**	–
Balance as of 31 March 2023	**145,639,098**	1,908,247,125
Balance as of 1 April 2023	**145,639,098**	1,908,247,125
Issued during the Period	**–**	–
Balance as of 31 March 2024	**145,639,098**	1,908,247,125

31. RESERVES

	2024 LKR	2023 LKR
Statutory Reserve Fund		
Opening Balance as at 1 April	**48,178,464**	**43,758,990**
Addition during the year	**4,881,019**	**4,419,474**
Closing Balance as at 31 March	**53,059,484**	48,178,464

The company's reserve fund is maintained in accordance with Direction No. 1 of 2003 issued by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

32. CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

Components of cash and cash Equivalents	2024 LKR	2023 LKR
Favorable Cash & Cash Equivalents Balance		
Cash and Bank Balance (Note 13)	**110,767,720**	165,583,696
Investment in Mutual Fund	**1,001,278,217**	
Investment in Government Securities (Note 14)	**–**	157,808,254
Investment in FD with short Term Maturities (Note 15)	**100,000,000**	–
Investment in Reverse Repurchase Agreements	**1,002,994,685**	
	2,215,040,622	323,391,950
Un-Favorable Cash & Cash Equivalents Balance		
Bank Over Draft (Note 24)	**902,296,255**	71,476,867
	902,296,255	71,476,867
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**1,312,744,367**	251,915,083

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

33. ANALYSIS OF FINANCIAL ASSETS & LIABILITIES BY MEASURMENT BASIS

As at 31 March 2024	Financial Assets at Fair Value Income Statement LKR	Financial Assets at Fair Value Other Comprehensive Income LKR	Financial Assets and Liabilities at Amortized Cost LKR	Total LKR
Financial Assets				
Cash & Bank Balances	**–**	**–**	**110,767,720**	**110,767,720**
Investment in Government Securities	**–**	**–**	**1,819,024,328**	**1,819,024,328**
Investment in Unit Trust Funds	**1,001,278,217**	**–**	**–**	**1,001,278,217**
Placements with Other Banks & Financial Institutions	**–**	**–**	**355,848,060**	**355,848,060**
Lease Rental Receivables	**–**	**–**	**2,864,129,749**	**2,864,129,749**
Loans and Advances	**–**	**–**	**1,173,631,285**	**1,173,631,285**
Gold Advances	**–**	**–**	**4,505,162,573**	**4,505,162,573**
Financial Investments-measured at Fair Value through OCI	**–**	**457,700**	**–**	**457,700**
Other Financial Assets	**–**	**–**	**29,495,526**	**29,495,526**
Total Financial Assets	**1,001,278,217**	**457,700**	**10,858,059,241**	**11,859,795,158**
Financial Liabilities				
Interest Bearing Borrowings	**–**	**–**	**3,843,671,591**	**3,843,671,591**
Due to the Customers	**–**	**–**	**5,204,224,178**	**5,204,224,178**
Other Financial Liabilities	**–**	**–**	**547,160,170**	**547,160,170**
Total Financial Liabilities	**–**	**–**	**9,595,055,940**	**9,595,055,940**

As at 31 March 2023	Financial Assets at Fair Value Income Statement LKR	Financial Assets at Fair Value Other Comprehensive Income LKR	Financial Assets and Liabilities at Amortized Cost LKR	Total LKR
Financial Assets				
Cash & Bank Balances	–	–	165,583,696	165,583,696
Investment in Government Securities	–	–	458,137,517	458,137,517
Placements with Other Banks & Financial Institutions	–	–	445,268,915	445,268,915
Lease Rental Receivables	–	–	2,374,025,383	2,374,025,383
Loans and Advances	–	–	798,812,852	798,812,852
Gold Advances	–	–	3,950,688,495	3,950,688,495
Financial Investments-measured at Fair Value through OCI	–	457,700	–	457,700
Other Financial Assets	–	–	24,340,891	24,340,891
Total Financial Assets	–	457,700	8,216,857,749	8,217,315,449
Financial Liabilities				
Interest Bearing Borrowings	–	–	1,989,957,781	1,989,957,781
Due to the Customers	–	–	3,487,076,917	3,487,076,917
Other Financial Liabilities	–	–	379,280,751	379,280,751
Total Financial Liabilities	–	–	5,856,315,450	5,856,315,450

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

34.1 Determination of Fair Value and Fair Value Hierarchy

The company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : Quoted prices in active markets for identical assets and liabilities.

Level 2 : Other technique for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

34.2 Financial Instruments regularly measured using Fair Value - recurring items

a) Financial Investments - Measured at Fair Value through Profit/ Loss

Investment in Unit Trust Funds	Fair Value Hierarchy	Carrying Amount LKR	Fair Value LKR
As at 31 March 2024	**Level 1**	**1,000,000,000**	**1,001,278,217**
As at 31 March 2023	**Level 1**	**–**	**–**

The Investment in Unit Trust Funds are measured at market value as on 31 March 2024 and hence are classified as Level 1 hierarchy.

b) Financial Investments - Measured at Fair Value through other comprehensive income

Investment in Unquoted Equity instruments	Fair Value Hierarchy	Carrying Amount LKR	Fair Value LKR
As at 31 March 2024	**Level 3**	**457,000**	**457,000**
As at 31 March 2023	**Level 3**	**457,000**	**457,000**

Equity instruments at fair value through OCI primarily consist of unquoted equity securities. Unquoted equity securities are carried at cost since it is the most reasonable value available to represent the price of such securities and hence classified as Level 3 hierarchy.

34.3 Fair Value of the Financial Instrument Carried at Amortized Cost

Set out below is a comparison, by class, of the carrying amount and fair value of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and liabilities.

As at 31 March 2024	Level	Carrying Amount LKR	Fair Value LKR
Financial Assets			
Lease Rentals Receivable	Level 02	2,864,129,749	2,852,389,258
Loans and Advances	Level 02	1,173,631,285	1,176,194,388
Financial Liabilities			
Interest Bearing Borrowings	Level 02	2,941,375,336	2,964,853,047

As at 31 March 2023	Level	Carrying Amount LKR	Fair Value LKR
Financial Assets			
Lease Rentals Receivable	Level 02	2,374,025,383	2,095,629,218
Loans and Advances	Level 02	798,812,852	763,441,751
Financial Liabilities			
Interest Bearing Borrowings	Level 02	1,918,480,914	1,959,936,050

For the following list of Financial Instrument whose carrying amount is a reasonable approximation of fair value because, for example, they are short-term in nature or reprice to current market rates frequently.

Assets

Cash and Bank Balances
Investment in government Securities
Investment in Unit Trust Funds
Placements with Banks and Other Financial Institutions
Gold Advances
Other Financial Assets

Financial Liabilities

Bank Overdraft
Due to the Customers
Other Financial Liabilities

35. CURRENT AND NON CURRENT ANALYSIS OF ASSETS & LIABILITIES

Table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

As at 31 March 2024	Within 12-Months LKR	After 12-Months LKR	Total LKR
ASSETS			
Cash and Bank Balances	110,767,720	–	110,767,720
Investment in Government Securities	1,819,024,328	–	1,819,024,328
Financial Investments-Measured at Fair Value Through PL	1,001,278,217	–	1,001,278,217
Placements with Banks and Other Financial Institutions	355,848,060	–	355,848,060
Gold Advances	4,505,162,573	–	4,505,162,573
Lease Rentals Receivable and Loans and Advances	1,858,573,074	2,179,187,959	4,037,761,033
Other Financial Assets	17,234,451	12,261,076	29,495,526
Other Non Financial Assets	178,055,010	10,441,342	188,496,352
Financial Investments-Measured at FVOCI	–	457,700	457,700
Property, Plant and Equipment	–	534,360,642	534,360,642
Intangible Assets	–	43,094,228	43,094,228
Deferred Tax Assets		24,116,990	24,116,990
Total Assets	**9,845,943,432**	**2,803,919,938**	**12,649,863,370**

	Within 12-Months LKR	After 12-Months LKR	Total LKR
LIABILITIES			
Interest Bearing Borrowings	3,296,177,973	547,493,618	3,843,671,591
Due to the Customers	4,935,690,952	268,533,225	5,204,224,177
Other Financial Liabilities	271,747,123	275,209,591	546,956,714
Other Non Financial Liabilities	67,585,280		67,585,280
Current Tax Liabilities	5,942,625		5,942,625
Retirement Benefit Liability	–	49,036,778	49,036,778
Total Liabilities	**8,577,143,952**	**1,140,273,212**	**9,717,417,164**
Net Assets	**1,268,799,480**	**1,663,646,726**	**2,932,446,206**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

As at 31 March 2023	Within 12-Months LKR	After 12-Months LKR	Total LKR
ASSETS			
Cash and Bank Balances	165,583,696	–	165,583,696
Investment in Government Securities	458,137,517	–	458,137,517
Placements with Banks and Other Financial Institutions	445,268,915	–	445,268,915
Gold Advances	3,950,688,495	–	3,950,688,495
Lease Rental Receivables and Loans and Advances	1,481,552,723	1,691,285,512	3,172,838,234
Other Financial Assets	15,612,072	8,728,819	24,340,892
Other Non Financial Assets	44,748,960	14,032,183	58,781,143
Financial Investments-Measured at Fair Value through OCI	–	457,700	457,700
Inventories	–	–	–
Property, Plant and Equipment	–	470,357,459	470,357,459
Intangible Assets	–	18,047,136	18,047,136
Deferred Tax Assets		27,648,433	27,648,433
Total Assets	**6,561,592,378**	**2,230,557,242**	**8,792,149,620**
LIABILITIES			
Interest Bearing Borrowings	1,693,140,116	296,817,665	1,989,957,781
Due to the Customers	3,257,263,796	229,813,120	3,487,076,917
Other Financial Liabilities	147,745,201	231,535,550	379,280,751
Other Non Financial Liabilities	37,393,905		37,393,905
Current Tax Liabilities	32,921,837		32,921,837
Retirement Benefit Liability	–	30,896,045	30,896,045
Total Liabilities	**5,168,464,855**	**789,062,380**	**5,957,527,235**
Net Assets	**1,393,127,523**	**1,441,494,862**	**2,834,622,384**

36. COMMITMENT AND CONTINGENCIES

There were no significant capital commitment and contingencies as of the reporting date.

36.1 Litigation Against Company

The company does not have contingent liabilities in respect of legal claims arising in the ordinary course of business.

36.2 Assets Pledged

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount Pledged 2024 LKR.	2023 LKR.	Included Under
Lease Rentals Receivable *	Bank Loans and Overdrafts	1,321,738,844	2,289,046,071	Lease Rentals Receivable
Loan Receivable*	Bank Loans and Overdrafts	343,760,366	423,411,966	Loan Receivable
Gold Advances*	Bank Loans and Overdrafts	4,253,763,231	2,462,704,804	Loan Receivable
		5,919,262,441	**5,175,162,841**	Loan Receivable

*The receivables and cash flows that have been included in securitization transactions are only available for payment of the debt and other obligations issued or arising in the securitization transactions. However, the Company hold the right to the excess cash flows not needed to pay the debt and other obligations issued or arising in each of the securitization transactions.

37. EVENT OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustment or disclosure in financial statement.

38. RELATED PARTY TRANSACTIONS

The company carries out transactions in the ordinary course of business with the parties who are defined as “Related Parties” in LKAS-24-Related Party Disclosures.

Terms and Conditions

All such transactions entered into with the related parties are on an arms’ length basis and are comparable with what is applied to the transactions with unrelated customers with similar credit standing.

Details of related party transactions which the company had during the year are as follows:

38.1 Transactions with Key Managerial Personnel (KMPs)

The Company has identified and disclosed personnel those having authority and responsibility for planning, directing and controlling the activities of the company as “Key Management Personnel” in accordance with LKAS 24-”Related Party Disclosures’. Accordingly, Board of Directors, Chief Executive Officer, Members of Corporate Management team have been identified as “Key Management Personnel’.

38.1.1 Compensation to KMP

	2024 LKR	2023 LKR
Short Term Employment Benefits	**43,638,044**	36,992,968
Post Employment Benefits	**–**	–
	43,638,044	36,992,968

In addition to the above, the Company has also paid non cash benefits such as vehicles and fuel to key management personnel in line with the approved employment benefits of the Company.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

38.1.2 Transaction with KMP and their Close Family Members

Aggregate value of transactions with KMP and their CFM are disclosed below. These transactions are carried out at Arm's length prices.

	2024 LKR	2023 LKR
Fixed Deposits accepted during the year	**–**	–
Fixed Deposits held at the end of the year	**–**	–
Interest paid during the year	**–**	–

38.2 Transaction, arrangements and agreements involving with Entities which are controlled, and/or jointly controlled by the KMP's and their CFMs or shareholders

	Nature of Relationship	Amount of the Transactions had During the year LKR	Outstanding Receivable/ (Payable) Balance as at 31-03-2024 LKR	Outstanding Receivable/ (Payable) Balance as at 31-03-2023 LKR
Ideal Motors (Pvt) Ltd.	Affiliate Company			
Vehicle Repair Services		227,966	**–**	–
Trade Advance for City Pickups		271,741,000		
Other Purchases & Services		22,619,078	**–**	**–**
Ideal Automobile (Pvt) Ltd	Affiliate Company			
Fixed Deposits placed with the Company		50,000,000	**236,263,657**	186,263,657
Interest Expenses on Fixed Deposits		36,583,805	**1,381,762**	1,617,603
Ideal Premier (Pvt) Ltd	Affiliate Company			
Vehicle Repair Services		2,226,822	–	–
Ideal First Choice (Pvt) Ltd	Affiliate Company			
Vehicle Repair Services		126,023	–	–
Prompt Express Private Limited	Affiliate Company			
Lease and Loan Receivables		–	24,913,224	54,423,171
Courier Service Charges		3,327,495	607,520	632,268
Ideal Drive Private Limited	Affiliate Company			
Vehicle Hire Expense		4,899,564	–	–
E M G Logistics Pvt Ltd	Affiliate Company			
Fixed Deposits placed with the Company		48,567,399	–	48,567,399
Interest Expenses on Fixed Deposits		36,583,805	–	493,685
Mahindra & Mahindra	Affiliate Company			
Trade Mark Fee		376,000	–	–

39. CAPITAL

The Company maintains capital in order to cover risks inherent in the business and meet the capital adequacy requirements of Central Bank of Sri Lanka . The adequacy of the Company's capital is monitored based on the measures, rules and ratios adopted by Central Bank of Sri Lanka.

39.1 Capital Management

The primary objective of Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximize shareholders' value.

Regulatory Capital

The Company manages its capital considering the regulatory capital requirements. The Central Bank of Sri Lanka(CBSL) sets and monitors capital requirements for licensed finance companies. Accordingly, finance companies in Sri Lanka need to maintain a minimum total capital adequacy ratio of 12.5% and a minimum core capital adequacy ratio (Tier I) of 8.5%.The Company has always maintained the Capital Adequacy Ratio above the minimum regulatory requirements. The company's Tier I and Tier II capital adequacy ratios as at the end of the financial year stood at 39.02% and 40.04% respectively.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

40. RISK MANAGEMENT

40.1 Introduction

Risk is inherent in the company's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the company's continuing profitability and each individual within the company is accountable for the risk exposures relating to his or her responsibilities.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has delegated its authority to Integrated Risk Management Committee (IRMC) which is responsible for developing and monitoring Company's risk management policies. The Committee is headed by an Independent Non-Executive Director and is comprised of Executive and Non-Executive Directors and Officers performing Executive functions. Meetings of IRMC are held regularly, and the Board of Directors are duly updated of its activities.

RISK MANAGEMENT AND REPORTING

Monitoring and controlling risks is primarily performed based on policies, limits & thresholds established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept.

40.2 Credit Risk

Credit risk is the risk arise due to the uncertainty in counterparty's ability to meet its obligations. The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. The company considers a financial instrument defaulted for impairment calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

40.2.1 Credit Quality of Financial Assets :

The following table sets out information about credit quality of leases and loans measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

Particulars	31st March 2024	31st March 20223
Gross carrying value of Lease Rental Receivables		
Neither Past due nor impaired	**1,543,486,709**	665,189,258
Past Due but not impaired		
30 days past due	**571,069,761**	455,494,155
31-90 days past due	**584,202,430**	833,587,566
Impaired (more than 90 days)	**258,291,063**	599,224,738
Total Gross carrying value as at reporting date	**2,957,049,964**	2,553,495,716

Particulars	31st March 2024	31st March 20223
Gross carrying value of Loans and Advances		
Neither Past due nor impaired	**926,942,183**	251,983,980
Past Due but not impaired		
30 days past due	**157,155,745**	112,999,736
31-90 days past due	**59,655,503**	202,548,041
Impaired (more than 90 days)	**73,562,674**	302,710,086
Total Gross carrying value as at reporting date	**1,217,316,104**	870,241,843

40.2.2 Analysis of Risk Concentration

40.2.2.1 Industry Analysis

The following table shows the risk concentration by industry for the components of the Statement of Financial Position.

Sector wise Break Down as at 31 March 2024	Cash & Bank Balances	Investment in Government Securities at Amortized cost	Placement with Bank & Other Financial Institutions	Lease Rental Receivable, and Loans and Advances	Financial Investments- Measured at Fair Value through OCI	Gold Advances	Other Financial Assets	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	–	–	–	155,467,844	–	–	–	155,467,844
Manufacturing	–	–	–	82,178,113	–	–	–	82,178,113
Construction	–	–	–	94,270,057	–	–	–	94,270,057
Financial Services	110,767,720	1,819,024,328	355,848,060	26,501,994	–	–	–	2,312,142,102
Trading	–	–	–	200,260,970	–	–	–	200,260,970
Hotels	–	–	–	29,214,127	–	–	–	29,214,127
Services	–	–	–	–	457,700	–		457,700
Transport	–	–	–	3,223,465,451	–	–	–	3,223,465,451
Consumer	–	–	–	226,402,478	–	4,530,164,582	29,495,526	4,786,062,587
Total	**110,767,720**	**1,819,024,328**	**355,848,060**	**4,037,761,034**	**457,700**	**4,530,164,582**	**29,495,526**	**10,883,518,951**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

Provincial break down for lease and loan receivables within Sri Lanka as follows.

Province	Lease Rental Receivables	Loans & Advances	Gold Advances
Central	121,801,609	26,374,629	557,922,767
North Central	354,854,923	650,417,189	121,898,873
North Western	288,458,515	125,715,767	187,637,478
Northern	160,851,349	25,319,844	1,007,879,770
Sabaragamuwa	182,351,360	8,248,026	188,891,895
Southern	325,994,273	81,718,795	395,680,487
Uva	522,217,849	20,455,590	727,079,331
Western	1,000,520,084	279,066,265	1,343,173,979
Total	**2,957,049,963**	**1,217,316,104**	**4,530,164,580**

Sector wise Break Down as at 31 March 2023	Cash & Bank Balances	Investment in Government Securities at Amortized cost	Placement with Bank & Other Financial Institutions	Lease Rental Receivables, and Loans and Advances	Financial Investments- Measured at Fair Value through OCI	Gold Advances	Other Financial Assets	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	–	–	–	233,519,242	–	–	–	233,519,242
Manufacturing	–	–	–	45,794,715	–	–	–	45,794,715
Construction	–	–	–	145,530,881	–	–	–	145,530,881
Financial Services	165,583,696	458,137,517	445,268,915	8,041,880	–	–	–	1,077,032,008
Trading	–	–	–	178,840,812	–	–	–	178,840,812
Hotels	–	–	–	15,596,463	–	–	–	15,596,463
Services	–	–	–	–	457,700	–		457,700
Transport	–	–	–	2,559,614,724	–	–	–	2,559,614,724
Consumer	–	–	–	236,798,844	–	3,971,326,248	24,340,891	4,232,465,982
Total	**165,583,696**	**458,137,517**	**445,268,915**	**3,423,737,560**	**457,700**	**3,971,326,248**	**24,340,891**	**8,488,852,527**

Provincial break down for lease rental receivables within Sri Lanka as follows.

Province	Lease Rental Receivables	Loans & Advances	Gold Advances
Central	98,174,826	23,155,694	294,590,457
North Central	169,735,615	83,082,655	161,463,347
North Western	406,994,974	87,364,576	221,681,067
Northern	202,505,319	17,499,768	931,005,484
Sabaragamuwa	271,024,314	7,300,983	116,274,144
Southern	295,852,812	97,755,262	420,024,749
Uva	522,394,624	19,999,123	814,841,509
Western	586,813,233	534,083,783	1,011,445,491
Total	**2,553,495,717**	**870,241,843**	**3,971,326,248**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

40.3 Liquidity Risk & Funding Management

Liquidity risk refers to the possibility of Company not having sufficient cash to meet its payment obligations. This arises primarily due to mismatches in the maturity profile of Company's assets and liabilities. Adequate liquidity is critical to meet the Company's financial commitment and to accommodate additional funding needs of the growing business volumes.

The Company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles.

Furthermore the Company maintains the statutory liquid assets ratio at its required level as a method to measure and control the liquidity risk.

40.3.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

The table below summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

As at 31st March 2024	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Assets						
Cash and Bank Balances	110,767,720	–	–	–	–	110,767,720
Placements with Banks and Other Financial Institutions	–	257,004,795	101,416,667	–	–	358,421,461
Investment in Government Securities	1,002,994,685	375,000,000	490,000,000	–	–	1,867,994,685
Financial Investments-Measured at Fair Value through P/L	1,001,278,217	–	–	–	–	1,001,278,217
Gold Advances	1,324,963,032	3,088,083,209	118,760,029	5,025		4,531,811,295
Lease Rentals Receivable	175,393,943	349,555,586	1,276,270,563	1,983,379,020	350,232	3,784,949,344
Loans and Advances	57,749,123	137,277,620	601,107,181	649,728,263	7,598,528	1,453,460,715
Financial Investments-Measured at Fair Value through OCI	–	–	–	–	457,700	457,700
Other Financial Assets	–	9,576,512	7,657,938	5,471,124	6,789,952	29,495,526
Total Financial Assets	**3,673,146,720**	**4,216,497,722**	**2,595,212,378**	**2,638,583,431**	**15,196,412**	**13,138,636,663**
Financial Liabilities						
Interest Bearing Borrowings	–	2,252,541,093	1,103,228,131	693,740,813	–	4,049,510,037
Due to the Customers	–	1,581,072,424	3,646,089,452	362,534,610	–	5,589,696,487
Other Financial Liabilities	–	243,199,488	–	–	–	243,199,488
Obligation to Make the Lease Payment	–	16,812,921	49,571,430	252,674,784	166,649,904	485,709,039
Total Financial Liabilities	**–**	**4,093,625,926**	**4,798,889,014**	**1,308,950,207**	**166,649,904**	**10,368,115,051**
Total Net Financial Assets/ (Liabilities)	**3,673,146,720**	**122,871,795**	**(2,203,676,636)**	**1,329,633,224**	**(151,453,492)**	**2,770,521,611**

As at 31st March 2023	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Assets						
Cash and Bank Balances	165,583,696	–	–	–	–	165,583,696
Placements with Banks and Other Financial Institutions	–	24,620,114	468,991,912			493,612,026
Investment in Government Securities	–	165,000,000	328,000,034	–	–	493,000,034
Gold Advances	–	3,900,684,135	70,172,673	469,440		3,971,326,248
Lease Rentals Receivable	220,523,520	314,350,533	916,179,827	1,790,003,965	–	3,241,057,845
Loans and Advances	153,490,720	294,255,388	217,437,621	214,986,693	1,294,237	881,464,658
Financial Investments-Measured at Fair Value through OCI	–	–	–	–	457,700	457,700
Other Financial Assets	–	13,921,689	1,690,383	4,162,603.06	4,566,216	24,340,891
Total Financial Assets	**539,597,936**	**4,712,831,859**	**2,002,472,450**	**2,009,622,701**	**6,318,153**	**9,270,843,098**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

As at 31st March 2023	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Liabilities						
Interest Bearing Borrowings	–	1,294,497,129	536,038,778	365,426,459	–	2,195,962,366
Due to the Customers	–	1,786,360,256	1,783,245,376	340,034,622	–	3,909,640,254
Other Financial Liabilities	–	128,014,969	–	–	–	128,014,969
Obligation to Make the Lease Payment		14,040,411	39,410,018	195,662,605	173,790,305	422,903,339
Total Financial Liabilities	**–**	**3,222,912,765**	**2,358,694,172**	**901,123,685**	**173,790,305**	**6,656,520,928**
Total Net Financial Assets/ (Liabilities)	**539,597,936**	**1,489,919,094**	**(356,221,722)**	**1,108,499,016**	**(167,472,153)**	**2,614,322,170**

40.4 Interest Rate Risk

Interest rate risk is a key constitute of the market risk exposure of the Company due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

Due to the nature of operations of the Company, the impact of interest rate risk is mainly on the earnings of the Company rather than the market value of portfolios. Several factors give rise to interest rate risk; among these are term structure risk, which arises due to the mismatches in the maturities of assets and liabilities; basis risk which is the threat to income arises due to differences in the bases of interest rates.

Excessive movements in market interest rate could result in severe volatility to Company's net interest income and net interest margin. Company's exposure to interest rate risk is primarily associated with factors such as;

Interest Rate Risk Exposure on Financial Assets & Liabilities

The table below analyses the Company's interest rate risk exposure on financial assets & liabilities. The Company's assets & liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates.

		Interest Bearing				
As at 31st March 2024	Total As at 31-03-2024 LKR	Less Than 3 Months LKR	3 to 12 Month LKR	1 to 5 years LKR	Over 5 Years LKR	Non Interest Bearing LKR
Financial Assets						
Cash and Bank Balances	110,767,720	–	–	–	–	110,767,720
Investment in Government Securities and Placements with Banks	2,174,872,372	1,622,707,839	552,164,533	–	–	–
Financial Investments-Measured at Fair Value Through PL	1,001,278,217	1,001,278,217	–	–	–	–
Gold Advances	4,531,811,295	4,413,046,241	118,760,029	5,025	–	–
Lease Rentals Receivable	2,957,049,962	381,118,082	968,944,709	1,606,987,171	–	–
Loans and Advances	1,217,316,104	156,970,541	488,144,774	572,200,789	–	–
Financial Investments-Measured at Fair Value through OCI	457,700					457,700
Other Financial Assets	24,340,891	4,897,876				19,443,015
Total Financial Assets	**12,017,894,261**	**7,580,018,796**	**2,128,014,046**	**2,179,192,984**	**–**	**130,668,435**
Financial Liabilities						
Interest Bearing Borrowings	3,843,671,591	2,223,365,538	1,072,812,435	547,493,618	–	–
Due to the Customers	5,204,224,178	1,651,814,568	3,283,876,384	268,533,225	–	–
Other Financial Liabilities	546,956,715	250,221,868	21,525,256	141,279,887	133,929,704	–
Total Financial Liabilities	**9,594,852,483**	**4,125,401,974**	**4,378,214,075**	**957,306,730**	**133,929,704**	**–**
Interest Sensitivity Gap	**2,423,041,778**	**3,454,616,822**	**(2,250,200,029)**	**1,221,886,255**	**(133,929,704)**	**130,668,435**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

		Interest Bearing				
	Total As at 31-03-2023	**Less Than 3 Months**	**3 to 12 Month**	**1 to 5 years**	**Over 5 Years**	**Non Interest Bearing**
As at 31st March 2023	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Financial Assets						
Cash and Bank Balances	165,583,696	–	–	–	–	165,583,696
Investment in Government Securities and Placements with Banks	903,406,432	160,572,123	742,834,309	–	–	–
Gold Advances	3,971,326,248	3,900,684,135	70,642,113	–		
Lease Rentals Receivable	2,553,495,717	412,141,696	666,349,439	1,475,004,582		
Loans and Advances	870,241,842	436,523,292	217,437,621	216,280,929		
Financial Investments-Measured at Fair Value through OCI	457,700					457,700
Other Financial Assets	24,340,891	4,897,876				19,443,015
Total Financial Assets	**8,488,852,527**	**4,914,819,123**	**1,697,263,482**	**1,691,285,512**	**–**	**185,484,411**
Financial Liabilities						
Interest Bearing Borrowings	1,989,958,106	1,264,844,608	428,295,833	296,817,665	–	–
Due to the Customers	3,487,076,918	1,746,722,802	1,510,540,995	229,813,120	–	–
Other Financial Liabilities	379,280,752	132,054,510	15,690,692	94,799,993	136,735,557	–
Total Financial Liabilities	**5,856,315,776**	**3,143,621,920**	**1,954,527,520**	**621,430,778**	**136,735,557**	**–**
Interest Sensitivity Gap	**2,632,536,751**	**1,771,197,202**	**(257,264,039)**	**1,069,854,733**	**(136,735,557)**	**185,484,411**

41. OPERATING SEGMENTS

Entity-Wide Disclosures: Analysis of Gross Income on Product Basis

	Finance Lease	**Gold Loan**	**Loans and Advances**	**Other**	**Total**
As at 31st March 2024	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Interest Income	574,634,047	1,183,588,966	154,281,660	241,113,370	2,153,618,043
Commission Income				10,249,062	10,249,062
Other Income	9,293,591	74,157,350	5,194,301	56,528,033	145,173,275
	583,927,638	**1,257,746,316**	**159,475,961**	**307,890,465**	**2,309,040,380**

	Finance Lease	**Gold Loan**	**Loans and Advances**	**Other**	**Total**
As at 31st March 2023	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Interest Income	641,168,494	807,982,594	239,486,405	116,662,455	1,805,299,948
Commission Income				13,067,675	13,067,675
Other Income	–	88,672,799	–	17,238,933	105,911,732
	641,168,494	**896,655,393**	**239,486,405**	**146,969,063**	**1,924,279,355**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024 (contd.)

42. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Sri Lanka Accounting Standards LKAS 7 (Statement of Cash Flows), requires an entity to disclose information that enables users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, changes in liabilities arising from financing activities for the year ended 31 March 2024 are disclosed below.

	Securitization Borrowing LKR	Bank Borrowing LKR
Balance as at 01 April 2023	480,833,580	1,437,647,334
Net cash flows from financing activities	119,166,420	861,565,880
Non cash changes		
Foreign exchange movements	–	–
Amortization of loan origination costs	(9,896,736)	–
Accrual for interest expense	26,416,026	25,642,832
Balance as at 31 March 2024	616,519,290	2,324,856,046

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Finance CSR Foundation

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS Financial Statements of **Mahindra Finance CSR Foundation** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Income and Expenditure, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policy and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Section 143(3)(i) mandates the auditor to comment on whether the Company has adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. In terms of paragraph 5 of Ministry of Corporate Affairs notification number G.S.R. 583 (E) dated June 13, 2017, and as amended from time to time, exemption has been provided to private limited companies fulfilling certain criteria mentioned in the notification, from the applicability of requirement of reporting in terms of section 143(3)(i). As the Company meets the relevant criteria specified in the said notification for the Financial Year 2020-21, the requirement of Section 143(3)(i) is not applicable to the Company and accordingly no report has been made under the said clause.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As requirements by the Companies (Auditor's Report) Order, 2016/2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Company, no comment on report specified in paragraphs 3 and 4 of the Order is made;
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Statement of Income and Expenditure, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. KHARE & CO.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUT1630

Mumbai, April 19, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Finance CSR Foundation** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. KHARE & CO.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUT1630

Mumbai, April 19, 2024

BALANCE SHEET AS AT 31 MARCH 2024

INR Lakhs

Particulars	Note	**As at 31 March 2024**	As at 31 March 2023
ASSETS			
Financial Assets			
a) Cash and cash equivalents	1	**0.90**	1.98
b) Bank balances other than cash and cash equivalents		**–**	–
c) Other current assets		**–**	–
		0.90	1.98
Non-financial Assets			
a) Current tax assets (Net)	2	**–**	0.81
b) Other non-financial assets	3	**–**	0.01
		–	0.82
Total Assets		**0.90**	2.80
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Other payables	4	**0.45**	0.45
b) Other financial liabilities	5	**0.20**	0.20
		0.65	0.65
Non-Financial Liabilities			
a) Other non-financial liabilities	6	**0.05**	0.05
		0.05	0.05
EQUITY	7		
a) Equity share capital		**0.10**	0.10
b) Other equity		**0.10**	2.00
		0.20	2.10
Total Liabilities and Equity		**0.90**	**2.80**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Manish Sinha
Director
[DIN: 06481081]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
19th April, 2024

Mumbai
19th April, 2024

STATEMENT OF INCOME AND EXPENDITURE FOR PERIOD ENDED 31 MARCH 2024

INR Lakhs

	Particulars	Note	Period ended 31 March 2024	Period ended 31 March 2023
I	**Revenue receipts (Donations)**	8	**–**	20.30
II	**Other Income**	9	**0.05**	–
III	**Total income (I+II)**		**0.05**	20.30
	Expenses			
	i) Finance costs	10	**–**	–
	ii) Corporate Social Responsibility expenses	11	**–**	20.30
	iii) Other Expenses	12	**1.95**	0.75
IV	**Total expenses (IV)**		**1.95**	21.05
V	**Excess of income over expenditure (III-IV)**		**(1.90)**	(0.75)
VI	**Earnings per equity share (face value Rs. 10/- per equity share)**	13		
	Basic (Rupees)		**(190.00)**	(75.00)
	Diluted (Rupees)		**(190.00)**	(75.00)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Manish Sinha
Director
[DIN: 06481081]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
19th April, 2024

Mumbai
19th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 31 MARCH 2024

A. Equity share capital

INR Lakhs

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2022	0.10
Changes during the year:	
i) Fresh allotment of shares	–
ii) Allotment of shares by ESOS Trust to employees	–
Balance as at 31 March 2023	0.10
Balance as at 1 April 2023	0.10
Changes during the year:	
i) Fresh allotment of shares	**–**
ii) Allotment of shares by ESOS Trust to employees	**–**
Balance as at 31 March 2024	**0.10**

B. Other Equity

Particulars	Reserves and Surplus									
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital redemption reserves	Securities premium reserve	General reserves	Debenture Redemption Reserves (DRR)	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Total
Balance as at 1 April 2022	–	–	–	–	–	–	2.75	–	–	2.75
Profit/(loss) for the year							–			–
Other Comprehensive Income / (loss)							–	–	–	–
Total Comprehensive Income for the year	–	–	–	–	–	–	–	–	–	–
Excess of income / (expenditure) for the current period			–				(0.75)			(0.75)
Balance as at 31 March 2023	–	–	–	–	–	–	2.00	–	–	2.00

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 31 MARCH 2024 (Contd.)

Particulars	**Reserves and Surplus**									
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	**Capital redemption reserves**	**Securities premium reserve**	**General reserves**	**Debenture Redemption Reserves (DRR)**	**Employee stock options outstanding**	**Retained earnings**	**Debt instruments through OCI**	**Equity instruments through OCI**	**Total**
Balance as at 1 April 2023	–	–	–	–	–	–	2.00	–	–	2.00
Profit/(loss) for the year							–			–
Other Comprehensive Income / (loss)							–	–	–	–
Total Comprehensive Income for the year	–	–	–	–	–	–	–	–	–	–
Excess of income / (expenditure) for the current period			–				(1.90)			(1.90)
Balance as at 31 March 2024	–	–	–	–	–	–	0.10	–	–	0.10

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Manish Sinha
Director
[DIN: 06481081]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
19th April, 2024

Mumbai
19th April, 2024

STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 MARCH 2024

INR Lakhs

	Particulars	Period ended 31 March 2024	Period ended 31 March 2023
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Excess of income / (expenditure) for the current period	**(1.90)**	(0.75)
	Adjustments to reconcile profit before tax to net cash flows:		
	Add: Non-cash expenses	**–**	–
	Less: Income considered separately	**–**	–
	Income from investing activities	**–**	–
	Operating profit before working capital changes	**(1.90)**	(0.75)
	Changes in -		
	Other financial assets	**–**	–
	Other financial liabilities	**–**	–
	Trade and other payables	**–**	(0.01)
	Trade and other receivables	**0.01**	–
	Other non-financial assets	**–**	(0.01)
	Other non-financial liabilities	**–**	–
	Cash used in operations	**0.01**	(0.02)
	Income taxes paid (net of refunds)	**0.81**	–
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(1.08)**	(0.77)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments at amortised cost	**–**	–
	Proceeds from sale of investments measured at amortized cost	**–**	–
	Interest received	**–**	–
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**–**	–
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of equity shares	**–**	–
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**–**	–
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1.08)**	(0.77)
	Cash and Cash Equivalents at the beginning of the year	**1.98**	2.75
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 1)	**0.90**	1.98
	Components of Cash and Cash Equivalents		
	Balances with banks in current accounts	**0.90**	1.98
	Term deposits with original maturity up to 3 months	**–**	–
	Total	**0.90**	1.98

Notes :

The above Statement of Cash Flow has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm’s Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Manish Sinha
Director
[DIN: 06481081]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
19th April, 2024

Mumbai
19th April, 2024

SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY INFORMATION

Mahindra Finance CSR Foundation ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai dated April 2, 2019. The Company has received license under Section 8 (1) of the Companies Act, 2013. The Company is established to undertake, by itself or joining, collaborating with, or participating in, projects that, support, promote and enhance: education, including special education, especially among children, women, elderly and the differently abled; employment, vocational skills, and sustainable livelihood; curative and preventive healthcare measures; sanitation and availability of safe drinking water; measures eradicating hunger, poverty and malnutrition; sustainability environmental and ecological balance; protection of flora and fauna, animal welfare, agro forestry; conservation of natural resources; maintenance of quality of soil, air and water; including but not limited to, rehabilitation efforts prior, during and or after natural disasters. The objective of the Company is to work, contribute towards all activities outlined by, but not restricted to, Section 135, Schedule VII of the Companies Act, 2013, the related rules and the amendments thereto from time to time.

Further, the company received its registration under section 12AA of the Income Tax Act 1961 on 29 November, 2019 and certificate under section 80G of the Income Tax Act,1961 on 24 December, 2019 valid from 3 June, 2019.

None of the objects of the Company will be carried out on commercial basis. The Company is a subsidiary of Mahindra & Mahindra Financial Services Limited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

These financial statements are the company's first Ind–AS financial statement. The financial statements have been prepared on a historical cost convention and on an accrual basis.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakh, unless otherwise indicated.

2.3 Revenue recognition

The revenue is measured on actual receipt basis of donations received.

2.4 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Notes forming part of the Financial Statements

INR Lakhs

1 Cash and cash equivalents

	31 March 2024	31 March 2023
Cash on hand	**–**	–
Balances with banks in current accounts	**0.90**	1.98
Term deposits with original maturity up to 3 months	**–**	–
	0.90	1.98

2 Non-financial Assets

	31 March 2024	31 March 2023
Current tax assets (Net)	–	0.81
	–	0.81

3 Other non-financial assets

	31 March 2024	31 March 2023
Other receivables	**–**	0.01
	–	0.01

4 Other payables

	31 March 2024	31 March 2023
total outstanding dues of creditors other than micro enterprises and small enterprises	**0.45**	0.45
	0.45	0.45

5 Other financial liabilities

	31 March 2024	31 March 2023
Provision for expenses		
Trademark expense	**–**	–
Legal professional / regulatory exp	**0.20**	0.20
Audit fees payable	**–**	–
Other financial liabilities	**–**	–
	0.20	0.20

6 Other non financial liabilities

	31 March 2024	31 March 2023
Statutory dues and taxes payable	**0.05**	0.05
	0.05	0.05

7 Equity Share capital

	31 March 2024	31 March 2023
Authorised:		
1,000 (31 Mar 2021: 1,000) Equity shares of Rs.10/- each	**0.10**	0.10
Issued, Subscribed and paid-up:		
1,000 (31 Mar 2021: 1,000) Equity shares of Rs.10/- each fully paid up	**0.10**	0.10
Issued, Subscribed and paid-up Share capital	**0.10**	0.10

Notes forming part of the Financial Statements as at 31 March 2024

INR Lakhs

		As at 31 March 2024		As at 31 March 2023	
		No. of shares	**INR Lakhs**	**No. of shares**	**INR Lakhs**
a)	**Reconciliation of number of equity shares and amount outstanding:**				
	Issued, Subscribed and paid-up:				
	Balance at the beginning of the year	**1,000**	0.10	**1,000**	0.10
	Add : Fresh allotment of shares:	**–**	–	**–**	–
	Balance at the end of the year	**1,000**	0.10	**1,000.00**	0.10
b)	Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:				
	Holding company : Mahindra & Mahindra Financial Services Limited	**1,000**	0.10	**1,000**	0.10
	(Equity shares of Rs. 10/- each)				
	Percentage of holding (%)	**100%**	100%	**100%**	100%

Other Equity	**31 March 2024**	31 March 2023
Surplus in Statement of Profit and Loss:		
Balance as at the beginning of the year	**2.00**	2.75
Add : Excess of income / (expenditure) for the current period transferred from Statement of Income and Expenditure	**(1.90)**	(0.75)
Balance Loss carried to Balance Sheet	**0.10**	2.00
Less : Allocations & Appropriations :	**–**	–
Balance as at the end of the period	**0.10**	2.00
Total	**0.10**	2.00

8 Revenue receipts

	31 March 2024	31 March 2023
Donations received	**–**	20.30
(from MMFSL)		
	–	20.30

9 Other Income

	31 March 2024	31 March 2023
Interest Income	**0.05**	–
	0.05	–

10 Finance costs

	31 March 2024	31 March 2023
Bank charges	**–**	–
	–	–

11 Corporate Social Responsibility expenses

	31 March 2024	31 March 2023
Educational assistance	**–**	20.30
	–	20.30

12 Other Expenses

	31 March 2024	31 March 2023
Auditor's fees and expenses	**0.50**	0.59
Legal and professional charges	**0.45**	0.15
Trademark expense	**1.00**	0.01
	1.95	0.75

13 Earning Per Share (EPS)

	31 March 2024	31 March 2023
Profit / (Loss) for the period	**(1.90)**	(0.75)
Weighted average number of Equity Shares	**1,000**	1,000
Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)	**(190.00)**	(75.00)
Diluted Earnings per share (Rs.)	**(190.00)**	(75.00)

14 Related party disclosure:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	Ultimate Holding Company	Mahindra & Mahindra Limited
b)	Holding Company	Mahindra & Mahindra Financial Services Limited
c)	Fellow Subsidiaries: (entities with whom the Company has transactions)	Not applicable
d)	Joint Ventures / Associates (entities with whom the Company has transactions)	Not applicable
e)	Key Management Personnel:	Mr. Vivek Karve (Director) Mr. Manish Sinha (Director) Mr. Raul Rebello (Director)

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

Sr. No.	Particulars	For the year ended	Ultimate Holding Company	Holding Company	Fellow subsidiaries	Joint Ventures / Associates	KMP/Directors of the Company
1	Donations received	**31/3/2024**	**–**	**–**	**–**	**–**	**–**
		31/3/2023	–	20.30	–	–	–
2	Other expenses	**31/3/2024**	**1.00**	**–**	**–**	**–**	**–**
		31/3/2023	0.01	–	–	–	–

iii) Balances as at the end of the period - Nil

Signatures to Notes 1 to 14

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Manish Sinha
Director
[DIN: 06481081]

Vivek Karve
Director
[DIN: 06840707]

Mumbai
19th April, 2024

Mumbai
19th April, 2024

Independent Auditor's Report
To The Members of Mahindra Lifespace Developers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Lifespace Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures performed:**
	There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement. Refer Notes 2.17 and 11 to the Standalone Financial Statements	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We assessed the Company's process for the valuation of inventories. • Evaluated the design, implementation and tested the operating effectiveness of the internal controls relating to the valuation of inventories, including the management process for the review and approval of the estimated costs to complete the projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. Selected a sample of inventories and performed procedures around: • Construction costs incurred for the inventories by testing the supporting documents and wherever available, corroborated the same with the reports from external supervising engineers.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures performed:**
		• Estimated total construction cost to be incurred for completing the construction of the project and wherever available, corroborated the same with the reports from external supervising engineers. Examined the detailed project reviews by senior operational and financial management to determine the total budgeted costs for the project. Assessed the significant judgements/ estimates adopted by the Company for the estimated total construction costs to be incurred for completing the construction of the project. Additionally, we carried out site visits for a number of projects during the year. • The Company's methodology and key assumptions for determining NRV of the inventories. Assessed the estimates used by the Company for the expected net amounts to be realized from the sale of inventories in the ordinary course of business. We examined the total projected budgeted cost to the total budgeted sale value from the project. We examined the NRV to recent sales in the project or to the estimated selling price applied in assessing the NRV. We assessed the NRV to the carrying value in books.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis Report, Corporate Governance Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for matters stated in paragraph (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 41 (d) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41 (d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 42 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a) in respect of an accounting software, audit trail was not enabled at the database level to log any direct changes, and

b) in respect of another software, since the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months, we are unable to comment whether the audit trail feature was enabled and operating for the period the audit trail log is not available.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating and the log was maintained (refer note 41 (h) – to the standalone financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 24100459BKFASM7791)

Place: Mumbai
Date: April 26, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of Mahindra Lifespace Developers Limited (“the Company”) as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm’s Registration No.117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 24100459BKFASM7791)

Place: Mumbai
Date: April 26, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Lifespace Developers Limited on the financial statements of the Company for the year ended March 31, 2024.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of acquired land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. According to the information and explanation given to us, the Company does not have any other land or building other than administrative block and project facilities, temporarily constructed at the project sites and capitalised as Building.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has made investments in and granted unsecured loans to companies, during the year, in respect of which:

(a) The Company has provided unsecured advances in the nature of loans to Companies during the year and details of which are given below:

		(Rs. in lakhs)
		Loans
A.	Aggregate amount granted / provided during the year:	
-	Subsidiaries	2,350.50
-	Joint Ventures	6,325.00
B.	Balance outstanding as at balance sheet date in respect of above cases:	
-	Subsidiaries	1,750.50
-	Joint Ventures	2,975.00

The Company has not made any investments in and granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties during the year. The Company has not provided any guarantee or security to any other entity during the year.

(b) The investments made and the terms and conditions of the grant of all the above-mentioned unsecured advances in the nature of loans provided during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(c) In respect of advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of unsecured advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No unsecured advances in the nature of loans granted by the Company which have fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing advances in the nature of loans given to the same parties.

(f) The Company has granted unsecured advances in the nature of loans which are repayable on demand details of which are given below:

	(Rs. in lakhs)
	All parties
Aggregate of advances in nature of loans to related parties	
- Repayable on demand	6,300.50
Percentage of advances in nature of loans to the total loans	72.62%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues as applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in lakh)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2003-04	583.81
			AY 2009-10	19.20
			AY 2013-14	276.98
		Commissioner of Income tax (Appeals)	AY 2007-2008	561.99
Finance Act, 1994	Service Tax *	Appellate Authority- up to Commissioners/ Revisional authorities level	FY 2005 to 2010*	69.88
			FY 2010	450.79
			FY 2009 to 2014	67.70
			FY 2014 to 2016**	38.90
Sales Tax and Value Added Tax Laws	Sales Tax and VAT	High Court	FY 2006 to 2010****	252.68
Central Goods and Service Tax Act 2017 and State Goods and Service Tax Act 2017	Goods & Service Tax Act	Adjudication up to Commissioners/ Revisional authorities level	FY 2017-18***	474.57
		High Court	FY 2017-18	278.25
		Joint Commissioner	FY 2017-18@	6,063.17
			FY 2018-19	3,408.00
			FY 2019-20!	917.11

* net of deposit Rs. 7.75 lakhs
** net of deposit Rs. 3.15 lakhs
*** net of deposit Rs. 36.14 lakhs
**** net of deposit Rs. 23.91 lakhs
@ net of deposit Rs. 249.97 lakhs
! net of deposit Rs. 41.94 lakhs

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports issued to the Company (during the year), covering the period upto September 2023 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group has more than one Core Investment Company (CIC) as part of the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). There are four CIC forming part of the group.

(xvii) The Company has incurred cash losses amounting to Rs. 9,000.89 lakhs in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the provision of sub-section (5) and sub-section (6) of section 135 of the Companies Act, 2013 are not applicable to the Company for the year. Accordingly, reporting under clause (xx) of the Order is not applicable.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 24100459BKFASM7791)

Place: Mumbai
Date: April 26, 2024

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

(Rs. in lakhs)

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4.1	**1,880.66**	1,201.77
	(b) Right of Use Assets	4.2	**421.68**	282.59
	(c) Capital Work-in-Progress	4.3	**508.07**	512.94
	(d) Investment Property	5	**–**	1,939.63
	(e) Intangible Assets	6	**59.61**	53.35
	(f) Financial Assets			
	(i) Investments	7	**56,136.01**	56,647.49
	(ii) Loans	15	**2,375.00**	–
	(iii) Other Financial Assets	8	**1,126.95**	1,175.91
	(g) Deferred Tax Asset (Net)	9	**8,870.03**	5,731.30
	(h) Other Non Current Assets	10	**6,250.49**	6,107.37
	TOTAL NON-CURRENT ASSETS		**77,628.50**	73,652.35
2	**CURRENT ASSETS**			
	(a) Inventories	11	**317,779.60**	181,533.93
	(b) Financial Assets			
	(i) Investments	7	**8,628.48**	19,617.18
	(ii) Trade Receivables	12	**6,864.70**	9,779.63
	(iii) Cash and Cash Equivalents	13	**8,486.06**	4,179.56
	(iv) Bank balances other than (iii) above	14	**1,279.75**	2,247.07
	(v) Loans	15	**8,179.05**	8,128.08
	(vi) Other Financial Assets	8	**2,263.25**	2,282.06
	(c) Other Current Assets	10	**13,242.48**	14,161.06
	TOTAL CURRENT ASSETS		**366,723.37**	241,928.57
3	Assets classified as held for sale	5	**2,547.12**	–
	TOTAL ASSETS (1+2+3)		**446,898.99**	315,580.92
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	16	**15,501.00**	15,466.72
	(b) Other Equity	17	**138,775.50**	145,808.46
	TOTAL EQUITY		**154,276.50**	161,275.18
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	19	**64,796.22**	–
	(ii) Lease Liabilities	33	**333.39**	–
	(b) Provisions	18	**548.75**	385.90
	TOTAL NON-CURRENT LIABILITIES		**65,678.36**	385.90
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	19	**21,976.09**	23,763.03
	(ii) Lease Liabilities	33	**108.11**	301.36
	(iii) Trade Payables			
	(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises	20	**588.01**	618.41
	(B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	20	**16,223.35**	16,149.08
	(iv) Other Financial Liabilities	21	**37,540.77**	32,539.96
	(b) Other Current Liabilities	22	**148,384.98**	78,137.81
	(c) Provisions	18	**743.71**	1,031.08
	(d) Current Tax Liabilities (Net)		**1,379.11**	1,379.11
	TOTAL CURRENT LIABILITIES		**226,944.13**	153,919.84
	TOTAL EQUITY AND LIABILITIES (1+2+3)		**446,898.99**	315,580.92
	Summary of Material Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai: April 26, 2024

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
Amit Kumar Sinha Managing Director & CEO DIN: 09127387

Bijal Parmar
Assistant Company Secretary
ACS: 32339

Vimal Agarwal
Chief Financial Officer

Mumbai: April 26, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in lakhs)

Particulars		Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I	**INCOME**			
	(a) Revenue from Operations	23	**1,868.66**	47,190.50
	(b) Other Income	24	**10,474.41**	15,621.22
	TOTAL INCOME (a + b)		**12,343.07**	62,811.72
II	**EXPENSES**			
	(a) Cost of Sales			
	- Construction expenses incurred	25	**138,556.60**	116,185.82
	- Changes in inventories of work-in-progress and finished goods	25	**(136,077.76)**	(75,808.30)
	- Operating Expenses	25	**41.01**	1,146.06
	(b) Employee Benefits Expense	26	**7,592.01**	6,921.69
	(c) Finance Costs	27	**702.33**	851.29
	(d) Depreciation and Amortisation Expense	4 to 6	**1,253.81**	965.97
	(e) Other Expenses	28	**9,577.49**	9,930.14
	TOTAL EXPENSES (a+b+c+d+e)		**21,645.49**	60,192.67
III	**PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEM (I - II)**		**(9,302.42)**	2,619.05
IV	**EXCEPTIONAL ITEM**	7	**2,291.24**	12,437.27
V	**PROFIT BEFORE TAX (III + IV)**		**(7,011.18)**	15,056.32
VI	**TAX (CREDIT)/EXPENSE**			
	(a) Current tax	29	**–**	–
	(b) Deferred tax	29	**(3,129.22)**	(68.97)
	TOTAL TAX (CREDIT)/EXPENSE (a+b)		**(3,129.22)**	(68.97)
VII	**PROFIT / (LOSS) FOR THE YEAR (V - VI)**		**(3,881.96)**	15,125.29
VIII	**OTHER COMPREHENSIVE INCOME**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		**(37.77)**	1.69
	(b) Income tax relating to Items that will not be reclassified to profit or loss	29	**9.51**	(0.43)
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (a+b)		**(28.26)**	1.26
IX	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (VII + VIII)**		**(3,910.22)**	15,126.55
X	**EARNINGS PER EQUITY SHARE (face value of Rs. 10/- each) (Rs.)**			
	(a) Basic (in Rs.)	30	**(2.51)**	9.78
	(b) Diluted (in Rs.)	30	**(2.51)**	9.77
Summary of Material Accounting Policies		2		

The accompanying notes 1 to 44 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai: April 26, 2024

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
Amit Kumar Sinha Managing Director & CEO DIN: 09127387

Bijal Parmar
Assistant Company Secretary
ACS: 32339

Vimal Agarwal
Chief Financial Officer

Mumbai: April 26, 2024

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in lakhs)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A.	**Cash flows from operating activities:**		
	Profit / (Loss) before exceptional item and tax	**(9,302.42)**	2,619.05
	Adjustments for:		
	Finance Costs	**702.33**	851.29
	Interest Income	**(1,990.60)**	(3,825.05)
	Dividend Income	**(3,330.00)**	(10,515.00)
	(Gain) / Loss on disposal of Property Plant & Equipment (net)	**4.98**	(2.31)
	(Gain) / Loss on disposal of Investment Property (net)	**(2,512.43)**	–
	Profit on sale of non current investments	**(8.02)**	–
	Provision for inventory (NRV)	**889.14**	335.04
	Profit on sale of current investments	**(1,305.28)**	(484.20)
	Depreciation and Amortisation Expense	**1,253.81**	965.97
	Net (Gain) / Loss arising on financial assets measured at fair value through profit or loss	**(236.11)**	1,155.73
	Net Loss / (Gain) arising on current Investment measured at Fair Value through Profit and Loss	**71.46**	(100.37)
	Expense recognised in respect of equity-settled-share-based-payments	**265.14**	65.17
	Operating Loss before working capital changes	**(15,498.00)**	(8,934.68)
	Changes in:		
	Decrease in Trade and Other Receivables	**2,496.31**	2,050.70
	(Increase) in Inventories	**(132,840.74)**	(74,776.10)
	Increase in Trade Payables and Other Liabilities	**75,358.09**	64,108.71
	Cash used in operations	**(70,484.34)**	(17,551.37)
	Income taxes paid (net of refunds & interest on refunds)	**(142.84)**	(535.54)
	Net cash used in operating activities	**(70,627.18)**	(18,086.91)
B.	**Cash flows from investing activities**		
	Bank deposits (net)	**0.27**	(0.49)
	Changes in earmarked balances and margin accounts with banks	**967.05**	(1,142.06)
	Interest received	**1,163.36**	6,394.94
	Dividend received from Joint Ventures and Subsidiaries	**3,330.00**	10,515.00
	Inter-corporate Deposit Given	**(8,675.50)**	(1,278.50)
	Inter-corporate Deposit Realised	**6,249.53**	2,871.83
	Payment to acquire Property, Plant and Equipment	**(1,590.50)**	(867.23)
	Proceeds from disposal of property, plant and equipment	**80.72**	20.66
	Proceeds from disposal of Investment Property	**3,963.97**	–
	Proceeds from investment in subsidiaries and Joint Ventures	**4,291.11**	7,110.64
	Proceeds /(Purchase of Current Investments) in others (Net)	**12,222.52**	(19,032.61)
	Purchase of investment in subsidiaries and Associates	**(1,077.56)**	(2,616.35)
	Net cash generated from investing activities	**20,924.97**	1,975.83

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

(Rs. in lakhs)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
C.	**Cash flows from financing activities**		
	Proceeds from issue of Equity shares of the Company	**209.66**	44.62
	Proceeds from borrowings	**185,206.32**	88,147.28
	Repayment of borrowings	**(122,197.04)**	(80,864.89)
	Dividend Paid	**(3,569.77)**	(3,097.95)
	Interest paid	**(5,229.28)**	(1,637.84)
	Payment of lease liability	**(411.18)**	(310.82)
	Net Cash from financing activities	**54,008.71**	2,280.40
	Net increase / (decrease) in cash and cash equivalents	**4,306.50**	(13,830.68)
	Cash and cash equivalents at the beginning of the year	**4,179.56**	18,010.24
	Cash and cash equivalents at the end of the year	**8,486.06**	4,179.56

Summary of material accounting policies (Refer Note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements

Notes:

(a) The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

(b) Also refer note no. 13 - Cash and Cash Equivalents

(c) During the year ended March 31, 2023 the Company received non-cash consideration amounting to Rs. 120.25 crores in the form of redeemable preference shares from Mahindra World City Developers Ltd. pursuant to a scheme of merger by absorption of Mahindra Integrated Township Ltd and Mahindra Residential Developers Ltd with a joint venture of the Company, Mahindra World City Developers Ltd.

(d) Changes in liabilities arising from financing activities (Refer Note 19)

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai: April 26, 2024

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
Amit Kumar Sinha Managing Director & CEO DIN: 09127387

Bijal Parmar
Assistant Company Secretary
ACS: 32339

Vimal Agarwal
Chief Financial Officer

Mumbai: April 26, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
Balance at the Beginning of the year		**15,466.72**	15,451.73
Add: Issue of equity shares under employee share option plan	16	**34.28**	14.99
Balance at the end of the year		**15,501.00**	15,466.72

B. Other Equity

(Rs. in lakhs)

	Share Application money pending allotment	Securities Premium	General Reserve	Other Reserves#	Retained Earnings	Total
As at 31st March, 2022	–	94,475.08	7,299.49	443.91	31,459.30	133,677.78
Profit for the year	–	–	–	–	15,125.29	15,125.29
Other Comprehensive Income net of taxes*	–	–	–	–	1.26	1.26
Total Comprehensive Income for the year	–	–	–	–	15,126.55	15,126.55
Received on exercise of employee stock options	44.62	–	–	–	–	44.62
Dividend paid on Equity Shares	–	–	–	–	(3,090.67)	(3,090.67)
Allotment of Shares to Employees	(44.36)	186.91	–	(157.54)	–	(14.99)
Arising on share based payment	–	–	–	65.17	–	65.17
As at 31st March, 2023	**0.26**	**94,661.99**	**7,299.49**	**351.54**	**43,495.18**	**145,808.46**
Profit for the year	–	–	–	–	(3,881.96)	(3,881.96)
Other Comprehensive Loss net of taxes*	–	–	–	–	(28.26)	(28.26)
Total Comprehensive Loss for the year	–	–	–	–	(3,910.22)	(3,910.22)
Received on exercise of employee stock options	209.66	–	–	–	–	209.66
Dividend paid on Equity Shares	–	–	–	–	(3,563.39)	(3,563.39)
Allotment of Shares to Employees	(209.92)	395.51	–	(219.87)	–	(34.28)
Arising on share based payment	–	–	–	265.27	–	265.27
As at 31st March, 2024	**0.00**	**95,057.50**	**7,299.49**	**396.94**	**36,021.57**	**138,775.50**

* Remeasurement gains/ (losses) net of taxes on defined benefit liabilities during the year is recognised as part of retained earnings.

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

B. Other Equity (Cont…)

#Other Reserves

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(I) Share Options Outstanding Account		
Balance as at the beginning of the year	**351.54**	443.91
Add/(Less):		
Utilised towards allotment of shares to employees	**(219.87)**	(157.54)
Arising on share based payment	**265.27**	65.17
Balance as at the end of the year	**396.94**	351.54
Total	**396.94**	351.54

Summary of material accounting policies (Refer Note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai: April 26, 2024

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani Chairman DIN: 00087866
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Bijal Parmar
Assistant Company Secretary
ACS: 32339

Vimal Agarwal
Chief Financial Officer

Mumbai: April 26, 2024

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

1. **General Information**

   Mahindra Lifespace Developers Limited ('the Company') is a limited company incorporated in India. Its Corporate Identification Number is (CIN) L45200MH1999PLC118949. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Its parent and ultimate holding company is Mahindra & Mahindra Limited.

   The addresses of its registered office is disclosed in the introduction to the annual report. The Company along with its subsidiary, associates and joint venture companies is engaged in the development of residential projects and large formats developments such as integrated cities and industrial clusters.

2. **Material Accounting Policies**

2.1 Statement of compliance and basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 26th April, 2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102 – "Share based Payments", leasing transactions within the scope of Ind AS 116, "Leases" and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – "Inventories" or value in use in Ind AS 36 – "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate unit to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate unit sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

v. Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

vi. The Company recognizes revenue at a point in time in each reporting period considering the estimates like reasonableness of collections from customers, disputes with the customer which may result in the cancellation of the contract, which are re assessed periodically by the management. The effect of these changes to estimates is recognised in the period when changes are determined. Accordingly any revenues attributable to such changes and the corresponding Cost of Goods Sold ("COGS") previously recognised are reversed and reduced from the current year's Revenue and COGS respectively.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

2.4.3 Revenue from Project Management fees and Rental Income

Revenue from Project Management Fees and Rental Income are recognized on accrual basis as per the terms and conditions of relevant agreements.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

2.4.4 Dividend and interest income

Dividend income from investments in shares is recognized when right to receive is established, which is generally when shareholders approve the dividend.

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 3 to 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

— Expected to be realised or intended to be sold or consumed in normal operating cycle

— Held primarily for the purpose of trading

— Expected to be realised within twelve months after the reporting period, or

— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is classified as current when:

— It is expected to be settled in normal operating cycle

— It is held primarily for the purpose of trading

— It is due to be settled within twelve months after the reporting period, or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

2.6.1 The Company as a Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expense on a straight-line basis over the lease term. The respective leased assets are presented in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor.

2.6.2 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of right-of-use asset or the end of the lease term. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that, at the commencement date, have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

2.7 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using the closing rate prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences on transactions entered to hedge certain foreign currency risks.

2.8 Employee Benefits

2.8.1 Defined contribution plans

The Company's contribution to provident fund and superannuation fund is considered as defined contribution plan and is charged as an expense in profit and loss based on the amount of contribution required to be made. The Company has no further payment obligations once the contributions have been paid.

2.8.2 Defined benefit plan

Defined benefit gratuity plan is wholly or partly funded by contributions by the Company. The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using an actuarial technique, the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

2.8.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.8.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8.5 Employee Stock Option Scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period the Company revises its estimate of the No. of equity instruments expected to vest. The impact of revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with the corresponding adjustments to the equity settled.

2.9 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.10 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the Company for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the Company for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.12.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/ estimated period of lease.

Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Computers, computer equipment's and furniture and fixtures are depreciated over the period of 1 year to 10 years.

Plant and equipment's are depreciated over the period of 1 year to 7 years.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.14 Intangible Assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.14.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.14.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer Software	5 years

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

2.15 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Investment property includes freehold/leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.16 Impairment of tangible and intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.18 Assets held for sale

Assets or disposal groups are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. To classify as held for sale, the asset must be available for immediate sale in its present condition, its sale must be highly probable and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

2.19 Cost of Construction/Development

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties.

2.20 Dividend Distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.21 Provisions and contingent liabilities

2.21.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.21.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.21.3 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

2.22 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

2.22.1 Classification and subsequent measurement

2.22.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

— Amortised cost; or

— Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

— Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

— Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.22.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.22.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.22.3 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.22.4 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Investment in Subsidiaries and Joint Ventures:

The entire carrying amount of the investment in subsidiaries, associates and joint ventures is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

2.22.5 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/ or payable is recognised in profit or loss.

2.23 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been from April 01, 2024.

3. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment, Investment Property and Intangible Asset

The Company reviews the useful life of property, plant and equipment, Investment Property and Intangible Asset at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determination of the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

G. Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate

H. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonable certain to exercise that option and period covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of the lease.

The discount rate is generally based on increment borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

4.1 - Property, Plant and Equipment

(Rs. in lakhs)

Description of Assets	Building	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2023	863.17	565.57	231.30	371.49	278.53	685.60	2,995.66
Additions during the year	–	–	53.59	78.87	60.48	247.25	440.19
Transfer from capital work-in-progress (refer note 4.3)	1,008.45	–	67.23	55.14	–	–	1,130.82
Deductions/Adjustments during the year	–	–	(1.57)	1.57	(117.57)	(102.26)	(219.83)
Balance as at 31st March, 2024	**1,871.62**	**565.57**	**350.55**	**507.07**	**221.44**	**830.59**	**4,346.84**
II. Accumulated depreciation and impairment							
Balance as at 1st April, 2023	482.87	518.22	162.32	238.98	81.87	309.63	1,793.89
Depreciation expense for the year	392.49	19.90	43.29	98.01	55.43	197.29	806.41
Deductions/Adjustments during the year	–	–	(1.19)	1.19	(33.52)	(100.60)	(134.12)
Balance as at 31st March, 2024	**875.36**	**538.12**	**204.42**	**338.18**	**103.78**	**406.32**	**2,466.18**
III. Net carrying amount (I-II)	**996.26**	**27.45**	**146.13**	**168.89**	**117.66**	**424.27**	**1,880.66**

(Rs. in lakhs)

Description of Assets	Building	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2022	610.66	565.57	215.14	324.61	191.99	492.50	2,400.47
Additions during the year	32.90	–	16.79	1.89	171.39	331.43	554.40
Transfer from capital work-in-progress (refer note 4.3)	219.61	–	19.26	45.36	–	–	284.23
Deductions/Adjustments during the year	–	–	(19.89)	(0.37)	(84.85)	(138.33)	(243.44)
Balance as at 31st March, 2023	863.17	565.57	231.30	371.49	278.53	685.60	2,995.66
II. Accumulated depreciation and impairment							
Balance as at 1st April, 2022	195.92	477.63	138.99	143.06	104.03	337.50	1,397.13
Depreciation expense for the year	286.95	40.59	43.05	96.13	45.36	106.08	618.16
Deductions/Adjustments during the year	–	–	(19.72)	(0.21)	(67.52)	(133.95)	(221.40)
Balance as at 31st March, 2023	482.87	518.22	162.32	238.98	81.87	309.63	1,793.89
III. Net carrying amount (I-II)	380.30	47.35	68.98	132.51	196.66	375.97	1,201.77

4.2 - Right of Use Assets

(Rs. in lakhs)

Description of Assets	Buildings		Vehicles		Total	
	As at 31st March, 2024	As at 31st March, 2023	**As at 31st March, 2024**	As at 31st March, 2023	**As at 31st March, 2024**	As at 31st March, 2023
I. Gross Carrying Amount						
Balance as at 1st April	**846.24**	846.24	**–**	–	**846.24**	846.24
Additions during the year	**436.46**	–	**77.56**	–	**514.02**	–
Deductions/Adjustments during the year	**–**	–	**–**	–	**–**	–
Balance as at 31st March	**1,282.70**	846.24	**77.56**	–	**1,360.26**	846.24
II. Accumulated depreciation						
Balance as at 1st April	**563.65**	281.82	**–**	–	**563.65**	281.82
Depreciation expense for the year	**363.56**	281.83	**11.37**	–	**374.93**	281.83
Deductions/Adjustments during the year	**–**	–	**–**	–	**–**	–
Balance as at 31st March	**927.21**	563.65	**11.37**	–	**938.58**	563.65
III. Net carrying amount (I-II)	**355.49**	282.59	**66.19**	–	**421.68**	282.59

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

4.3 - Capital Work-in-Progress

(Rs. in lakhs)

Particulars	Buildings As at 31st March, 2024	Buildings As at 31st March, 2023
Balance as at 1st April	**512.94**	284.23
Additions during the year	**1,125.95**	512.94
Transfer to Property, plant and equipment (refer note 4.1)	**(1,130.82)**	(284.23)
Balance as at 31st March	**508.07**	512.94

Ageing of capital Work-in-Progress

(Rs. in lakhs)

Particulars	Buildings As at 31st March, 2024	Buildings As at 31st March, 2023
Project-in-Progress		
Less than 1 year	**508.07**	512.94
Project temporary suspended	**–**	–
Total	**508.07**	512.94

Note : As on date of the balance sheet, there is no capital work in progress projects whose completion is overdue or has exceeded the cost compared to its original plan

5 - Investment Property

(Rs. in lakhs)

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2023	1,766.17	1,189.01	2,955.18
Additions during the year	2,146.61	–	2,146.61
Transfer to asset classified as held for sale*	(2,471.88)	(751.14)	(3,223.02)
Deletions during the year	(1,440.90)	(437.87)	(1,878.77)
Balance as at 31st March, 2024	**–**	**–**	**–**
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2023	–	1,015.55	1,015.55
Depreciation expense for the year	–	54.35	54.35
Transfer to asset classified as held for sale*	–	(675.90)	(675.90)
Deletion on disposal of assets	–	(394.00)	(394.00)
Balance as at 31st March, 2024	**–**	**–**	**–**
III. Net carrying amount (I-II)	**–**	**–**	**–**

(Rs. in lakhs)

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2022	1,766.17	1,189.01	2,955.18
Balance as at 31st March, 2023	**1,766.17**	**1,189.01**	**2,955.18**
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2022	–	955.82	955.82
Depreciation expense for the year	–	59.73	59.73
Balance as at 31st March, 2023	**–**	**1,015.55**	**1,015.55**
III. Net carrying amount (I-II)	**1,766.17**	**173.46**	**1,939.63**

Information regarding income and expenditure of Investment property:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rental income derived from investment properties (included in 'Revenue from Operations')	**444.12**	660.71
Profit on sale of Investment Property	**2,512.43**	–
Direct operating expenses that generate rental income (included in 'Other Expenses')	**396.12**	269.82

*** Asset classified as held for sale**

During the year ended March 31, 2024 the Company has entered into Memorandum of Understanding (MOU) dated February 20, 2024 for sale of 6 floors at Mahindra Towers, Delhi. As per the MOU, the Company has conveyed 3 floors by executing sale deeds and recognised profit during the current financial year. The balance 3 floors will be conveyed subsequently as per the MOU. Accordingly, the balance investment property has been shown under Asset classified as held for sale aggregrating to Rs. 2,547.12 lakhs.

6 - Intangible Assets

(Rs. in lakhs)

Description of Assets	Computer Software As at 31st March, 2024	Computer Software As at 31st March, 2023
I. Gross Carrying Amount		
Balance as at 1st April	**144.81**	76.47
Additions during the year	**24.37**	51.79
Deductions/Adjustments during the year	**(77.40)**	16.55
Balance as at 31st March	**91.78**	144.81
II. Accumulated depreciation and impairment		
Balance as at 1st April	**91.46**	71.79
Deductions/Adjustments during the year	**(77.40)**	13.40
Amortisation expense for the year	**18.11**	6.27
Balance as at 31st March	**32.17**	91.46
III. Net carrying amount (I-II)	**59.61**	53.35

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

7 - Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2024 Face Value per share (In Rs)	QTY	Amounts* Current	Amounts* Non Current	As at 31st March, 2023 Face Value per share (In Rs)	QTY	Amounts* Current	Amounts* Non Current
A. COST								
Unquoted Investments (all fully paid)								
Investments in Equity Instruments								
- of Subsidiaries								
Mahindra Infrastructure Developers Limited	**10**	**18,000,000**	**–**	**1,800.00**	10	18,000,000	–	1,800.00
Mahindra World City (Maharashtra) Limited	**10**	**25,423,700**	**–**	**2,430.37**	10	25,423,700	–	2,430.37
Knowledge Township Limited	**10**	**49,071,664**	**–**	**5,528.15**	10	49,071,664	–	5,528.15
Industrial Township (Maharashtra) Limited	**10**	**5,000,000**	**–**	**269.22**	10	5,000,000	–	269.22
Mahindra Bloomdale Developers Limited	**10**	**50,000**	**–**	**403.50**	10	50,000	–	403.50
Anthurium Developers Limited	**10**	**50,000**	**–**	**5.00**	10	50,000	–	5.00
Deepmangal Developers Private Limited	**10**	**112,847**	**–**	**397.28**	10	112,847	–	397.28
- of Joint Ventures								
Mahindra World City (Jaipur) Limited	**10**	**111,000,000**	**–**	**11,115.43**	10	111,000,000	–	11,115.43
Mahindra Happinest Developers Limited	**10**	**51,000**	**–**	**5.10**	10	51,000	–	5.10
Mahindra Industrial Park Private Limited	**10**	**50,000**	**–**	**5.00**	10	50,000	–	5.00
Mahindra World City Developers Limited	**10**	**17,799,999**	**–**	**3,889.43**	10	17,799,999	–	3,889.43
Mahindra Homes Private Limited								
Class A Equity Shares	**10**	**616,879**	**–**	**61.69**	10	616,879	–	61.69
Class C Equity Shares (Refer note 'a' below)	**10**	**23,043**	**–**	**11,465.14**	10	28,523	–	11,900.52
- of Associate								
Mahindra Knowledge Park (Mohali) Limited	**10**	**6**	**–**	**0.00**	10	6	–	0.00
AMIP Industrial Parks Private Limited (Refer note ‘b’ below)	**10**	**2,993,514**	**–**	**299.35**	10	783,514	–	78.35
Ample Parks Project 1 Private Limited (Refer note ‘c’ below)	**10**	**1,362,080**	**–**	**135.98**	–	–	–	–
Ample Parks Project 2 Private Limited (Refer note ‘d’ below)	**10**	**785,400**	**–**	**78.31**	–	–	–	–
TOTAL INVESTMENTS CARRIED AT COST [A]			**–**	**37,888.95**			–	37,889.04
B. AMORTISED COST								
Unquoted Investments (all fully paid)								
Investments in Preference Shares								
- of Subsidiaries								
Moonshine Construction Private Limited (7.00% Non-Cumulative Redeemable Participating Preference Shares)	**10**	**5,000**	**–**	**0.50**	10	5,000	–	0.50
- of Joint Ventures								
Mahindra Homes Private Limited (Series A 0.01% Optionally Convertible Redeemable Preference Shares)	**10**	**1**	**–**	**0.00**	10	1	–	0.00
Mahindra World City Developers Limited (0.01% Non Convertible Redeemable Preference Shares)	**10**	**120,250,000**	**–**	**11,260.67**	10	120,250,000	–	11,093.93
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [B]			**–**	**11,261.17**			–	11,094.43
C. Designated at Fair Value Through Profit and Loss								
Quoted Investments (all fully paid)								
Investments in Mutual Funds			**8,628.48**	**–**			19,617.18	–
Unquoted Investments (all fully paid)								
Investments in Preference Shares								
- of Joint Ventures								
Mahindra Happinest Developers Limited (0.01% Optionally Convertible Redeemable Preference Shares)	**10**	**949,661**	**–**	**335.63**	10	949,661	–	343.02
Investments in Debentures								
- of Joint Ventures								
Mahindra Industrial Park Private Limited								
- 11% Optionally Convertible Debentures - Series IV (Refer note ‘e’ below)	**100,000**	**–**	**–**	**–**	100,000	771	–	1,320.00
- Optionally Convertible Debentures - Series V	**100,000**	**6,686**	**–**	**6,008.00**	100,000	6,686	–	6,001.00

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

7 - Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2024 Face Value per share (In Rs)	QTY	Amounts* Current	Amounts* Non Current	As at 31st March, 2023 Face Value per share (In Rs)	QTY	Amounts* Current	Amounts* Non Current
- of Associates								
"Ample Parks Project 1 Private Limited								
- 8% Compulsory Convertible Debentures (Refer note 'c' below)"	**100**	**407,633**	**–**	**407.63**	–	–	–	–
"Ample Parks Project 2 Private Limited								
- 8% Compulsory Convertible Debentures (Refer note 'd' below)"	**100**	**234,630**	**–**	**234.63**	–	–	–	–
Investments in Equity Instruments								
- of Other Entities								
New Tirupur Area Development Corporation Limited	**10**	**500,000**	**–**	**0.00**	10	500,000	–	0.00
TOTAL INVESTMENTS CARRIED AT FVTPL [C]			**8,628.48**	**6,985.89**			19,617.18	7,664.02
TOTAL INVESTMENTS (A) + (B)+ (C)			**8,628.48**	**56,136.01**			19,617.18	56,647.49
Other disclosures								
Aggregate carrying value of quoted investments			**8,628.48**	**–**			19,617.18	–
Market value of quoted investments			**8,628.48**	**–**			19,617.18	–
Aggregate carrying value of unquoted investments			**–**	**56,136.01**			–	56,647.49
Aggregate amount of impairment in value of unquoted investments			**–**	**342.77**			–	7,898.18

* Rs. 0.00 lakhs denotes amount less than Rs. 500/-

Notes:

a. During the year ended 31st March, 2024, the Company has received Rs.2,734.63 Lakhs as a consideration for buyback of 5,480 Class C equity shares from Joint Venture Company viz Mahindra Homes Private Limited (MHPL). The transaction was completed on August 17, 2023. During the year ended 31st March, 2023, the Company has received Rs.7,092.74 Lakhs as a consideration for capital reduction of 17,000 Class C equity shares from Joint Venture Company viz Mahindra Homes Private Limited (MHPL). The transaction was completed on December 28, 2022.

b. During the year ended 31st March, 2024, the Company has invested 22,10,000 equity shares of AMIP Industrial Parks Private Limited at its face value of Rs. 10 each. (31st March, 2023: 7,83,514 equity shares)

c. During the year ended 31st March, 2024, the Company has invested in 13,62,080 equity shares at its face value of Rs. 10 each and 4,07,633 8% Compulsory Convertible Debentures at its face value of Rs. 100 each of Ample Parks Project 1 Private Limited.

d. During the year ended 31st March, 2024, the Company has invested in 7,85,400 equity shares at its face value of Rs. 10 each and 2,34,630 8% Compulsory Convertible Debentures at its face value of Rs. 100 each of Ample Parks Project 2 Private Limited.

e. During the year ended 31st March, 2024, the Company has redeemed 11% Optionally Convertible Debentures - Series IV of Mahindra Industrial Park Private Limited.

Exceptional Item:

f. Mahindra Homes Private Limited (MHPL), a Joint Venture of the Company, is executing residential projects at NCR. During the year MHPL launched Tower B of Luminare Project and experienced significant increase in sales velocity and prices. Pursuant to above, the Company has evaluated the carrying value of its investment and on the basis of estimated Net Present Value of forecasted cash flows expected to be generated by MHPL, reversed an impairment loss of Rs. 2,291.24 Lakhs. (31st March, 2023: 5,763.68 Lakhs)

8 - Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024 Non Current	As at 31st March, 2024 Current	As at 31st March, 2023 Non Current	As at 31st March, 2023 Current
Financial assets at amortised cost				
a) Security Deposit	**1,126.95**	**602.25**	1,175.91	551.31
b) Interest Accrued	**–**	**1,661.00**	–	1,730.75
Total	**1,126.95**	**2,263.25**	1,175.91	2,282.06

9 - Deferred Tax Asset (Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities	**632.01**	263.64
Deferred Tax Assets	**(9,502.04)**	(5,994.94)
Total	**(8,870.03)**	(5,731.30)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Deferred Tax (assets)/liabilities in relation to:

(Rs. in lakhs)

Particulars	Opening Balance as at 1st April, 2023	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2024
Deferred Tax Liabilities:				
Fiscal allowance on Property, Plant and Equipment, Investment Property and Other Intangible Assets	263.64	(70.48)	–	**193.16**
Other Temporary differences	–	438.85	–	**438.85**
Deferred Tax Liabilities	**263.64**	**368.37**	**–**	**632.01**
Deferred Tax Assets:				
Disallowance u/s 43(B) of the Income tax Act, 1961	(285.66)	76.75	–	**(208.91)**
Provision for Employee Benefits	(121.85)	(45.67)	(9.51)	**(177.03)**
Carry forward of Business Loss	(5,245.47)	(3,162.82)	–	**(8,408.29)**
Other Temporary differences	(341.96)	(365.85)	**–**	**(707.81)**
Deferred Tax Assets	**(5,994.94)**	**(3,497.59)**	**(9.51)**	**(9,502.04)**
Deferred Tax (Assets) / Liabilities (Net)	**(5,731.30)**	**(3,129.22)**	**(9.51)**	**(8,870.03)**

Deferred Tax (assets)/liabilities in relation to:

(Rs. in lakhs)

Particulars	Opening Balance as at 1st April, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2023
Deferred Tax Liabilities:				
Fiscal allowance on Property, Plant and Equipment, Investment Property and Other Intangible Assets	332.99	(69.35)	–	263.64
Other Temporary differences	116.46	(116.46)	–	–
Deferred Tax Liabilities	**449.45**	**(185.81)**	**–**	**263.64**
Deferred Tax Assets:				
Disallowance u/s 43(B) of the Income tax Act, 1961	(291.80)	6.14	–	(285.66)
Provision for Employee Benefits	(95.96)	(26.32)	0.43	(121.85)
Carry forward of Business Loss	(5,245.47)	–	–	(5,245.47)
Interest income on Optionally Convertible Debentures of a joint venture	(478.98)	478.98	–	–
Other Temporary differences	–	(341.96)	–	(341.96)
Deferred Tax Assets	**(6,112.21)**	**116.84**	**0.43**	**(5,994.94)**
Deferred Tax (Assets) / Liabilities (Net)	**(5,662.76)**	**(68.97)**	**0.43**	**(5,731.30)**

10 - Other Assets

(Rs. in lakhs)

Particulars	**As at 31st March, 2024**		As at 31st March, 2023	
	Non Current	**Current**	Non Current	Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**–**	**564.76**	–	500.49
(ii) Prepaid Expenses	**–**	**8,120.02**	–	5,091.29
(iii) Income Tax Assets (Net)	**6,250.49**	**–**	6,107.37	–
(iv) Security Deposits	**–**	**1,425.00**	–	1,425.00
(v) Other Advances #	**–**	**3,132.70**	–	7,144.28
Total	**6,250.49**	**13,242.48**	6,107.37	14,161.06

Other Advances mainly includes Land Advances , Employees advance and Project Advances given to vendors.

Advance given to employees as per the Company's policy are not considered for the purposes of disclosure under section 186(4) of the Companies Act, 2013.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

11 - Inventories (at lower of cost and net realisable value)

(Rs. in lakhs)

Particulars		As at 31st March, 2024	As at 31st March, 2023
(a)	Raw materials	**3,598.92**	3,431.01
(b)	Work-in-progress*	**305,554.40**	167,268.90
(c)	Finished Goods	**8,626.28**	10,834.02
Total		**317,779.60**	181,533.93

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

Notes:

1. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein. The amount of inventories recognised as an expense of Rs. 2,478.84 lakhs for the year ended 31st March, 2024.(31st March, 2023: Rs. 40,377.52 lakhs) include 31st March, 2024: Rs. 1,719.82 lakhs (31st March, 2023: Rs. 335.04 lakhs) in respect of write down of inventory to net realisable value.
2. The Company has availed long term loans from banks and financial institution wherein identified project inventories are mortgaged.

12 - Trade receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
(a) Considered good - unsecured	**6,864.70**	9,779.63
(b) Credit impaired	**181.62**	181.62
	7,046.32	9,961.25
Less: Loss Allowance	**(181.62)**	(181.62)
Total	**6,864.70**	9,779.63

12 a - Movement in the allowance for credit loss

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at beginning of the year	**181.62**	181.62
Additions during the year	**–**	–
Balance at end of the year	**181.62**	181.62

Refer Note 31 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

12 b - Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed Trade Receivable - Considered good - unsecured*		
Not Due	**4,086.75**	6,636.89
Less than 6 months	**1,962.16**	2,669.51
6 months -1 year	**459.92**	95.48
1-2 Years	**50.93**	118.24
2-3 years	**59.44**	9.13
More than 3 years	**245.50**	250.38
Undisputed Trade Receivable Credit impaired		
Not Due	**–**	–
Less than 6 months	**0.49**	13.95
6 months -1 year	**2.65**	3.58
1-2 Years	**10.28**	4.03
2-3 years	**4.14**	8.64
More than 3 years	**164.06**	151.42
Disputed Trade Receivables which have significant increase in credit risk	**–**	–
Disputed Trade Receivable Credit impaired	**–**	–
Total	**7,046.32**	9,961.25

* there were no unbilled receivables, hence the same is not disclosed in ageing schedule

13 - Cash and Cash Equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
Balance with Banks:		
- On current accounts*	**3,617.20**	822.39
- Fixed Deposit with original maturity Less than 3 months	**4,868.86**	3,357.17
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**8,486.06**	4,179.56

* As at 31st March, 2024 includes Rs. 33.38 lakhs (31st March, 2023: Rs. 37.68 lakhs) held in AED denominated bank accounts

14 - Bank Balances other than Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balances with Banks:		
(i) Earmarked balances	**1,171.87**	2,145.26
(ii) On Margin Accounts	**97.31**	90.97
(iii) Fixed Deposits with original maturity greater than 3 months	**10.57**	10.84
Total Other Bank balances	**1,279.75**	2,247.07

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

15 - Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2024 Non Current	As at 31st March, 2024 Current	As at 31st March, 2023 Non Current	As at 31st March, 2023 Current
Measured at amortised cost				
a) Loans to related parties (refer note 36)				
- Unsecured, considered good	**2,375.00**	**8,179.05**	–	8,128.08
Total	**2,375.00**	**8,179.05**	–	8,128.08

The Loans to related parties (refer note 36) includes repayable on demand or as per the terms or period of repayment.

There are no Loans or advances in the nature of loans to Promoter, Directors, Key Management Person as defined under Companies Act, 2013.

16 - Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2024 No. of shares	As at 31st March, 2024 Amount	As at 31st March, 2023 No. of shares	As at 31st March, 2023 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**294,000,000**	**29,400.00**	294,000,000	29,400.00
Unclassified shares of Rs. 10 each	**6,000,000**	**600.00**	6,000,000	600.00
Issued:				
Equity shares of Rs. 10 each with voting rights	**155,163,155**	**15,516.32**	154,820,374	15,482.04
Subscribed and Fully Paid up:				
Equity shares of Rs. 10 each with voting rights	**155,009,966**	**15,501.00**	154,667,185	15,466.72
Total	**155,009,966**	**15,501.00**	154,667,185	15,466.72

(i) Reconciliation of the number of shares and outstanding amount

Particulars	As at 31st March, 2024 No. of Shares	As at 31st March, 2024 Rs. in lakhs	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 Rs. in lakhs
Balance at the Beginning of the year	**154,667,185**	**15,466.72**	154,517,264	15,451.73
Add: Stock options allotted during the year	**342,781**	**34.28**	149,921	14.99
Balance at the end of the year	**155,009,966**	**15,501.00**	154,667,185	15,466.72

Terms/ rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(ii) Details of shares held by the holding company, its subsidiaries and its associates:

Particulars	Equity Shares with Voting rights
As at 31st March, 2024	
Mahindra & Mahindra Limited the Holding Company	79,319,550
As at 31st March, 2023	
Mahindra & Mahindra Limited the Holding Company	79,319,550

Other than the above shares, no shares are held by any subsidiaries or associates of the holding company

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares held	**% holding**	Number of shares held	% holding
Equity shares with voting rights				
Mahindra & Mahindra Limited	**79,319,550**	**51.17%**	79,319,550	51.28%

(iv) Shares reserved for issue under options

The Company has 2,17,469 (Previous Year 4,50,036) equity shares of Rs 10/- each reserved for issue under options [Refer Note 26].

(v) The allotment of 1,53,189 (Previous Year 1,53,189) equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956 (Section 126 of the Companies Act 2013), till such time the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

(vi) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2024		As at 31st March, 2023		% change during the period
	Number of shares held	**% holding**	Number of shares held	% holding	
Equity shares with voting rights					
Mahindra & Mahindra Limited	**79,319,550**	**51.17%**	79,319,550	51.28%	(0.11%)

(vii) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Equity share allotted as fully paid bonus shares by capitalisation of Capital Redemption Reserve and Security Premium	**102,787,676**	102,787,676

17 - Other equity

(Rs. in lakhs)

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
General reserve	**7,299.49**	7,299.49
Securities premium	**95,057.50**	94,661.99
Share options outstanding account	**396.94**	351.54
Retained earnings	**36,021.57**	43,495.18
Share Application money pending allotment	**0.00**	0.26
	138,775.50	145,808.46

Description of the nature and purpose of Other Equity:

General Reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve will not be reclassified subsequently to Profit or Loss.

Securities Premium: The Securities Premium is created on issue of shares at a premium.

Share Options Outstanding Account: The Share Options Outstanding Account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Share Application Money Pending allotment: This represents share application money received from the eligible employees upon exercise of employee stock option. The same will be transferred to equity share capital account after the allotment of shares to the applicants.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

18 - Provisions

(Rs. in lakhs)

Particulars		As at 31st March, 2024 Current	As at 31st March, 2024 Non Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non Current
(a)	**Provision for employee benefits**				
	-Gratuity	**–**	**183.67**	–	105.26
	-Leave Encashment	**118.53**	**365.08**	99.94	280.64
(b)	**Other Provisions**				
	-Defect Liabilities	**625.18**	**–**	931.14	–
Total Provisions		**743.71**	**548.75**	1,031.08	385.90

Details of movement in provisions for Defect Liabilities are as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	**931.14**	799.17
Additional provisions recognised	**–**	225.97
Amounts utilised during the year	**(305.96)**	(94.00)
Closing Balance	**625.18**	931.14

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date when control over the property has been transferred to the customer.

19 - Borrowings

(Rs. in lakhs)

Particulars		As at 31st March, 2024 Non Current	As at 31st March, 2024 Current	As at 31st March, 2023 Non Current	As at 31st March, 2023 Current
A.	**Secured Borrowings at amortised cost**				
(a)	Term loan from bank	**29,897.71**	**–**	–	–
(b)	Other: Loan from Financial Institution	**34,898.51**	**–**	–	1,750.00
Total		**64,796.22**	**–**	–	1,750.00
B.	**Unsecured Borrowings at amortised cost**				
(a)	Loans on cash credit account from Banks	**–**	**1,976.09**	–	3,013.03
(b)	Other Loans from banks	**–**	**20,000.00**	–	19,000.00
Total		**–**	**21,976.09**	–	22,013.03
Total (A+B)		**64,796.22**	**21,976.09**	–	23,763.03

Secured Borrowing

(a) Long term loan from a bank carrying a variable interest rate ranging from 8.00% p.a. to 9.00% p.a. (Previous Year: Nil) linked to Repo Rate . The loan is secured by way of equitable mortgage with first exclusive charge on land and building of an identified residential housing project and hypothecation of the cashflows of under construction residential housing project. The loan is repayable in 12 equal quarterly instalments starting from March 26, after moratorium period of 24 months.

(b) Loan from a financial institution carrying an interest rate ranging from 8.50% p.a. to 9.50% p.a. (Previous Year: Nil) linked to SBI 3M MCLR. The loan is secured with exclusive first charge on land and building of an identified residential housing project including receivables from sold and unsold units of a residential housing project. The loan is repayable in 13 equal instalments starting from June 26, after a moratorium period of 24 months.

(c) Loan from financial institution which was outstanding as on March 31, 2023 was repaid during the year which carries interest rate in the range of 8.85% p.a. to 9.35% p.a. (Previous Year 8.85% p.a. to 9.35% p.a.)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Unsecured Borrowings

(a) The cash credit facility is carrying interest rate in the range of 8.00% p.a. to 9.65% p.a. (Previous Year 7.65% p.a. to 8.95% p.a.)

(b) Other loans from banks include short term loan carrying interest rate in the range of 7.55% p.a. to 9.20% p.a. (Previous Year 4.50% p.a. to 8.90% p.a.)

Reconciliation of movement in borrowings to cash flows from financing activities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance		
Long term borrowings	**–**	–
Short term borrowings	**23,763.03**	16,480.64
Total opening balance	**23,763.03**	16,480.64
Cash flow movements		
Proceeds from borrowings	**185,206.32**	88,147.28
Repayment of borrowings	**(122,197.04)**	(80,864.89)
	63,009.28	7,282.39
Closing balance		
Long term borrowings	**64,796.22**	–
Short term borrowings	**21,976.09**	23,763.03
Total closing balance	**86,772.31**	23,763.03

20 - Trade Payables

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payable - Micro and small enterprises*	**588.01**	618.41
Trade payable - Other than micro and small enterprises	**16,223.35**	16,149.08
Total	**16,811.36**	16,767.49

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

20 a. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

* This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in lakhs)

Particulars	31st March, 2024	31st March, 2023
Dues remaining unpaid		
Principal	**588.01**	618.41
Interest	**–**	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**–**	–
- Interest paid in terms of Section 16 of the MSMED Act	**–**	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
Amount of interest accrued and remaining unpaid	**–**	–

20 b - Ageing for trade payable from the due date of payment for each of the category is as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**259.34**	–
Not Due	**224.55**	353.43
Less than 1 year	**104.12**	264.98
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Undisputed dues of Trade Payable other than micro enterprises and small enterprises		
Unbilled	**7,218.59**	8,011.29
Not Due	**6,896.43**	7,122.24
Less than 1 year	**1,347.50**	626.07
1-2 Years	**415.99**	93.83
2-3 years	**83.09**	73.35
More than 3 years	**261.75**	222.30
Disputed dues - micro enterprises and small enterprises	**–**	–
Disputed dues - others	**–**	–
Total	**16,811.36**	16,767.49

21 - Other Financial Liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Carried at Amortised Cost		
(a) Interest accrued	**292.88**	570.26
(b) Unclaimed dividend*	**75.21**	81.59
(c) Payable to related parties (Refer Note 36)	**21,830.04**	29,106.72
(d) Other Liabilities#	**15,342.64**	2,781.39
Total	**37,540.77**	32,539.96

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

\# Other liabilities mainly includes Payable towards land dues, Trade Deposits and Society Maintenance deposits.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

22 - Other Current Liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Advances received from customers	**146,955.87**	77,664.07
b. Statutory dues payable	**1,429.11**	473.74
Total	**148,384.98**	78,137.81

23 - Revenue from Operations

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Revenue from Contracts with Customers		
(i) Revenue from Projects	**1,311.75**	46,422.49
(ii) Project Management Fees	**112.79**	107.30
(b) Income from Operation of Commercial Complexes	**444.12**	660.71
Total	**1,868.66**	47,190.50

Notes:

(1) Contract Balances

(a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in note no. 22 - Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note no. 12.

(b) During the year, the Company recognised Revenue of Rs. 732.84 lakhs (31st March, 2023: Rs. 31,306.34 lakhs) from opening contract liability included in the balance sheet as "Advances received from Customers" in note no. 22 - Other Current Liabilities of Rs. 77,664.07 lakhs (1st April, 2022: Rs 48,267.00 lakhs).

(c) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

(d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and decreased due to revenue recognised during the year on completion of the construction.

(e) Amounts previously recorded as Trade receivables increased due to further milestone based invoices raised during the year and decreased due to collections during the year.

(f) There are no contract assets outstanding at the end of the year.

(g) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at 31st March, 2024, is Rs. 3,53,734 lakhs (31st March, 2023: Rs. 1,82,714 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 16% (31st March, 2023: 19%). within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

(2) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contracted price	**1,311.75**	46,422.49
Adjustments on account of cash discounts or early payment rebates, etc.	**–**	–
Revenue recognised as per Statement of Profit & Loss	**1,311.75**	46,422.49

(3) Contract costs

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contract costs included in Prepaid expenses in Note no. 10- Other Assets	**7,742.09**	4,848.79

(a) The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 10 - Other Assets and amortises it upon completion of the related property sale contract.

(b) For the period ended 31st March 2024 amortisation amounting to Rs. 41.01 lakhs (31st March 2023: Rs. 1,146.06 lakhs) was recognised as Brokerage cost in note no. 25 - Cost of Sales. There were no impairment loss in relation to the costs capitalised.

24 - Other Income

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Interest Income on:		
(1) Inter Corporate Deposits	**824.91**	793.09
(2) Bank Deposits	**109.79**	184.94
(3) Optionally Convertible Debentures	**–**	1,903.27
(4) Others*	**1,055.90**	943.75
(b) Dividend Income from Joint Ventures and Subsidiaries	**3,330.00**	10,515.00
(c) Profit on sale of non-current investments	**8.02**	–
(d) Gain on disposal of Property, Plant and Equipment	**–**	3.17
(e) Gain on disposal of Investment Property	**2,512.43**	–
(f) Net Gain arising on Financial Assets measured at Fair Value through Profit and Loss	**236.11**	–
(g) Net Gain arising on current Investment measured at Fair Value through Profit and Loss	**–**	100.37
(h) Profit on sale of current investments	**1,305.28**	484.20
(i) Miscellaneous Income	**1,091.97**	693.43
Total	**10,474.41**	15,621.22

* Other Interest Income includes interest charged on late payment received from customers, interest on income tax refund and interest on Investment in redeemable preference shares.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

25 - Construction Expenses incurred

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Expenses incurred during the year		
Land Cost	**81,058.67**	81,726.40
Architect Fees	**993.68**	813.09
Civil Electricals, Contracting, etc.	**24,169.34**	20,415.23
Interest costs allocated	**4,294.07**	1,367.23
Employee benefits expense allocated	**2,966.03**	2,290.68
Liasioning costs	**24,672.42**	4,951.78
Insurance	**42.35**	7.10
Legal & Professional Fees	**360.04**	4,614.31
Total	**138,556.60**	116,185.82

Changes in inventories of work-in-progress and finished goods

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Stock:		
Work-in-progress*	**167,268.90**	100,920.35
Finished Goods	**10,834.02**	1,374.27
	178,102.92	102,294.62
Less: Closing Stock:		
Work-in-progress*	**305,554.40**	167,268.90
Finished Goods	**8,626.28**	10,834.02
Total	**314,180.68**	178,102.92
Changes in inventories of work-in-progress and finished goods	**(136,077.76)**	(75,808.30)

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Operating Expenses		
Brokerage	**41.01**	1,146.06
Total	**41.01**	1,146.06

* Work-in-progress includes raw materials for the year ended March 31, 2023

26 - Employee Benefits Expense

(Rs. in lakhs)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a)	Salaries and wages, including bonus	**9,002.96**	8,278.26
(b)	Contribution to provident and other funds	**501.48**	502.91
(c)	Share based payment expenses	**508.86**	65.17
(d)	Staff welfare expenses	**544.74**	366.03
Less: Allocated to projects		**(2,966.03)**	(2,290.68)
Total		**7,592.01**	6,921.69

Share based payment

The Company has granted options to its eligible employees under the Employee Stock Options Scheme 2006 ("ESOS 2006") and the Employee Stock Options Scheme 2012 ("ESOS 2012). The options granted under both the schemes are equity settled.

ESOS 2006:- Options granted under ESOS 2006 vest in 4 equal instalments of 25% each on expiry of 12 months, 24 months, 36 months and 48 months respectively from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting.

ESOS 2012 (Options granted till 16th March, 2021):- Options granted under ESOS 2012 vest in 4 instalments bifurcated as 20% each on the expiry of 12 months and 24 months, 30% each on the expiry of 36 months and 48 months respectively from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting.

ESOS 2012 (Options granted from 17th March, 2021):- Options granted under ESOS 2012 vest in 3 equal instalments of 33.33% each on expiry of 12 months, 24 months, and 36 months respectively from the date of grant. The options may be exercised within a period of five years from the date of grant.

The other details of the schemes are summarised below:

Details about Vesting Conditions:

Particulars		Number of Options (Including issue of share options under bonus arrangement)	Grant Date	Expiry Date	Exercise Price	Fair value per Option at Grant Date (Rs.)
	ESOS 2006					
1	Series 15 Granted on 30th Oct 2020	1,200,000	30-Oct-20	30-Oct-29	Rs 246 per share*	108.97
	ESOS 2012					
1	Series 5 Granted on 17th October 2014	28,800	17-Oct-14	17-Oct-23	Rs 10 per share	461.87
2	Series 6 Granted on 30th April 2015	3,900	30-Apr-15	30-Apr-24	Rs 10 per share	402.60

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Particulars		Number of Options (Including issue of share options under bonus arrangement)	Grant Date	Expiry Date	Exercise Price	Fair value per Option at Grant Date (Rs.)
3	Series 7 Granted on 28th January 2016	40,300	28-Jan-16	28-Jan-25	Rs 10 per share	417.10
4	Series 8 Granted on 28th July 2016	34,200	28-Jul-16	28-Jul-25	Rs 10 per share	420.53
5	Series 9 Granted on 25th July 2017	20,600	25-Jul-17	25-Jul-26	Rs 10 per share	393.45
6	Series 10 Granted on 30th Jan 2018	3,500	30-Jan-18	30-Jan-27	Rs 10 per share	453.81
7	Series 11 Granted on 30th July 2018	34,600	30-Jul-18	30-Jul-27	Rs 10 per share	532.67
8	Series 12 Granted on 14th Feb 2019	11,400	14-Feb-19	14-Feb-28	Rs 10 per share	341.88
9	Series 13 Granted on 26th July 2019	140,700	26-Jul-19	26-Jul-28	Rs 10 per share	353.37
10	Series 14 Granted on 29th July 2020	65,500	29-Jul-20	29-Jul-29	Rs 10 per share	168.56
11	Series 15 Granted on 30th Oct 2020	25,500	30-Oct-20	30-Oct-29	Rs 10 per share	258.83
12	Series 16 Granted on 17th March 2021	92,768	17-Mar-21	17-Mar-26	Rs 10 per share	542.32
13	Series 17 Granted on 16th March 2022	67,867	16-Mar-22	16-Mar-27	Rs 10 per share	286.25
14	Series 18 Granted on 25th April 2023	68,929	25-Apr-23	25-Apr-28	Rs 10 per share	358.04
15	Series 19 Granted on 27th October 2023	69,862	27-Oct-23	27-Oct-28	Rs 10 per share	484.24

* The Options granted and outstanding stand augmented by number of Bonus Options on account of the 1:2 Bonus Issue made in September, 2021

Movement in Share Options

		For the year ended 31st March, 2024		For the year ended 31st March, 2023	
Particulars		**Number of Options**	**Weighted average exercise price (Rs.)**	Number of Options	Weighted average exercise price (Rs.)
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	**450,036**	**47.95**	1,250,720	60.27
2	Granted during the year#	**140,291**	**9.89**	–	–
3	Forfeited during the year	**30,077**	**7.33**	650,763	75.86
4	Exercised and allotted during the year*	**342,781**	**61.24**	149,921	29.59
5	Outstanding at the end of the year	**217,469**	**8.06**	450,036	47.95
6	Exercisable at the end of the year	**54,348**	**4.27**	328,997	66.44

* Excludes share application money pending allotment of NIL options (31st March, 2023 - 2,649 options)

Includes 1,500 options reinstated during the year.

Share Options Exercised and Allotted during the Year

Particulars		**Number of Options Exercised and Allotted**	**Exercise Date**	**Price per Share at Exercise Date (Rs.)**
Equity Settled				
1	Series 11 Granted on 30th July 2018	1,500	26-Jun-23	450.75
2	Series 13 Granted on 26th July 2019	450	28-Jul-23	349.30
3	Series 13 Granted on 26th July 2019	900	17-Aug-23	349.30
4	Series 13 Granted on 26th July 2019	1,500	1-Sep-23	516.13
5	Series 13 Granted on 26th July 2019	750	1-Sep-23	511.73

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Particulars		Number of Options Exercised and Allotted	Exercise Date	Price per Share at Exercise Date (Rs.)
6	Series 13 Granted on 26th July 2019	900	1-Sep-23	483.50
7	Series 13 Granted on 26th July 2019	1,800	1-Sep-23	483.50
8	Series 13 Granted on 26th July 2019	450	1-Sep-23	482.70
9	Series 13 Granted on 26th July 2019	300	1-Sep-23	484.55
10	Series 13 Granted on 26th July 2019	300	1-Sep-23	484.55
11	Series 13 Granted on 26th July 2019	450	9-Feb-24	505.85
12	Series 13 Granted on 26th July 2019	1,200	9-Feb-24	574.03
13	Series 13 Granted on 26th July 2019	2,400	9-Feb-24	574.03
14	Series 14 Granted on 29th July 2020	1,600	13-Jun-23	469.80
15	Series 14 Granted on 29th July 2020	3,200	13-Jun-23	469.80
16	Series 14 Granted on 29th July 2020	300	30-Jun-23	469.30
17	Series 14 Granted on 29th July 2020	2,400	1-Sep-23	499.53
18	Series 14 Granted on 29th July 2020	1,200	1-Sep-23	499.53
19	Series 14 Granted on 29th July 2020	450	31-Oct-23	578.53
20	Series 14 Granted on 29th July 2020	450	31-Oct-23	585.45
21	Series 14 Granted on 29th July 2020	900	31-Oct-23	585.45
22	Series 14 Granted on 29th July 2020	1,200	9-Feb-24	574.05
23	Series 14 Granted on 29th July 2020	2,400	9-Feb-24	574.05
24	Series 14 Granted on 29th July 2020	300	9-Feb-24	571.45
25	Series 14 Granted on 29th July 2020	2,800	31-Mar-24	588.25
26	Series 14 Granted on 29th July 2020	5,600	31-Mar-24	588.25
27	Series 15 Granted on 30th Oct 2020	50,000	2-May-23	377.25
28	Series 15 Granted on 30th Oct 2020	200,000	2-May-23	377.25
29	Series 15 Granted on 30th Oct 2020	450	9-Feb-24	571.45
30	Series 15 Granted on 30th Oct 2020	900	9-Feb-24	571.45
31	Series 16 Granted on 17th March 2021	1,135	6-Apr-23	363.95
32	Series 16 Granted on 17th March 2021	2,270	6-Apr-23	363.95
33	Series 16 Granted on 17th March 2021	250	2-May-23	377.25
34	Series 16 Granted on 17th March 2021	500	2-May-23	377.25
35	Series 16 Granted on 17th March 2021	2,270	13-Jun-23	469.80
36	Series 16 Granted on 17th March 2021	4,540	13-Jun-23	469.80
37	Series 16 Granted on 17th March 2021	1,589	1-Sep-23	510.73
38	Series 16 Granted on 17th March 2021	3,178	1-Sep-23	510.73
39	Series 16 Granted on 17th March 2021	772	9-Feb-24	570.60
40	Series 16 Granted on 17th March 2021	1,544	9-Feb-24	570.60
41	Series 16 Granted on 17th March 2021	249	31-Mar-24	542.55
42	Series 16 Granted on 17th March 2021	1,362	31-Mar-24	538.25
43	Series 16 Granted on 17th March 2021	672	31-Mar-24	588.25
44	Series 16 Granted on 17th March 2021	1,590	31-Mar-24	547.98
45	Series 16 Granted on 17th March 2021	498	31-Mar-24	542.55
46	Series 16 Granted on 17th March 2021	2,724	31-Mar-24	538.25
47	Series 16 Granted on 17th March 2021	1,343	31-Mar-24	588.25
48	Series 16 Granted on 17th March 2021	3,180	31-Mar-24	547.98
49	Series 17 Granted on 16th March 2022	2,649	30-Mar-23	335.55
50	Series 17 Granted on 16th March 2022	3,178	6-Apr-23	363.95

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

	Particulars	Number of Options Exercised and Allotted	Exercise Date	Price per Share at Exercise Date (Rs.)
51	Series 17 Granted on 16th March 2022	1,840	2-May-23	377.25
52	Series 17 Granted on 16th March 2022	1,061	10-Jun-23	462.75
53	Series 17 Granted on 16th March 2022	2,195	13-Jun-23	469.80
54	Series 17 Granted on 16th March 2022	4,055	1-Sep-23	510.73
55	Series 17 Granted on 16th March 2022	1,000	9-Feb-24	574.05
56	Series 17 Granted on 16th March 2022	1,507	9-Feb-24	570.60
57	Series 17 Granted on 16th March 2022	1,840	31-Mar-24	542.55
58	Series 17 Granted on 16th March 2022	2,685	31-Mar-24	538.25
59	Series 17 Granted on 16th March 2022	4,055	31-Mar-24	547.98
		342,781		

* These are options for which exercise price were received during the current year

Share Options outstanding at the end of the year

The share options outstanding at the end of the year had a exercise prices of Rs. 10 (as at 31st March, 2023: Rs. 10 - Rs. 82), and weighted average remaining contractual life of 1,453 days (as at 31st March, 2023: 1,579 days).

The Fair value has been calculated using the Black Scholes option pricing model and the significant inputs used for the valuation are as follows

Particulars	4th August 2012	4th August 2012	24th July 2013	17th October 2014	30th April 2015	28th January 2016	28th July 2016
Share price per Option at grant date (Rs.)	324.14	324.14	454.09	516.08	467.60	482.25	450.60
Exercise price per Option (Rs.)	325	10	10	10	10	10	10
Expected volatility	44.15% - 59.61%	44.15% - 59.61%	47.63%	26.68% - 43.74%	26.11% - 37.68%	27.17% - 30.20%	26.98% - 28.17%
Expected life / Option Life	3.5 - 6.5 Years	3.5 - 6.5 Years	6 - 9 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years
Expected dividends yield	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%	1.31%
Risk-free interest rate	8.06% - 8.20%	8.06% - 8.20%	8.31% - 8.39%	8.49% - 8.52%	7.69% - 7.74%	7.43% - 7.73%	6.88% - 7.14%

Particulars	25th July 2017	30th January 2018	30th July 2018	14th February 2019	26th July 2019	29th July 2020	30th Oct 2020
Share price per Option at grant date (Rs.)	393.45	453.81	532.67	341.88	353.37	168.56	108.97
Exercise price per Option (Rs.)	10	10	10	10	10	10	82
Expected volatility	27.24% - 28.90%	27.77% - 28.98%	27.95% - 30.52%	28.39% - 30.88%	28.40% - 29.58%	30.51% - 32.39%	31.48% - 33.32%
Expected life / Option Life	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years
Expected dividends yield	1.39%	1.22%	1.05%	1.58%	1.54%	2.95%	–
Risk-free interest rate	6.37% - 6.66%	7.11% - 7.56%	7.76% - 8.01%	6.97% - 7.29%	6.25% - 6.55%	4.82% - 5.69%	4.82% - 5.69%

Particulars	30th Oct 2020	17th Mar 2021	16th Mar 2022	25th Apr 2023	27th Oct 2023
Share price per Option at grant date (Rs.)	258.83	542.32	286.25	358.04	484.24
Exercise price per Option (Rs.)	10	10	10	10	10
Expected volatility	31.48% - 33.32%	34.19% - 34.87%	38.47% - 36.96%	39.44% - 40.84%	39.08% - 39.35%
Expected life / Option Life	3.5 - 6.5 Years	3 - 4 Years	3 - 4 Years	3 - 4 Years	3 - 4 Years
Expected dividends yield	–	–	–	–	–
Risk-free interest rate	4.82% - 5.69%	5.16% - 5.59%	5.47% - 5.88%	6.84% - 6.90%	7.23% - 7.27%

In respect of Options granted under the Employee Stock Option Plan the accounting is done as per requirements of Ind AS 102 - ‘Share Based Payments’ after adjusting for reversals on account of options forfeited.

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

27 - Finance Costs

(Rs. In lakhs)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a)	Interest costs:		
	Interest expense for financial liabilities at amortised cost	**4,959.11**	2,189.35
	Less: Allocated to projects	**(4,294.07)**	(1,367.23)
(b)	Interest on lease liabilities	**37.29**	29.17
Total		**702.33**	851.29

28 - Other Expenses

(Rs. In lakhs)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a)	Power & Fuel	**106.46**	43.29
(b)	Rent, Rates & Taxes	**449.47**	232.53
(c)	Insurance	**22.78**	14.04
(d)	Repairs and maintenance	**908.08**	443.45
(e)	Advertisement, Marketing & Business Development	**3,422.18**	2,794.00
(f)	Travelling and Conveyance Expenses	**540.14**	434.02
(g)	Payment to Auditors #	**93.64**	80.39
(h)	Legal and other professional costs	**3,357.22**	2,007.03
(i)	Printing & Stationery	**61.45**	59.07
(j)	Net loss arising on Financial Assets measured at Fair value through profit & loss	**–**	1,155.73
(k)	Net loss arising on Financial Assets measured at Fair value through profit & loss	**71.46**	–
(l)	Loss on disposal of Property, Plant & Equipment	**4.98**	0.86
(m)	Miscellaneous expenses	**539.63**	2,665.73
Total		**9,577.49**	9,930.14

Payments to Auditors

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) To Statutory auditors		
For Audit	**64.79**	61.10
For Other Services	**23.84**	13.06
Reimbursement of Expenses	**3.53**	4.13
(ii) To Cost auditors for cost audit	**1.48**	2.10
Total	**93.64**	80.39

29 - Tax (Credit)/Expense

(a) Tax (Credit)/Expense recognised in profit or loss

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax:		
In respect of current year	**–**	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(3,129.22)**	(68.97)
Total	**(3,129.22)**	(68.97)

(b) Tax Expense/(Credit) recognised in Other Comprehensive income

(Rs. In lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurements of the defined benefit plans	**9.51**	(0.43)
Total	**9.51**	(0.43)

(c) Reconciliation of estimated income tax (credit)/expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit / (Loss) Before Tax And Exceptional Item	**(9,302.42)**	2,619.05
Income tax expense / (credit) calculated at 25.17% on above Profit / (Loss)	**(2,341.23)**	659.21
Effect of expenses that is non deductible in determining taxable profit	**(778.54)**	84.43
Changes in recognised deductible temporary differences	**(9.45)**	(812.61)
Income tax (credit)/expense recognised In Statement of Profit and Loss	**(3,129.22)**	(68.97)

30 - Earnings per Share

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	Rs.	Rs.
Basic Earnings per share	**(2.51)**	9.78
Diluted earnings per share	**(2.51)**	9.77

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit /(Loss) for the year	**(3,881.96)**	15,125.29
Weighted average number of equity shares	**154,929,540**	154,576,310
Basic earnings per share (Rs)	**(2.51)**	9.78

(ii) Diluted earnings per share

The diluted earnings per share has been computed by dividing the net Profit /(Loss) after tax available for equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options for the respective periods.

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit / (Loss) for the year used in the calculation of diluted earnings per share	**(3,881.96)**	15,125.29
Weighted average number of equity shares used in the calculation of Diluted EPS	**155,081,194**	154,875,916

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**154,929,540**	154,576,310
Add: Options outstanding under Employee Stock Option Plan	**151,654**	299,606
Weighted average number of equity shares used in the calculation of Diluted EPS	**155,081,194**	154,875,916

The Company has incurred a loss for the year ended March 31, 2024 and accordingly, the effect of potential equity shares to be issued would be anti-dilutive.

31 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to maximise the returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Debt*	**87,213.81**	24,064.39
Current Investments	**(8,628.48)**	(19,617.18)
Cash and bank balances #	**(8,496.63)**	(4,190.40)
Net Debt (A)	**70,088.70**	256.81
Equity (B)	**154,276.50**	161,275.18
Net Debt to Equity Ratio (A / B)	**0.454**	0.002

* Debt comprises of Borrowings and Lease Liabilities

Cash and bank Balances excludes earmarked balances with banks and balances with banks on margin accounts

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2024

(Rs. In lakhs)

Particulars	Amortised Costs	Fair value Through Profit & Loss	Total Carrying Value
Non-current Assets			
Investments	**49,150.12**	**6,985.89**	**56,136.01**
Loans	**2,375.00**	**–**	**2,375.00**
Other Financial Assets	**1,126.95**	**–**	**1,126.95**
Current Assets			
Investments	**–**	**8,628.48**	**8,628.48**
Trade Receivables	**6,864.70**	**–**	**6,864.70**
Cash and Bank Balances	**9,765.81**	**–**	**9,765.81**
Loans	**8,179.05**	**–**	**8,179.05**
Other Financial Assets			
- Non Derivative Financial Assets	**2,263.25**	**–**	**2,263.25**
Non-current Liabilities			
Other Financial Liabilities			
Borrowings	**64,796.22**	**–**	**64,796.22**
Lease Liabilities	**333.39**	**–**	**333.39**
Current Liabilities			
Borrowings	**21,976.09**	**–**	**21,976.09**
Lease Liabilities	**108.11**	**–**	**108.11**
Trade Payables	**16,811.36**	**–**	**16,811.36**
Other Financial Liabilities			
- Non Derivative Financial Liabilities	**37,540.77**	**–**	**37,540.77**

As at 31st March, 2023

(Rs. In lakhs)

Particulars	Amortised Costs	Fair value Through Profit & Loss	Total Carrying Value
Non-current Assets			
Investments	48,983.47	7,664.02	56,647.49
Loans	–	–	–
Other Financial Assets	1,175.91		1,175.91
Current Assets			
Investments	–	19,617.18	19,617.18
Trade Receivables	9,779.63	–	9,779.63
Cash and Bank Balances	6,426.63	–	6,426.63
Loans	8,128.08	–	8,128.08
Other Financial Assets			
- Non Derivative Financial Assets	2,282.06	–	2,282.06
Non-current Liabilities			
Other Financial Liabilities			
Borrowings	–	–	–
Lease Liabilities	–	–	–
Current Liabilities			
Borrowings	23,763.03	–	23,763.03
Lease Liabilities	301.36	–	301.36
Trade Payables	16,767.49	–	16,767.49
Other Financial Liabilities			
- Non Derivative Financial Liabilities	32,539.96	–	32,539.96

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents & other financial assets.

Trade Receivables:

The Company's trade receivables include receivables on sale of residential flats and rent receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables.

The concentration of credit risk is limited due to the fact that the customer base is large. The Company determines the allowance for expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2024 is considered adequate.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For Other Financial Assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. Other Financial Assets are considered to be low credit risk exposure assets.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. In lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 Years and above
Non-derivative financial liabilities				
As at 31st March 2024				
Non Current				
Borrowings	**–**	**23,269.23**	**39,038.46**	**2,692.31**
Lease Liabilities	**–**	**272.29**	**96.84**	**–**
Total Non Current	**–**	**23,541.52**	**39,135.30**	**2,692.31**
Current				
Borrowings	**27,654.07**	**–**	**–**	**–**
Lease Liabilities	**137.95**	**–**	**–**	**–**
Trade Payables	**16,811.36**	**–**	**–**	**–**
Other Financial Liabilities	**23,445.75**	**10,915.02**	**2,756.00**	**424.00**
Total Current	**68,049.13**	**10,915.02**	**2,756.00**	**424.00**
As at 31st March 2023				
Non Current				
Lease Liabilities	**–**	**–**	–	**–**
Total Non Current	**–**	**–**	**–**	**–**
Current				
Borrowings	23,910.52	–	–	–
Lease Liabilities	310.82	–	–	–
Trade Payables	16,767.49	–	–	–
Other Financial Liabilities	13,254.13	23,744.30	–	–
Total Current	**54,242.96**	**23,744.30**	**–**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes few transactions denominated in foreign currencies only for availing certain services. Hence Foreign currency risk is not significant in comparison to company's operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Increase / decrease in basis points	Currency	**As at 31st March, 2024 Effect on Profit / (loss) before tax (Rs. In Lakhs)**	As at 31st March, 2023 Effect on Profit / (loss) before tax (Rs. In Lakhs)
+100	**Rs**	**(867.72)**	(220.13)
-100	**Rs**	**867.72**	220.13

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

32 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - Recurring Items

(Rs. In lakhs)

Financial assets measured at Fair value	Fair value as at 31st March, 2024	Fair value as at 31st March, 2023	Fair value hierarchy	Valuation Technique(s)	Applicable for Level 2 and Level 3 hierarchy Key input(s)
Financial assets					
Investments					
1) Mutual fund investments	**8,628.48**	19,617.18	Level 1	Net Asset value	–
2) Investment in Preference Shares - unquoted	**335.63**	343.02	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
3) Investment in Optionally Convertible Debentures......................................	**6,008.00**	7,321.00	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
4) Investment in Compulsory Convertible Debentures	**642.26**	–	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total financial assets at fair value	**15,614.37**	27,281.20			

Significant unobservable inputs used in level 3 fair value measurements

(Rs. In lakhs)

Financial assets measured at Fair value	Fair value as at 31st March, 2024	Fair value as at 31st March, 2023	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
1) Investment in Preference Share - unquoted	**335.63**	343.02	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation
2) Investment in Optionally Convertible Debentures...	**6,008.00**	7,321.00	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation
3) Investment in Compulsory Convertible Debentures...	**642.26**	–	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Financial Instrument not measured using Fair Value i.e. measured using amortized cost

The carrying value of Other financial assets / liabilities represent reasonable estimate of its fair value.

There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(Rs. In lakhs)

Particulars	Investment in Preference Shares - unquoted	Investment in Compulsory Convertible Debentures	Investment in Optionally Convertible Debentures	Total
As at 31st March 2024				
Opening Balance of Fair Value	**343.02**	**–**	**7,321.00**	**7,664.02**
Total incomes/gains or (losses) recognised:				
-In Profit or Loss	(7.39)	–	243.50	236.11
Addition during the year	–	642.26	–	642.26
Redemption during the year	–	–	(1,556.50)	(1,556.50)
Closing balance of fair value	**335.63**	**642.26**	**6,008.00**	**6,985.89**
As at 31st March 2023				
Opening Balance of Fair Value	895.15	–	7,925.00	8,820.15
Total incomes/gains or (losses) recognised:				
-In Profit or Loss	(552.13)	–	(604.00)	(1,156.13)
Redemption during the year	–	–	–	–
Closing balance of fair value	**343.02**	**–**	**7,321.00**	**7,664.02**

33 - Leases

As lessee

The Company has entered into operating lease arrangements for its registered office at Worli, Mumbai and Pune office. The Company has also entered into lease arrangements for CTC vehicles. The lease is non-cancellable for a period of 1 - 5 years and may be renewed based on mutual agreement between the parties. The leases have varying terms, escalation clauses and renewal rights. The Company has recognised right of use assets for these leases, except for short term leases.

(i) Undiscounted Cash Flow of Lease liabilities

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Less than one year	**137.95**	310.82
One to Three years	**272.29**	–
Three to five years	**96.84**	–
Total undiscounted lease liabilities at Balance sheet date	**507.08**	310.82
Lease liabilities included in the Balance sheet as at 31st March	**441.50**	301.36
Current	**108.11**	301.36
Non-current	**333.39**	–

Cash outflow for leases for the year ended 31st March, 2024 is Rs 411.18 lakhs (31st March, 2023 is Rs 310.82 lakhs).

Expense relating to leases of low-value assets of Rs 151.20 lakhs for the year ended 31st March, 2024 (Rs 31.85 lakhs for the year ended 31st March, 2023) is included in "Rent, Rates & Taxes" in Note 28 "Other Expenses"

(ii) Movement in lease liabilities

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance as at 1st April	**301.36**	583.01
Additions during the year	**514.03**	–
Finance cost incurred during the year	**37.29**	29.17
Payment of lease liabilities	**(411.18)**	(310.82)
Balance as at 31st March	**441.50**	301.36

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

34 - Segment information

The reportable segments of the Company are 'Projects, Project Management and Development' and 'Operating of Commercial Complexes'.

The segments are largely organised and managed separately according to the organisation structure that is designed based on the nature of business. Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director regarded as the Chief Operating Decision Maker ("CODM").

Description of each of the reportable segments for all periods presented, is as under:

i) Projects, Project Management & Development: This Segment of the business includes income from sale of residential units across projects, project management and development in India.

ii) Operating of Commercial Complexes: This Segment of the business includes rental income from commercial properties at New Delhi

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the Company's reportable segments is presented below:

(Rs. In lakhs)

	31st March, 2024			31st March, 2023		
Particulars	**Projects, Project Management & Development**	**Operating of Commercial Complexes**	**Total**	Projects, Project Management & Development	Operating of Commercial Complexes	Total
Revenue						
External customers	**1,424.54**	**444.12**	**1,868.66**	46,529.79	660.71	47,190.50
Total revenue	**1,424.54**	**444.12**	**1,868.66**	46,529.79	660.71	47,190.50
Results						
Segment Results	**(2,920.11)**	**2,560.43**	**(359.68)**	1,886.12	390.89	2,277.01
Less:-						
-Unallocated Interest (Finance Cost)	**–**	**–**	**702.33**	–	–	851.29
-Unallocated corporate (Income) / expense net (includes exceptional Item - refer note no. 7)	**–**	**–**	**5,949.17**	–	–	(13,630.60)
Profit / (Loss) before tax	**–**	**–**	**(7,011.18)**	–	–	15,056.32
Tax (credit)/Expense	**–**	**–**	**(3,129.22)**	–	–	(68.97)
Profit / (Loss) after tax	**–**	**–**	**(3,881.96)**	–	–	15,125.29
Segment Assets & Liabilities						
Segment Assets	**398,901.08**	**2,603.92**	**401,505.00**	270,249.59	2,016.38	272,265.97
Unallocated corporate assets			**45,393.99**			43,314.95
Total Assets			**446,898.99**			315,580.92
Segment Liabilities	**287,127.76**	**319.23**	**287,446.99**	146,442.72	172.69	146,615.41
Unallocated corporate liabilities			**5,175.50**			7,690.33
Total Liabilities			**292,622.49**			154,305.74
Other Information						
Depreciation and Amortisation Expense	**528.41**	**54.35**	**582.76**	221.56	59.73	281.29
Capital Expenditure	**1,391.07**	**92.20**	**1,483.27**	485.36	–	485.36

Revenue from type of products and services

The operating segments are primarily based on nature of products and services and hence the Revenue from external customers of each segment is representative of revenue based on products and services.

Geographical Information

The Company operates in one reportable geographical segment i.e. "Within India". Hence, no separate geographical segment wise disclosure is applicable as per the requirements of Ind AS 108 Operating Segments.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Information about major customers

Revenues from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from external customers.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year as well as previous year.

35 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 423.08 lakhs (31st March, 2023: Rs. 341.58 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	As at	
	31-Mar-24	31-Mar-23
Discount rate(s)	**7.18%**	7.31%
Expected rate(s) of salary increase	**10.00%**	10.00%
Expected average remaining service	**4.00**	4.00
Attrition Rate	**21.21 % p.a. for all service groups.**	21% p.a. for all service groups.
Mortality rate	**IALM (2012-14) Urban**	IALM (2012-14) Urban

Defined benefit plans – as per actuarial valuation on 31st March, 2024

(Rs. In lakhs)

Particulars	Funded Plan Gratuity For the year ended 31st March, 2024	Funded Plan Gratuity For the year ended 31st March, 2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**79.72**	69.26
Past Service Cost	**–**	34.28
Net interest expense	**7.69**	4.90
Components of defined benefit costs recognised in profit or loss	**87.41**	108.44
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**0.98**	(1.47)
Actuarial (gains)/loss arising from demographic assumptions	**–**	(7.07)
Actuarial (gains)/loss arising from changes in financial assumptions	**2.60**	(14.45)
Actuarial (gains)/loss arising from experience adjustments	**34.19**	21.30
Components of defined benefit costs recognised in other comprehensive income	**37.77**	(1.69)
Total	**125.18**	106.75
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**520.50**	420.05
2. Fair value of plan assets as at	**336.82**	314.79
3. Surplus/(Deficit)	**(183.68)**	(105.26)
4. Current portion of the above	**–**	–
5. Non current portion of the above	**(183.68)**	(105.26)
II. Movements in the present value of the defined benefit obligation.		
1. Present value of defined benefit obligation at the beginning of the year	**420.05**	383.70
2. Less: Transfer out liability for employees transferred to group companies	**–**	(22.92)
3. Add: Transfer in liability for employees transferred from group companies	**8.03**	26.59
4. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**79.72**	69.26
- Past Service Cost	**–**	34.28
- Interest Cost	**30.71**	23.23
5. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	(7.07)
ii. Financial Assumptions	**2.60**	(14.45)
iii. Experience Adjustments	**34.19**	21.30
6. Benefit payments	**(54.80)**	(93.87)
7. Present value of defined benefit obligation at the end of the year	**520.50**	420.05
III. Movements in the fair value of plan assets are as follows.		
1. Fair value of plan assets at the beginning of the year	**314.79**	294.99
2. Actual Return on Plan Assets	**(0.98)**	1.47

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(Rs. In lakhs)

Particulars	Funded Plan Gratuity For the year ended 31st March, 2024	For the year ended 31st March, 2023
3. Contributions by Employer	**–**	–
4. Interest Income	**23.01**	18.33
5. Fair value of plan assets at the end of the year	**336.82**	314.79
IV. The fair value of the plan assets at the end of the reporting period for each category, are as follows:		
- Issuer Managed funds (Non quoted value)	**336.82**	314.79

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2024 by K. A. Pandit, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. In lakhs)

Principal assumption		Changes in assumption (%)	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1.00%**	**(19.30)**	**21.00**
	2023	1.00%	(16.11)	17.54
Salary growth rate	**2024**	**1.00%**	**20.25**	**(18.99)**
	2023	1.00%	16.94	(15.88)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

The Company expects to contribute Rs. NIL lakhs (March 31, 2023 Rs. NIL Lakhs) to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation:

(Rs. In lakhs)

	31st March, 2024	31st March, 2023
Within 1 year	**94.06**	62.60
1 - 2 year	**67.86**	64.24
2 - 3 year	**70.90**	58.94
3 - 4 year	**69.97**	56.58
4 - 5 year	**79.82**	52.89
5 - 10 years	**342.71**	300.73

Major Category of plan assets for Gratuity Fund is as follows:

	31st March, 2024	31st March, 2023
Asset category:		
Deposits with Insurance companies	**100%**	100%
	100%	100%

The weighted average age considered for defined benefit obligation as at March 31, 2024 is 34.44 years (March 31, 2023: 34.38 years)

The average expected future service considered for defined benefit obligation as at March 31, 2024 is 4 years (March 31, 2023 - 4 years)

36 - Related Party Disclosures

(a) Related Parties where control exists

(i) Holding Company

Mahindra & Mahindra Limited

(ii) Subsidiaries

Mahindra Infrastructure Developers Limited	Industrial Township (Maharashtra) Limited
Mahindra Residential Developers Limited *	Anthurium Developers Limited
Mahindra World City (Maharashtra) Limited	Deepmangal Developers Private Limited
Mahindra Integrated Township Limited *	Mahindra Water Utilities Limited
Knowledge Township Limited	Moonshine Construction Private Limited
Rathna Bhoomi Enterprises Private Limited	Mahindra Bloomdale Developers Limited

* These companies have been merged with Mahindra World City Developers Limited during the year ended March 31, 2023 and ceased to be subsidiaries effective from 30th December, 2022

(b) Other Parties with whom Transactions have taken place during the year

(i) Joint Ventures

Mahindra World City Developers Limited	Mahindra Industrial Park Chennai Limited
Mahindra Homes Private Limited	Mahindra World City (Jaipur) Limited
Mahindra Happinest Developers Limited	Mahindra Industrial Park Private Limited

(ii) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited	MLL Mobility Private Limited
Mahindra & Mahindra Contech Limited	Mahindra Defence Systems Limited
Mahindra Holidays & Resorts India Limited	
NBS International Limited	
Mahindra First Choice Wheels Limited	
Bristlecone India Limited	
Mahindra And Mahindra Financial Services Limited	

(iii) a) Associate

Ample Parks and Logistics Private Limited (Formerly know as AMIP Industrial Parks Private Limited)

Ample Parks Project 1 Private Limited (Formerly Known as Interlayer Two Warehousing Private Limited) w.e.f. September 04, 2023

Ample Parks Project 2 Private Limited (Formerly Known as Interlayer Three Warehousing Private Limited) w.e.f. September 04, 2023

(iii) b) Associate of Holding Company

Tech Mahindra Limited

(iv) Private company which is controlled by Director

Anarock Property Consultants Private Limited

Anarock Capital Advisors Private Limited

Hvs Anarock Hotel Advisory Services Private Limited

(v) Key Management Personnel

Mr. Arvind Subramanian - Managing Director & CEO (upto 22nd May, 2023)	Mr. Arun Kumar Nanda - Non Executive Director (upto 28th July, 2022)
Mr. Amit Kumar Sinha [Additional Director w. e. f. 23rd February, 2023]*	Mr. S. Durgashankar - Non Executive Director (Upto 13th May, 2022)
Mr. Anuj Puri - Independent Director (appointed w. e. f. 3rd November, 2022)	Dr. Anish Shah - Non Executive Director
Ms. Rucha Nanavati - Non Executive Director (appointed w. e. f. 27th July, 2022)	Ms. Asha Kharga - Non Executive Director (appointed w. e. f. 13th May, 2022)
Mr. Ameet Hariani - Chairman, Independent Director (appointed w. e. f. 28th Jul, 2022)	Ms. Amrita Chowdhury - Independent Director

* - Managing Director (Designate) w. e. f. 23rd February, 2023 to 22nd May, 2023 and effective from 23rd May, 2023, Mr Amit Kumar Sinha is Managing Director & CEO.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Rendering of services										
Mahindra & Mahindra Limited	**–**	270.82	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Infrastructure Developers Limited	**–**	–	**1.18**	1.18	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**1.06**	1.06	**–**	–	**–**	–	**–**	–
Mahindra World City (Maharashtra) Limited	**–**	–	**0.41**	–	**–**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**50.00**	–	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**83.09**	140.44	**–**	–	**–**	–
Receiving of Services										
Mahindra & Mahindra Limited	**511.97**	388.85	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Integrated Business Solutions Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**477.52**	302.14
Mahindra Holidays & Resorts India Limited	**–**	–	**–**	–	**–**	–	**–**	–	**17.88**	21.83
NBS International Limited	**–**	–	**–**	–	**–**	–	**–**	–	**0.39**	11.52
Bristlecone India Limited	**–**	–	**–**	–	**–**	–	**–**	–	**14.36**	9.36
Tech Mahindra Limited	**–**	–	**–**	–	**–**	–	**–**	–	**412.25**	–
MLL Mobility Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**1.23**	–
Mahindra Defence Systems Limited	**–**	–	**–**	–	**–**	–	**–**	–	**2.60**	–
HVS Anarock Hotel Advisory Services Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**11.80**	–
Anarock Capital Advisors Pvt Limited	**–**	–	**–**	–	**–**	–	**–**	–	**125.08**	–
Anarock Property Consultants Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**32.22**	70.35
Reimbursement made to parties										
Mahindra & Mahindra Limited	**1,269.52**	720.69	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra World City Developers Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**3.70**	141.82	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**16.18**	4.00	**–**	–	**–**	–
Mahindra & Mahindra Contech Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	2.45
Mahindra World City Developers Limited	**–**	–	**–**	–	**6.90**	–	**–**	–	**–**	–
Mahindra Defence Systems Limited	**–**	–	**–**	–	**–**	–	**–**	–	**0.18**	–
Reimbursement received from parties										
Mahindra Industrial Park Chennai Limited	**–**	–	**–**	–	**22.17**	14.32	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**–**	1.36	**–**	–	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Mahindra World City Developers Limited	**–**	–	**–**	–	**143.05**	46.51	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**34.22**	18.22	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**86.61**	98.02	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**71.19**	43.55	**–**	–	**–**	–
Mahindra Bloomdale Developers Limited	**–**	–	**42.82**	116.15	**–**	–	**–**	–	**–**	–
Mahindra Integrated Township Limited	**–**	–	**–**	11.56	**–**	–	**–**	–	**–**	–
Mahindra Residential Developers Limited	**–**	–	**–**	5.57	**–**	–	**–**	–	**–**	–
Inter-corporate Deposit Given										
Mahindra Bloomdale Developers Limited	**–**	–	**–**	800.00	**–**	–	**–**	–	**–**	–
Mahindra World City (Maharashtra) Limited	**–**	–	**–**	23.00	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**1,750.00**	400.00	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**–**	55.00	**–**	–	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**625.00**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**3,200.00**	–	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**2,500.00**	–	**–**	–	**–**	–
Mahindra Water Utilities Limited	**–**	–	**600.00**	–	**–**	–	**–**	–	**–**	–
Moonshine Construction Private Limited	**–**	–	**0.50**	0.50	**–**	–	**–**	–	**–**	–
Inter-corporate Deposit Realised										
Mahindra Bloomdale Developers Limited	**–**	–	**1,294.53**	1,850.00	**–**	–	–	–	–	–
Mahindra World City (Maharashtra) Limited	**–**	–	**–**	1,294.00	**–**	–	–	–	–	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**3,200.00**	–	–	–	–	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**1,005.00**	–	–	–	–	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**150.00**	–	–	–	–	–
Mahindra Water Utilities Limited	**–**	–	**600.00**	–	**–**	–	–	–	–	–
Deepmangal Developers Private Limited	**–**	–	**–**	249.14	**–**	–	–	–	**–**	–
Investment Made										
Mahindra World City (Maharashtra) Limited	**–**	–	**–**	2,425.33	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**–**	112.67	**–**	–	**–**	–	**–**	–
Mahindra World City Developers Limited ^	**–**	–	**–**	–	**–**	12,025.00	**–**	–	**–**	–
Ample Parks Project 1 Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**544.23**	–
Ample Parks Project 2 Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**313.57**	–
Ample Parks and Logistics Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**221.00**	78.35
Purchase of Fixed Assets										

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Mahindra & Mahindra Limited	**14.53**	55.00	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Bloomdale Developers Limited	**–**	–	**9.07**	–	**–**	–	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**–**	1.64	**–**	–	**–**	–
Sale of Fixed Assets										
Mahindra World City Developers Limited	**–**	–	**–**	–	**–**	0.19	**–**	–	**–**	–
Mahindra First Choice Wheels Limited	**–**	–	**–**	–	**–**	–	**–**	–	**66.16**	4.25
Purchase of Land										
Mahindra & Mahindra Limited	**–**	38,410.41	**–**	–	**–**	–	**–**	–	**–**	–
Interest expense										
Mahindra & Mahindra Limited	**2,023.55**	558.21	**–**	–	**–**	–	**–**	–	**–**	–
Received on Buyback of Shares										
Mahindra Homes Private Limited	**–**	–	**–**	–	**2,734.63**	–	**–**	–	**–**	–
Received on Capital Reduction										
Mahindra Homes Private Limited	**–**	–	**–**	–	**–**	7,092.74	**–**	–	**–**	–
Investment redeemed										
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**1,556.50**	–	**–**	–	**–**	–
Mahindra World City (Maharashtra) Limited	**–**	–	**–**	17.50	**–**	–	**–**	–	**–**	–
Interest Income on Redeemable Preference Shares										
Mahindra World City Developers Limited	**–**	–	**–**	–	**730.25**	–	**–**	–	**–**	–
Interest Income										
Mahindra World City (Maharashtra) Limited	**–**	–	**–**	59.34	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**–**	17.22	**–**	–	**–**	–	**–**	–
Rathna Bhoomi Enterprises Private Limited	**–**	–	**0.34**	0.32	**–**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**34.72**	1,903.27	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**107.00**	–	**–**	–	**–**	–
Moonshine Construction Private Limited	**–**	–	**0.21**	0.18	**–**	–	**–**	–	**–**	–
Mahindra Bloomdale Developers Limited	**–**	–	**406.57**	536.43	**–**	–	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**112.41**	139.51	**–**	–	**–**	–
Mahindra Water Utilities Limited	**–**	–	**0.14**	–	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**163.52**	40.09	**–**	–	**–**	–	**–**	–
Dividend Received										

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**3,330.00**	9,435.00	**–**	–	**–**	–
Mahindra Infrastructure Developers Limited	**–**	–	**–**	1,080.00	**–**	–	**–**	–	**–**	–
Anthurium Developers Limited	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Dividend Paid										
Mahindra & Mahindra Limited	**1,824.35**	1,586.39	**–**	–	**–**	–	**–**	–	**–**	–
Lease Expense										
Mahindra And Mahindra Financial Services Limited	**–**	–	**–**	–	**–**	–	**–**	–	**13.96**	–
Other Income										
Mahindra Bloomdale Developers Limited	**–**	–	**40.34**	–	**–**	–	**–**	–	**–**	–
Purchase of Goods										
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**280.47**	–	**–**	–	**–**	–
Managerial Remuneration										
Mr Arvind Subramanian#	**–**	–	**–**	–	**–**	–	**161.15**	349.26	**–**	–
Mr. Amit Kumar Sinha#	**–**	–	**–**	–	**–**	–	**713.94**	–	**–**	–
Shares allotted under ESOP										
Mr Arvind Subramanian	**–**	–	**–**	–	**–**	–	**738.13**	177.00	**–**	–
Mr. Amit Kumar Sinha	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Sitting fees to Non Executive / Independent Directors	**–**	–	**–**	–	**–**	–	**27.47**	31.90	**–**	–

^ During the year ended March 31, 2023 the Company received non-cash consideration amounting to Rs. 120.25 crores in the form of redeemable preference shares from Mahindra World City Developers Ltd. pursuant to a scheme of merger by absorption of Mahindra Integrated Township Ltd and Mahindra Residential Developers Ltd with a joint venture of the Company, Mahindra World City Developers Ltd. Subsequent to allotment of redeemable preference shares, the Company has accrued a premium amount of Rs 116.63 lakhs as on 31st March, 2023.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

Outstanding Balances as at year end date

The following table provides the outstanding balances with related parties as on the relevant date

(Rs. In lakhs)

Particulars	Balance as at	Holding Company	Subsidiaries	Joint ventures	Key Management Personnel	Other related parties
Inter-corporate Deposit Given*	**31-Mar-24**	**–**	**6,829.05**	**3,725.00**	**–**	**–**
	31-Mar-23	–	6,373.08	1,755.00	–	–
Security Deposit Received	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–
Trade and other receivables	**31-Mar-24**	**–**	**1,148.76**	**1,345.31**	**–**	**–**
	31-Mar-23	–	828.55	830.74	–	–
Payables	**31-Mar-24**	**22,216.92**	**–**	**3.87**	**–**	**78.19**
	31-Mar-23	30,057.01	–	147.91	–	56.47

* The above inter corporate deposit have been given for general business purposes

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

The remuneration of key management personnel is as below:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salary including perquisites......................	**1,595.86**	499.07
Other contribution to funds	**17.36**	27.19
Total	**1,613.22**	526.26

37 - Contingent liabilities

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Claims against the Company not acknowledged as debt*		
(i) Demand from a local authority for energy dues, project related approval and works which is disputed by the Company. ...	**2,925.00**	1,863.00
(ii) Claim from welfare association in connection with project work, disputed by the Company	**4,550.00**	4,550.00
(iii) Cases filed by parties in the Consumer forum including RERA and Civil Courts disputed by the Company as advised by advocates.	**1,575.00**	1,515.00
(b) Income Tax Matter under appeal		
In respect of certain business incomes re-classified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the appropriate appellate authorities ...	**1,441.98**	301.98
(c) Indirect Tax Matters under appeal		
VAT, Service Tax and Entry Tax claims disputed by the Company relating to issues of applicability and interest on demand. The Company is pursuing the matter with the appropriate Appellate Authorities. ..	**12,383.95**	896.15

* In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof

38 - Commitments

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).........	**57.01**	67.46
(b) Other Commitment: Commitment for investment in equity shares of an Associate Company........................	**3,784.10**	4,861.65

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

39 - 'Disclosure as per Regulation 34(3) read with Para A of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 and section 186(4) of Companies Act, 2013

Loans and advances in the nature of loans given to subsidiaries, joint ventures, firms / companies in which directors are interested:

(Rs. in lakhs)

Name of the party	Relationship	**Amount outstanding as at 31st March, 2024**	Maximum balance outstanding during the period	Amount outstanding as at 31st March, 2023	Maximum balance outstanding during the previous year
Deepmangal Developers Private Limited	Subsidiary	**–**	–	–	249.14
Moonshine Construction Private Limited	Subsidiary	**3.00**	3.00	2.50	2.50
Rathna Bhoomi Enterprises Private Limited	Subsidiary	**4.05**	4.05	4.05	4.05
Mahindra World City (Maharashtra) Limited	Subsidiary	**–**	–	–	772.70
Mahindra Bloomdale Developers Limited	Subsidiary	**4,200.00**	5,494.53	5,494.53	7,344.53
Knowledge Township Limited	Subsidiary	**2,622.00**	2,622.00	872.00	872.00
Mahindra Happinest Developers Limited*	Joint Venture	**2,350.00**	2,500.00	–	–
Mahindra Industrial Park Private Limited *	Joint Venture	**1,375.00**	1,755.00	1,755.00	1,755.00

* Mr. Vimal Agarwal (Chief Financial Officer) is also director on the board of Mahindra Happinest Developers Limited and Mahindra Industrial Park Private Limited.

The above inter corporate deposit have been given for general business purposes.

40 - Financial Ratios

(Rs. in lakhs)

Particulars		**Numerator**	**Denominator**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**	**% Variance**	**Reason for material variance**
a)	Current Ratio	Current Assets	Current Liabilities	1.62	1.57	2.81%	–
b)	Debt Equity Ratio (Gross)	Debt (1)	Equity	0.57	0.15	278.86%	Increase in utilisation of working capital facility and term loan.
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (2)	Debt Service (3)	(0.08)	0.22	(135.98%)	Decrease in earnings available for debt service and increase in utilisation of working capital facility and term loan
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	(2.46%)	9.75%	(125.25%)	Decrease in Operating Revenue as compared to previous year
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.01	0.33	(97.75%)	Decrease in Operating Revenue as compared to previous year
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	0.22	5.70	(96.06%)	Decrease in Operating Revenue as compared to previous year
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	0.15	2.93	(94.87%)	Decrease in Cost of Sales due to Decrease in Operating Revenue as compare to previous year

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

(Rs. in lakhs)

Particulars		Numerator	Denominator	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% Variance	Reason for material variance
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital (4)	0.02	0.55	(97.01%)	Decrease in Operating Revenue as compared to previous year
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	(207.74%)	32.05%	(748.14%)	Decrease in Operating Revenue as compared to previous year
j)	Return on Capital employed	Earning before interest & taxes (5)	Capital employed (6)	(2.62%)	8.60%	(130.44%)	Decrease in Operating Revenue as compared to previous year
k)	Return on investment	Income generated from Investment (7)	Average investments (Gross)	6.32%	21.29%	(70.30%)	Decrease in dividend income as compared to previous year

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, abovementioned ratios may not be strictly comparable

Formula used for calculation of Ratios and Financial Indicators are as below:

1) Debt = Borrowing + Lease Liabilities
2) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3) Debt Service = Borrowing + Interest Payment + Lease Liability Payment
4) Working Capital = Current Asset - Current Liabilities
5) Earning before interest & taxes = Profit/(loss) before Tax (incl Exceptional Item) + Finance Cost
6) Capital Employed = Equity + Borrowing - Intangible Assets
7) Income generated from Investment = Dividend Income + Interest Income + Net Gain/(loss) arising on Financial Assets measured at Fair Value through Profit and Loss

41 - Other statutory information

a) Security of current assets against borrowings

The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. However, the quarterly returns or statements comprising quarterly financial results are not filed by the Company to such bank or financial institution as these are published financial results and are available on the Company's website for public including such banks or financial institutions. These quarterly financial results are in agreement with the unaudited books of account of the Company of the respective quarters

b) The company do not have any benami property, where any proceeding has been initiated on or are pending against the company for holding benami property.

c) Transactions with struck off companies

During the year ended 31st March 2024, the Company has entered into a transaction with an unrelated party Digipace Consulting (OPC) Private Limited towards brokerage services for an amount of Rs. 2.41 lakhs and closing payable balance was NIL as on 31st March 2024.

d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2024

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Audit trail

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. However, in respect of an accounting software, audit trail was not enabled at the database level and in respect of another software the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months. The company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective.

42. The Board of Directors of the Company has recommended a dividend of Rs. 2.65 per share on Equity Share of Rs. 10 each (26.50%) (31st March, 2023: Rs. 2.30 per share - (23%) subject to approval of members of the company at the forthcoming Annual General Meeting.

43. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

44. Previous Year Figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's grouping.

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai: April 26, 2024

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Ameet Hariani	Chairman	DIN: 00087866
Amit Kumar Sinha	Managing Director & CEO	DIN: 09127387

Bijal Parmar
Assistant Company Secretary
ACS: 32339

Vimal Agarwal
Chief Financial Officer

Mumbai: April 26, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Infrastructure Developers Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Mahindra Infrastructure Developers Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in

any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. As regards the other matters to be included in the Auditor's Report, in accordance with the requirements of section 197 of the Act regarding managerial remuneration, the company has complied with the necessary provisions during the audit period.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024
UDIN: 24049818BKBNMF2452

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment and Intangible assets:

As per information provided by the Company to us, it does not have any Property, Plant and Equipment and Intangible assets as on 31st March, 2024. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

The Company does not have inventory. Accordingly, clause 3 (ii) (a) of the Order is not applicable.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

(a) According the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(b) The terms and conditions of the loans / advances granted are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest is as per stipulations.

(d) As per information and explanation provided by the Company to us, there is no overdue amount remaining outstanding as at the year-end.

(e) As per information and explanation provided by the Company to us, No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As per information and explanation provided by the Company to us, the company has not granted any loans or advances in the nature of loans without specifying any terms or period of repayment.

Loans were granted at repayable on demand.

	Related Parties
Aggregate amount of loans/ advances in nature of loans	
- Repayable on demand (A)	16,32,52,740
- Agreement does not specify any terms or period of repayment (B)	
Total (A+B)	16,32,52,740
Percentage of loans/ advances in nature of loans to the total loans	100

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, relevant provision of the Order is not applicable.

ix. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. Utilisation of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence, Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period and in the immediately preceding financial year (FY 2022-23).

	FY 23-24	FY 22-23
Particulars	**Amount in Lakhs**	**Amount in Lakhs**
Profit/(Loss) before tax for the year	145.98	1,316.76
Add: Depreciation	–	–
Less: Interest on ICD	(155.22)	(131.99)
Cash (losses)/profit (in lakhs)	**(9.24)**	**1,184.77**

xviii. Resignation of statutory auditors:

During the year the no statutory auditors has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall dues.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 12/04/2024
UDIN: 24049818BKBNMF2452

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Infrastructure Developers Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 12/04/2024
UDIN: 24049818BKBNMF2452

BALANCE SHEET AS AT 31 MARCH 2024

(₹ in lakh)

	Note No.	As at 31 March, 2024	As at 31 March, 2023
I ASSETS			
Non-current assets			
(a) Financial assets			
(i) Investments	4	**7.79**	7.79
(ii) Loans	5	**1,632.53**	1,629.50
(iii) Other Financial Assets	6	**68.45**	43.28
(b) Other non-current assets	7	**245.10**	302.94
Total Non-current assets (I)		**1,953.87**	1,983.51
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	8(a)	**3.89**	0.13
(ii) Bank balances other than (i) above	8(b)	**–**	4.15
(iii) Other Financial Assets	9	**451.75**	312.05
Total current assets (II)		**455.64**	316.33
Total assets [(I)+(II)]		**2,409.51**	2,299.84
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	**1,800.00**	1,800.00
(b) Other equity	11	**607.47**	498.25
Total equity (III)		**2,407.47**	2,298.25
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	12		
– total outstanding dues of micro enterprises and small enterprises		**–**	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		**1.52**	1.49
(b) Other current liabilities	13	**0.52**	0.10
Total current liabilities (IV)		**2.04**	1.59
Total equity and liabilities [(III)+(IV)]		**2,409.51**	2,299.84

Summary of Material Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024

For and on behalf of the Board of Directors

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 12/04/2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakh)

	Particulars	Note No.	For the year ended 31 March, 2024	For the year ended 31 March, 2023
I	Revenue from operations		**–**	–
II	Other income	14	**160.49**	1,323.42
III	**Total income (I+II)**		**160.49**	1,323.42
IV	**Expenses**			
	(a) Employee benefit expense	15	**1.18**	1.18
	(b) Other expenses	16	**13.33**	5.48
	Total Expenses (IV)		**14.51**	6.66
V	**Profit/(Loss) before tax (III-IV)**		**145.98**	1,316.76
VI	**Tax Expense**			
	(1) Current tax	17	**36.77**	32.42
	(2) Deferred tax		**–**	–
	Total tax expense		**36.77**	32.42
VII	**Profit/(Loss) for the year (V-VI)**		**109.21**	1,284.34
VIII	**Total comprehensive income for the year**		**109.21**	1,284.34
IX	**Earnings per equity share**			
	Basic/Diluted	19	**0.61**	7.14

Summary of Material Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024

For and on behalf of the Board of Directors

Jasmin Suchak
Chief Executive Officer

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Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 12/04/2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakh)

Particulars	For The Year Ended 31 March, 2024	For The Year Ended 31 March, 2023
Cash flow from Operating Activities		
Profit/(Loss) before tax for the year	**145.98**	1,316.76
Adjustments for:		
Interest Income	**(160.49)**	(135.43)
Dividend Income	**–**	(1,187.99)
	(14.51)	(6.66)
Decrease/(Increase) in other financial assets	**(139.73)**	(118.40)
(Decrease)/Increase in trade payables	**0.03**	0.31
(Decrease)/Increase in other current liabilities	**0.42**	0.02
Cash generated from operations	**(139.28)**	(118.07)
Income taxes paid (Net of Refund & Interest on refund)	**24.35**	(94.77)
Net cash generated by/(used in) operating activities (A)	**(129.43)**	(219.50)
Cash flows from investing activities		
Interest received	**157.22**	135.43
Dividends received from Subsidiary	**–**	1,187.99
Bank balances not considered as cash and cash equivalents		
- Deposited	**(79.89)**	(24.00)
- Matured	**58.89**	–
Net cash generated by investing activities (B)	**136.22**	1,299.42
Cash flows from financing activities		
Dividends paid to owners of the Company	**–**	(1,080.00)
Inter Corporate Deposit given	**(3.03)**	–
Net cash generated by/ (Used in) financing activities (C)	**(3.03)**	(1,080.00)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**3.76**	(0.08)
Cash and cash equivalents at the beginning of the year	**0.13**	0.21
Cash and cash equivalents at the end of the year	**3.89**	0.13

Summary of Material Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024

For and on behalf of the Board of Directors

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 12/04/2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

	(₹ in lakh)
Balance as at 31st March, 2022	**1,800.00**
Changes in equity share capital during the period	–
Balance as at 31st March, 2023	**1,800.00**
Changes in equity share capital during the period	–
Balance as at 31st March, 2024	**1,800.00**

B. Other Equity

	Retained earnings (₹ in lakh)
Balance as at 31st March, 2022	**293.91**
Profit/(Loss) for the year	1,284.34
Other comprehensive income	–
Total comprehensive income	1,284.34
Dividend paid	1,080.00
Balance as at 31st March, 2023	**498.25**
Profit/(Loss) for the year	109.21
Other comprehensive income	–
Total comprehensive income	109.21
Dividend paid	–
Balance as at 31st March, 2024	**607.48**

Summary of Material Accounting Policies

The accompanying notes 1 to 28 are an integral part of these financial statements

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024

For and on behalf of the Board of Directors

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 12/04/2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10 May, 2001 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of infrastructure projects and infrastructure related services.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Material Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 12th April, 2024.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method which is based on useful life indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

Note No. 4 – Investments

(₹ in lakh)

Particulars	Face Value ₹	As at 31 March, 2024 Nos.	As at 31 March, 2024 (₹ in lakh)	As at 31 March, 2023 Nos.	As at 31 March, 2023 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
– of subsidiaries					
Mahindra Water Utilities Private Limited	10	**98,999**	**7.79**	98,999	7.79
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)					
– of joint ventures					
Mahindra Inframan Water Utilities Private Limited	10	**24,999**	**2.50**	24,999	2.50
– of associate					
Ratna Bhoomi Enterprise Private Limited	10	**500**	**–**	500	–
Total (A)			**10.29**		10.29
B. Investment carried at fair value through other comprehensive income					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
New Tirupur Area Development Corporation Limited	10	**1,50,00,000**	**–**	1,50,00,000	–
Total (B)			**–**		–
Total Impairment value for investment carried at cost			**(2.50)**		(2.50)
Total Investments (A)+(B)			**7.79**		7.79

Note No. 5 - Loans

(₹ in lakh)

Particulars	As at 31 March, 2024 Non- Current	As at 31 March, 2023 Non- Current
a) Loans to related parties		
– Secured, considered good	**–**	–
– Unsecured, considered good	**1,632.53**	1,629.50
– Doubtful	**–**	–
Less: Allowance for Credit Losses	**–**	–
Total	**1,629.50**	1,629.50

Note No. 6 - Non Current Financial Assets

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Fixed Deposits with original maturity more than 1 year	**68.45**	43.28
Total	**68.45**	43.28

Note No. 7 - Other Non Current assets

(₹ in lakh)

Particulars	As at 31 March, 2024 Non-current	As at 31 March, 2024 Current	As at 31 March, 2023 Non-current	As at 31 March, 2023 Current
(a) Income tax assets (net)	**245.10**	**–**	302.94	–
TOTAL	**245.10**	**–**	302.94	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

Note No. 8

(a) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Balance with bank	**3.89**	0.13
TOTAL	**3.89**	0.13

(b) Other bank balances

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Fixed Deposits with original maturity greater than 3 months	**–**	4.15
TOTAL	**–**	4.15

Note No. 9 - Other financial assets

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Financial assets at amortised cost		
- Interest accrued but not due on ICD	**451.75**	312.05
TOTAL	**451.75**	312.05

Note No. 10 - Equity share capital

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	(₹ in lakh)	Number of shares	(₹ in lakh)
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
	2,00,00,000	**2,000.00**	2,00,00,000	2,000.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00
	1,80,00,000	**1,800.00**	1,80,00,000	1,800.00

Notes (i) to (v) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	(₹ in lakh)	Number of shares	(₹ in lakh)
Opening balance	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00
Add: Issued during the year	**–**	**–**	–	–
Closing balance	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	1,80,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	**100%**	1,80,00,000	100%

(v) Details of shareholdings by the Promoter's of the Company:

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	**100%**	1,80,00,000	100%

Note No. 11 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2022	**293.91**	**293.91**
Profit/(Loss) for the year	1,284.34	1,284.34
Other comprehensive income	–	–
Total comprehensive income	**1,284.34**	**1,284.34**
Dividend paid	1,080.00	1,080.00
Balance at 31st March, 2023	**498.25**	498.25
Profit/(Loss) for the year	109.21	109.21
Other comprehensive income	–	–
Total comprehensive income	**109.21**	**109.21**
Dividend paid		–
Balance at 31st March, 2024	**607.47**	**607.47**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

Note No. 12 - Trade payables

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade payables - total outstanding dues of micro enterprises and small enterprises	–	–
Trade payables - total outstanding dues of trade payables other than micro enterprises and small enterprises	**1.52**	1.49
TOTAL	**1.52**	1.49

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

12 a - Ageing for trade payable from the due date of payment for each of the category is as follows

Particulars	As at 31 March, 2024	As at 31 March, 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	–	–
Not Due	–	–
0 months - 1 year	**1.52**	1.49
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
TOTAL	**1.52**	1.49

Note No. 13 - Other current liabilities

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
a. Others		
Statuatory remittances (withholding taxes, GST, etc.)	**0.52**	0.10
TOTAL	**0.52**	0.10

Note No. 14 - Other Income

(₹ in lakh)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Interest Income		
- Fixed Deposits	**1.99**	3.44
- Inter Corporate Deposits	**155.22**	131.99
(b) Dividend Income - Subsidiaries	–	1,187.99
(c) Miscellaneous Income - Interest on Income tax refund (AY 23-24)	**3.27**	–
TOTAL	**160.49**	1,323.42

Note No. 15 - Employee benefits expense

(₹ in lakh)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salary and wages (including deputation charges)	**1.18**	1.18
TOTAL	**1.18**	1.18

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Professional charges	**12.39**	3.60
(b) Payments to auditors (including service tax):		
(i) For audit	**0.21**	0.26
(c) Miscellaneous expenses	**0.09**	0.43
(d) ROC Expenses	**0.53**	1.18
(e) Balances write back	**0.00**	0.01
(f) Interest on Statutory dues	**0.10**	–
TOTAL	**13.33**	5.48

Note No. 17 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ in lakh)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Current Tax:		
In respect of current year	**36.77**	32.42
TOTAL	**36.77**	32.42

Note No. 18 - Contingent liabilities and commitments

(₹ in lakh)

Contingent liabilities (to the extent not provided for)	As at 31 March, 2024	As at 31 March, 2023
Contingent liabilities		
(a) Guarantee		
For Subsidiary Company / Joint Venture - Mahindra Water Utilities Limited	–	–
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)		
– Amount of Gurantee outstanding	**1,800.00**	1,800.00
– Maximum liablity of the Company	**1,800.00**	1,800.00

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

Note No. 19 - Earnings per share

Sr. No.	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Profit/(loss) for the period	**109.21**	1,284
(b)	Weighted average number of equity shares (No.)	**1,80,00,000**	1,80,00,000
(c)	Basic/Diluted earning per share	**0.61**	7.14
(d)	Nominal value per share	**10**	10

Note No. 20 - Segment Reporting

The company has a single reportable segment namely development of infrastructure projects and infrastructure related services in India for the purpose of Ind As 108 on segment reporting.

Note No. 21 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

(₹ in lakh)

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Subsidiary

1	Mahindra Water Utilities Limited

Fellow Subsidiary

1	Mahindra Construction Company Limited
2	Mahindra Bloomdale Developers Ltd.

Joint Ventures

1	Mahindra Inframan Water Utilities Private Limited

Associate of Holding Company

1	Mahindra Knwoledge Park (Mohali) Limited

(₹ in lakh)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Water Utilities Limited	Mahindra Bloomdale Developers Ltd.	Mahindra Inframan Water Utilities Private Limited	Mahindra Construction Company Limited	Mahindra Knwoledge Park (Mohali) Limited
Nature of transactions with Related Parties								
Employee benefit	**31-Mar-24**	**–**	**1.18**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	*1.18*	–	–	–	–	–
ICD given	**31-Mar-24**	**–**	**–**	**–**	**–**	**1.80**	**–**	**0.80**
	31-Mar-23	–	–	–	–	–	–	–
Interest Received	**31-Mar-24**	**–**	**–**	**–**	**153.93**	**0.34**	**0.95**	**0.00**
	31-Mar-23	–	–	–	*130.98*	*0.20*	*0.81*	–
Dividend Paid	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	*1,080.00*	–	–	–	–	–
Dividend Income	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	*1,187.99*	–	–	–	–
Payment made on behalf of related party	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**0.43**
	31-Mar-23	–	–	–	–	–	–	–
Business support charges	**31-Mar-24**	**1.18**	**–**	**–**	**–**	**–**		**–**
	31-Mar-23	*0.01*		–	–	–		–

*Previous year figures are in *Italic*

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Water Utilities Limited	Mahindra Bloomdale Developers Ltd.	Mahindra Inframan Water Utilities Private Limited	Mahindra Construction Company Limited	Mahindra Knwoledge Park (Mohali) Limited
ICD Receivable	**31-Mar-24**	**–**	**–**	**–**	**1,617.00**	**4.30**	**10.00**	**0.80**
	31-Mar-23	–	–	–	*1,617.00*	*2.50*	*10.00*	–
Interest on ICD Receivable	**31-Mar-24**	**–**	**–**	**–**	**447.41**	**0.58**	**3.76**	**0.00**
	31-Mar-23	–	–	–	*308.87*	*0.28*	*2.90*	–
Other Payables	**31-Mar-24**	**–**	**1.08**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	*1.08*	–	–	–		–
Trade receivables	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**0.43**
	31-Mar-23	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

Note No. 22 As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the period ended **31 March, 2024** have been prepared on the basis of going concern.

Note No. 23 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31-Mar-24						
Trade Payable	1.52	–	–	–	1.52	1.52
Total	**1.52**	**–**	**–**	**–**	**1.52**	**1.52**
31-Mar-23						
Trade Payable	1.49	–	–	–	1.49	1.49
Total	**1.49**	**–**	**–**	**–**	**1.49**	**1.49**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 24 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31 March, 2024	For the year ended 31 March, 2023	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	223.35	199.27	12.08%	Increase in Current Assets & Deacrease in Current Liability
b)	Debt Equity Ratio (Gross)	Debt	Equity	NA	NA	NA	–
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Service	NA	NA	NA	–
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	4.64%	58.48%	-92.06%	Decrease in Profit After Tax
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	NA	NA	NA	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

	Particulars	Numerator	Denominator	For the year ended 31 March, 2024	For the year ended 31 March, 2023	% Variance	Reason for material variance
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	NA	NA	NA	–
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	NA	NA	NA	–
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (4)	NA	NA	NA	–
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	0.00%	0.00%	0.00%	Revenue from operations is "Nil" during the year
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	4.54%	58.48%	-92.24%	Decrease in Profit After Tax
k)	Return on investment	Income generated from Investment	Average investments (Gross)	0.00%	15250.19%	-100.00%	No income on investment during the year.

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 25 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 26 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

Note No. 27 Continues - Fair Value Measurement

Financial assets measured at fair value

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-24	31-Mar-23				
Financial assets						
Investments in equity instruments						
– New Tirupur Area Development Corporation Limited (NTADCL) (15,000,000 equity shares of Rs. 10 each)	–	–	Level 3		On the basis of NTADCL's own data, taking into account all information about market participant that is reasonably available.	NA
Total financial liabilities	**–**	**–**				

Note No. 28 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For **MAKK & Co. (Formerly R. Jaitlia & Co.)**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024

For and on behalf of the Board of Directors

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Geeta Dhokare
Company Secretary
ACS: 51135

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 12/04/2024

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Particulars	Details
Name of the subsidiary	Mahindra Water Utilities Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share capital	10
Reserves & surplus	2,065.95
Total assets	2,463.12
Total Liabilities	387.17
Investments	0.00
Turnover	2,276.03
Profit before taxation	755.41
Provision for taxation	202.69
Profit after taxation	552.72
Proposed Dividend	NIL
% of shareholding	98.99%

Notes:

1. No Subsidiaries which are yet to commence operations.
2. No Subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Particulars	Joint Venture	Associate
Name of associates/Joint Ventures	Mahindra Inframan Water Utilities Pvt Ltd.	Rathna Bhoomi Enterprises Pvt Ltd.
Latest audited Balance Sheet Date	31.03.2024	31.03.2024
Shares of Associate/Joint Ventures held by the company on the year end	50%	50%
Nos.	24,999	500
Amount of Investment in Joint Venture / Associates	2,49,990	5,000
Extend of Holding %	50%	50%
Description of how there is significant influence	Note 1	Note 1
Reason why the associate/joint venture is not consolidated		
Net worth attributable to shareholding as per latest audited Balance Sheet	(2.23)	(14.06)
Profit/Loss for the year		
i. Considered in Consolidation	–	–
ii. Not Considered in Consolidation	(0.62)	(0.28)

Notes:

1. There is significant influence due to percentage (%) of share capital.
2. No Associates / Joint Venture which are yet to commence operations.
3. No Associates / Joint Venture which have been liquidated or sold during the year.
4. Pursuant to Rule 6 of the Companies (Accounts) Rules, 2014, the company is exempted from preparation of consolidated financial statements.

For and on behalf of the Board of Directors

Geeta Dhokare
Company Secretary
ACS: 51135

Jasmin Suchak
Chief Executive Officer

Manoj Gupta
Chief Financial Officer

Viral Oza
Director (DIN:03552722)

Parveen Mahtani
Director (DIN:05189797)

Place: Mumbai
Date: 12/04/2024

Place: Mumbai
Date: 12/04/2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra World City (Maharashtra) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards/Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended / the Companies (Accounts) Rules, 2014 as amended ("Ind AS" / "AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCO2640

Place: Chennai
Date: April 13, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Mahindra World City (Maharashtra) Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024 based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCO2640
Place: Chennai
Date: April 13, 2024

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) (a) According to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under Clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the investments made by the Company are not prejudicial to the interest of the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly,the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.Accordingly,the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and based on the audit procedures performed by us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company (add only if applicable) or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 3.94 lakhs in the current financial year. The Company has incurred cash losses of Rs. 75.17 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCO2640

Place: Chennai
Date: April 13, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
NON-CURRENT ASSETS			
(a) Investments	4	**1,707.11**	1,707.11
SUB-TOTAL		**1,707.11**	1,707.11
CURRENT ASSETS			
(b) Financial Assets			
(i) Cash and Cash Equivalents	5	**6.44**	0.97
(ii) Bank balances other than (i) above	5	**–**	33.00
(iii) Other Financial Assets	6	**–**	0.03
(c) Current Tax Assets	7	**0.06**	–
SUB-TOTAL		**6.50**	34.00
TOTAL ASSETS		**1,713.61**	1,741.11
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	8	**2,542.37**	2,542.37
(b) Other Equity	9	**(1,010.13)**	(1,004.21)
SUB-TOTAL		**1,532.24**	1,538.16
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Provisions	10	**180.45**	182.63
SUB-TOTAL		**180.45**	182.63
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	11		
- total outstanding dues of micro enterprises and small enterprises		**–**	–
- total outstanding dues of trade payables other than micro enterprises and small enterprises		**0.39**	0.16
(b) Provisions	10	**0.49**	0.34
(c) Other Current Liabilities	12	**0.04**	19.81
SUB-TOTAL		**0.92**	20.31
TOTAL		**1,713.61**	1,741.10

Summary of Material Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No:215782

Place : Chennai
Date : 13th April 2024

For and on behalf of the Board Directors

Kiran Kintali
CEO & CFO

Vimalendra Singh
Director
DIN: 09128114

Snehal Patil
Company Secretary
ACS 24720

Vimal Agarwal
Director
DIN: 07296320

Place : Mumbai
Date : 13th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
I	Revenue from operations		–	–
I	Other Income	13	**2.81**	254.42
II	**Total Revenue (I)**		**2.81**	254.42
III	**EXPENSES**			
	(a) Finance costs	14	–	59.34
	(b) Other expenses	15	**4.51**	15.87
	Total Expenses (III)		**4.51**	75.21
IV	**Profit/(loss) before tax**		**(1.70)**	179.21
V	**Tax Expense**			
	(1) Current tax	16	–	13.88
	(2) Tax relating to previous year	16	**4.22**	–
	Total tax expense		**4.22**	13.88
VI	**Profit/(loss) after tax from continuing operations (IV-V)**		**(5.92)**	165.33
VII	**Total comprehensive income for the period**		**(5.92)**	165.33
VIII	**Earnings per equity share (for continuing operation):**			
	(1) Basic / Diluted	17	**(0.02)**	0.65

Summary of Material Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No:215782

Place : Chennai
Date : 13th April 2024

For and on behalf of the Board Directors

Kiran Kintali
CEO & CFO

Vimalendra Singh
Director
DIN: 09128114

Snehal Patil
Company Secretary
ACS 24720

Vimal Agarwal
Director
DIN: 07296320

Place : Mumbai
Date : 13th April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Cash flows from operating activities		
Profit/(Loss) before tax for the year	**(1.70)**	179.21
Adjustments for:		
Interest income	**(2.81)**	(0.03)
Share issue expenses	**0.12**	15.36
Miscellaneous Income (liabilities no longer required written back)	**–**	(254.39)
Finance costs recognised in profit or loss	**–**	59.34
	(4.39)	(0.51)
Movements in working capital:		
(Increase)/Decrease in Other financial assets	**(0.03)**	–
Increase/(Decrease) in trade and other payables	**0.24**	(0.25)
Increase/(Decrease) in other liabilities	**0.15**	(5.39)
Income taxes paid	**(23.99)**	–
Net cash (used in)/generated from operating activities (A)	**(30.21)**	(6.15)
Cash flows from investing activities		
Payments to acquire Shares	**–**	(528.33)
- Placed	**–**	(33.00)
- Matured	**33.00**	–
Interest received on Fixed Deposit	**2.81**	–
Net cash Generated from /(used in) Investing activities (B)	**35.81**	(561.33)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**–**	2,425.33
Payment for share issue costs	**(0.12)**	(15.36)
Redemption of preference shares	**–**	(17.75)
Inter Corproate Deposit received	**–**	23.00
Inter Corproate Deposit repaid	**–**	(1,294.30)
Interest paid on Inter Corporate Deposit paid	**–**	(553.66)
Net Cash generated from/(used in) financing activities (C)	**(0.12)**	567.26
Net (decrease)/ increase in cash (A+B+C)	**5.47**	(0.22)
Cash and cash equivalents at the beginning of the year/period	**0.97**	1.19
Cash and cash equivalents at the end of the year /period	**6.44**	0.97

Summary of Material Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No:215782

Place : Chennai
Date : 13th April 2024

For and on behalf of the Board Directors

Kiran Kintali
CEO & CFO

Vimalendra Singh
Director
DIN: 09128114

Snehal Patil
Company Secretary
ACS 24720

Vimal Agarwal
Director
DIN: 07296320

Place : Mumbai
Date : 13th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

A. Equity share capital

As at 31st March, 2022	**117.04**
Changes in equity share capital during the year	2,425.33
As at 31st March, 2023	**2,542.37**
Changes in equity share capital during the year	–
As on 31st March, 2024	**2,542.37**

a. Equity share capital

	Equity share capital (no. of Shares)
As at 31st March, 2022	**11,70,400**
Changes in equity share capital during the year	
Issue of equity shares	2,42,53,300
As at 31st March, 2023	**2,54,23,700**
Changes in equity share capital during the year	
Issue of equity shares	–
As on 31st March, 2024	**2,54,23,700**

B. Other Equity	**Retained earnings (₹ in lakh)**
Balance as at 31st March, 2022	**(1,169.52)**
Profit/(Loss) for the year	165.33
Other comprehensive income	–
Total comprehensive income	165.33
Balance as at 31st March, 2023	**(1,004.21)**
Profit/(Loss) for the year	(5.92)
Other comprehensive income	–
Total comprehensive income	(5.92)
Balance as at 31st March, 2024	**(1,010.12)**

Summary of Material Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No:215782

Place : Chennai
Date : 13th April 2024

For and on behalf of the Board Directors

Kiran Kintali
CEO & CFO

Vimalendra Singh
Director
DIN: 09128114

Snehal Patil
Company Secretary
ACS 24720

Vimal Agarwal
Director
DIN: 07296320

Place : Mumbai
Date : 13th April 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

1. Corporate information

Mahindra World City (Maharashtra) Limited ("the Company") is a public company incorporated in 2005 (CIN: u45309MH2005P1Cl55225) under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of Multi product SEZ in Maharashtra as a joint venture with Maharashtra Industrial Development Corporation (MIDC).

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Material Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 13th April, 2024.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Financial assets and Liabilities

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.4.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.4.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.5 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.5.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.5.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.5.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.8 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (₹)	As at 31st March, 2024 Nos.	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 Nos.	As at 31st March, 2023 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
Deep Mangal Developers Private Limited	10	**5,29,160**	**1,706.66**	5,29,160	1,706.66
Mahindra Construction Company Limited	10	**3,000**	**0.30**	3,000	0.30
Moonshine Construction Private Limited	10	**20**	**0.00**	20	0.00
Mahindra Ugine Steel Limited	1	**1**	**0.00**	1	0.00
Rathna Bhoomi Enterprises Private Limited	10	**500**	**0.05**	500	0.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Face Value (₹)	As at 31st March, 2024 Nos.	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 Nos.	As at 31st March, 2023 (₹ in lakh)
Investments in Preference shares					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	10	**4,479**	**0.45**	4,479	0.45
Rathna Bhoomi Enterprises Private Limited	10	**119,250**	**11.93**	119,250	11.93
Prudential Management & Services Private Limited	1	**2**	**0.00**	2	0.00
MCCL	**1**	**1**	**0.00**	1	0.00
7% Non-cumulative redeemable participating optionally convertible preference shares in Mahindra Knowledge Park Mohali Limited	10	**50,000**	**0.00**	50,000	0.00
Total Impairment value for investment carried at cost			**(12.28)**		(12.28)
			1,707.11		1,178.78

0.00 lakhs denotes amount less than 500/-

Note No. 5 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
(a) Balances with banks	**6.44**	0.97
(b) Bank balances other than (a) above	**–**	33.00
Total Cash and cash equivalent	**6.44**	33.97

Note No. 6 - Other Financial assets

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
	Current	Current
(a) Interest accrued on Fixed Deposit	**–**	0.03
Total Other Current Assets	**–**	0.03

Note No. 7 - Current Tax Asset

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
	Current	Current
(a) TDS Receivable	**0.06**	–
Total Other Current Assets	**0.06**	–

Note No. 8 - Equity Share Capital

Particulars	As at 31st March, 2024 No. of shares	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 No. of shares	As at 31st March, 2023 (₹ in lakh)
Authorised:				
Equity shares of Rs.10 each with voting rights	**2,54,23,700**	**2,542.37**	2,54,23,700	2,542.37
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**2,54,23,700**	**2,542.37**	2,54,23,700	2,542.37
Total	**2,54,23,700**	**2,542.37**	2,54,23,700	2,542.37

Particulars	As at 31st March, 2024 No. of shares	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 No. of shares	As at 31st March, 2023 (₹ in lakh)
Authorised:				
Preference shares of Rs.10 each with voting rights	**2,54,23,700**	**2,542.37**	2,54,23,700	2,542.37
Issued, Subscribed and Fully Paid:				
Prefernce shares of Rs.10 each with voting rights	**–**	**–**	–	–
	–	**–**	–	–

In previous year, the Board of Directors had at its meeting held on 11th January, 2023, approved Rights Issue of 2,42,53,300 Equity Shares of Rs. 10 each aggregating to Rs. 2425.33 lakhs at par. The Company completed the Rights Issue by allotting on 25th March, 2023, 2,42,53,300 Equity Shares of Rs. 10 each aggregating to Rs. 2425.33 lakhs, to the holders of equity shares in proportion, to the paid-up share capital of the Company. The rights issue was fully subscribed. Consequently, the paid up equity share capital of the Company has increased to Rs. 2542.37 lakhs divided into 2,54,23,700 equity shares of Rs. 10 each. The Rights Issue proceeds have been fully utilised for the purpose of the Issue.

In previous year, the Company in accordance with the terms of 8.5% Non-Cumulative Redeemable Preference Shares, undertook early redemption of 1,77,500 8.5% Non-Cumulative Redeemable Preference Shares of Rs. 10 each at par on 27th March, 2023.

Note No. 8a - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Redemeed during the year	Closing Balance
(a) Equity Shares with Voting rights				
Year Ended 31st March 2023				
No. of Shares	11,70,400	2,42,53,300	–	2,54,23,700
Amount	117.04	2,425.3	–	2,542.37
Year Ended 31st March 2024				
No. of Shares	**2,54,23,700**		**–**	**2,54,23,700**
Amount	**2,542.37**		**–**	**2,542.37**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Particulars		Opening Balance	Fresh Issue	Redemeed during the year	Closing Balance
(b) Preference Shares					
Year Ended 31st March 2023					
	No. of Shares	1,77,500	–	1,77,500	–
	Amount	17.75	–	17.8	–
Year Ended 31st March 2024					
	No. of Shares	**–**	**–**	**–**	**–**
	Amount	**–**	**–**	**–**	**–**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2023			
Mahindra Lifespace Developers Ltd.	2,54,23,700	–	–
As at 31st March 2024			
Mahindra Lifespace Developers Ltd.	**2,54,23,700**	**–**	**–**

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March, 2024 Number of shares held	% holding in that class of shares	As at 31st March, 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**2,54,23,700**	**100.00%**	2,54,23,700	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares/ Name of shareholder	As at 31st March, 2024 Number of shares held	% holding in that class of shares	As at 31st March, 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**2,54,23,700**	**100.00%**	25,423,700	100.00%

Note No. 9 - Other equity

(₹ in lakh)

	Retained earnings	Total
Balance at 31st March, 2022	(1,169.52)	(1,169.52)
Profit/(Loss) for the year	165.33	165.33
Other comprehensive income	–	–
Total comprehensive income	(1,004.20)	(1,004.20)
Balance at 31st March, 2023	(1,004.21)	(1,004.21)
Profit/(Loss) for the year	(5.92)	(5.92)
Other comprehensive income		–
Total comprehensive income	(1,010.13)	(1,010.13)
Balance at 31st March 2024	**(1,010.13)**	**(1,010.13)**

Note No. 10 - Provisions

(₹ in lakh)

Particulars	As at 31st March, 2024 Current	Non-Current	As at 31st March, 2023 Current	Non-Current
(a) Provisions				
Other Provisions	**0.49**	**180.45**	0.34	182.63
Total Provisions	**0.49**	**180.45**	0.34	182.63

Note No. 11 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payable - total outstanding Dues of micro enterprises and small enterprises	**–**	–
Trade payable - total outstanding dues of trade payables other than micro enterprises and small enterprises	**0.39**	0.16
Total trade payables	**0.39**	0.16

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.39**	0.16
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	0.39	0.16

Note No. 12 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory dues		
(a) TDS Payable	**0.04**	5.93
(b) Provision for tax-Current Year	**–**	13.88
Total Other Current Liabilities	**0.04**	19.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 13 - Other Income

(₹ in lakh)

	Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a)	Interest Income on:		
	Bank Deposits	**0.57**	0.03
(b)	Miscellaneous Income (liabilities no longer required written back)	**2.24**	254.39
	Total Other Income	**2.81**	254.41

Note No. 14 - Finance Cost

(₹ in lakh)

	Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a)	Interest expense	**–**	59.34
	Total finance costs	**–**	59.34

Note No. 15 - Other Expenses

(₹ in lakh)

	Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	**0.34**	0.34
(b)	Other expenses		
	(i) Legal and other professional costs	**2.63**	0.16
	(ii) Rates & Taxes	**1.51**	15.36
	(iii) Miscellaneous expenses	**0.03**	0.01
	Total Other Expenses	**4.51**	15.88

Note No. 16 - Current Tax

Income Tax recognised in profit or loss

(₹ in lakh)

	Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a)	Provision for tax-Current Year	**–**	13.88
(b)	Tax related to previous year (AY 23-24)	**4.22**	–
	Total income tax expense on continuing operations	**4.22**	13.88

Note No. 17 - Earnings per Share

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Basic Earnings per share		
From continuing operations	**(0.02)**	0.65
From discontinuing operations	**–**	–
Total basic earnings per share	**(0.02)**	0.65
Diluted Earnings per share	**(0.02)**	0.65
From continuing operations		
From discontinuing operations		
Total diluted earnings per share	**(0.02)**	0.65

Particulars	For the Year ended 31st March, 2024	For the year ended 31st March 2023
Profit / (loss) for the year attributable to owners of the Company	**(5.92)**	165
Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**(5.92)**	165
Weighted average number of equity shares	**2,54,23,700**	2,54,23,700
Earnings per share from continuing operations - Basic	**(0.02)**	0.65

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

Enterprises Controlling the Company

(₹ in lakh)

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company
3	Deep Mangal Developers Private Limited	Subsidiary Company

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary
Nature of transactions with Related Parties				
Inter Corporate Deposits received	**31-Mar-24**	–	–	–
	31-Mar-23	–	23.00	–
Inter Corporate Deposits received	**31-Mar-24**	–	–	–
	31-Mar-23	–	1,294.30	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary
Equity Shares Issued	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	2,425.33	–
Redemption of Preferece Shares	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	17.50	–
Investment in Equity Shares	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	–	528.33
Reimbursement made to parties	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	0.01	–	–
Availment of Service	**31-Mar-24**	**1.18**	**–**	**–**
	31-Mar-23	–	–	–
Employee Benefit	**31-Mar-24**	**–**	**0.41**	**–**
	31-Mar-23	–	–	–

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Subsidiary
Trade payables	**31-Mar-24**	**–**	**0.38**	**–**
	31-Mar-23	**–**	**–**	**–**

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 19 - The accounts of the Company for the year ended 31st March, 2024 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	**As at 31st March, 2024**	As at 31st March, 2023
Debt (A)	**–**	–
Equity (B)	**1,532.24**	1,538.16
Debt Ratio (A/B)	**–**	–

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

As at 31st March, 2024

	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments	1,707.11	–	–	**1,707.11**
Current Assets				
Investments	–	–	–	**–**
Trade Receivables	–	–	–	**–**
Other Bank Balances	6.44	–	–	**6.44**
Non-current Liabilities				
Borrowings	–	–	–	**–**
Current Liabilities				
Borrowings	–	–	–	**–**
Trade Payables	0.39	–	–	**0.39**
Other Financial Liabilities		–	–	
- Non Derivative Financial Liabilities	–	–	–	**–**

As at 31st March, 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	1,707.11	–	–	**1,707.11**
Current Assets				
Investments	–	–	–	**–**
Trade Receivables	–	–	–	**–**
Other Bank Balances	0.97	–	–	**0.97**
Non-current Liabilities				
Borrowings	–	–	–	**–**
Current Liabilities				
Borrowings	–	–	–	**–**
Trade Payables	0.16	–	–	**0.16**
Other Financial Liabilities		–	–	
- Non Derivative Financial Liabilities	–	–	–	**–**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31 March 2024			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–
Non-derivative financial liabilities			
31 March 2023			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 21 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ in lakh)

Particulars	31-Mar-24 Carrying amount	31-Mar-24 Fair value	31-Mar-23 Carrying amount	31-Mar-23 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– cash & cash equivalents	6.44	–	0.97	–
Total	6.44	–	0.97	–
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from other entities	–		–	
– other financial liabilities	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2024 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Trade receivables	–	–	–	–
(ii) Cash and cash equivalents	–	6.44	–	6.44
Total	–	6.44	–	6.44
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Other financial liabilities	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.97	–	0.97
Total	–	0.97	–	0.97
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Other financial liabilities	–	–	–	–
Total	–	–	–	–

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

22 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31st March 2024	For the year ended 31st March 2023	% Variance	Reason for Variance
a)	Current Ratio	Current Assets	Current Liabilities	**7.08**	1.67	323.16%	Decrease in Current Liabilities
b)	Debt Equity Ratio	Debt	Equity	**–**	–	0.00%	–
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Service	**–**	3.02	-100.00%	Company has repaid the debt.
d)	Return of Equity	Profit/(Loss) After Tax	Average equity	**-0.39%**	63.08%	-100.57%	Company has incurred losses during the current year.
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	**NA**	NA	NA	–
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	**NA**	NA	NA	–
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	**NA**	NA	NA	–
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (4)	**NA**	NA	NA	–
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	**0.00%**	0.00%	0.00%	Revenue from operations is "Nil" during the year
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	**-0.39%**	10.75%	-103.59%	Company has incurred losses during the current year.
k)	Return on investment	Income generated from Investment	Average investments (Gross)	**0.00%**	0.00%	0.00%	Company has incurred losses during the current year.

Note no. 23 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

24. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

25. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year’s grouping.

For and on behalf of the Board Directors

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No:215782

Place : Chennai
Date : 13th April 2024

Kiran Kintali
CEO & CFO

Vimalendra Singh
Director
DIN: 09128114

Snehal Patil
Company Secretary
ACS 24720

Vimal Agarwal
Director
DIN: 07296320

Place : Mumbai
Date : 13th April 2024

Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.
Statement containing salient features of financial statements of Subsidiary / Associates / Joint Ventures.

Par "A" Subsidiaries

(₹ in lakh)

Name of Subsidiary	Deep Mangal Developers Limited	Mahindra Knowledge Park (Mohali) Limited
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share capital	642.01	0.001
Reserves & surplus	(97.57)	(126.79)
Total assets	550.84	0.56
Total Liabilities	6.40	122.35
Investments	0.05	–
Turnover	11.17	–
Profit/(Loss) before taxation	10.23	(1.78)
Provision for taxation	–	–
Profit/(Loss) after taxation	10.23	(1.78)
Proposed Dividend	–	–
% of shareholding	82.42%	99.97%

Notes:
1. No subsidiaries which are yet to commence operations.
2. No subsidiaries which have been liquidated or sold during the year.

Part "B" Associates/Joint Ventures

(₹ in lakh)

	ASSOCIATES	
Name of Associates/Joint Ventures	**Moonshine Construction Private Limited**	**Rathna Bhoomi Enterprises Private Limited**
Latest Audited Balance Sheet Date	31-Mar-24	31-Mar-24
Shares of Associate/Joint Venture held by the Company on the year end:		
No. of Equity shares held	20	4
Extent of Holding (%)	49.12%	50.00%
Amount of investment in Associates (in Rs.)	200	5,000
Description of how there is significant influence	#	#
Reason why the Associate/joint venture is not consolidated	*	*
Networth attributable to Shareholding as per latest audited Balance sheet (₹ in lakh)	(16.60)	(14.06)
Profit/(Loss) for the year:		
i) Considered in Consolidation (₹ in lakh)	–	–
ii) Not Considered in Consolidation (₹ in lakh)	(0.41)	(0.28)

Notes:

1. No Associates/Joint Venture which are yet to commence operations.
2. No Associates/Joint Venture which have been liquidated or sold during the year.
3. Pursuant to Rule 6 of the Companies (Accounts) Rules, 2014, the Company is exempted from preparation of consolidated financial statements.

Significant influence due of % of share holding.
* No control based on control assessment

For and on behalf of the Board Directors

Kiran Kintali
CEO & CFO

Vimalendra Singh
Director
DIN: 09128114

Snehal Patil
Company Secretary
ACS 24720

Vimal Agarwal
Director
DIN: 07296320

Place : Mumbai
Date : 13th April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Knowledge Township Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

        (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.

3. No dividend is declared or paid during the year, hence reporting as regards compliance with Section 123 of the Act is not applicable.

4. As required by Section 197(16) of the Act, based on our audit, we report that the Company has not paid remuneration to its directors for the year under audit. Hence, this clause is not applicable to the Company.

5. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 24049818BKBNMG4164
Place: Mumbai,
Date: April 12th, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment and Intangible assets:

As per information provided by the Company to us and examination of the books of accounts, the Company does not have Property, Plant and Equipment and Intangible assets, accordingly, the requirements under paragraph 3(i) (a), (b), (c), (d) and (e) are not applicable to the Company.

ii. In respect of its inventories:

The management has conducted physical verification of stock in hand at reasonable intervals during the year. With respect to inventory represented by development rights and construction work in progress having regards to the nature of inventory, physical verification is carried out by way of verification of title deeds, site visits by the management and certification of extent of work completion by competent persons at reasonable intervals. No material discrepancies were noticed on such verification of stock in hand, development rights and work in progress.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State insurance, Income Tax, GST and other statutory dues, as applicable, with the appropriate authorities.

According to the records of the company, there are no dues outstanding with respect to income tax, provident fund, employees' state insurance, GST and Cess, as applicable, on account of any dispute.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. Repayment of Loans:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or government authority.

c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

d) According to the information and explanations given to us, we report that funds raised on short-term basis have not been utilized for long term purposes by the Company.

e) According to the information and explanations given to us, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. Utilization of IPO & further public offer:

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. Reporting of Fraud:

(a) During the course of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year nor have we been informed of any such instance by the management.

(b) During the course of our examination of the books and records of the company and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the order is not applicable to the Company.

(c) According to the information and explanation given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the unlisted public limited company and does not have paid up share capital of fifty crore rupees or more during the preceding financial year; turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year; outstanding deposits of twenty five crore rupees or more at any point of time during the preceding financial year. Hence, section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash Profit / losses:

The Company has incurred cash profit in the Audit Period Rs. 1.62 Lakhs and cash losses in the immediately preceding financial year (FY 2022-23) Rs. 4.88 Lakhs.

xviii. Resignation of statutory auditors:

During the year the no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 24049818BKBNMG4164
Place: Mumbai,
Date: April 12th, 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Knowledge Township Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818
UDIN: 24049818BKBNMG4164
Place: Mumbai,
Date: April 12th, 2024

BALANCE SHEET AS AT 31ST MARCH 2024

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I ASSETS			
NON-CURRENT ASSETS			
(i) Property, Plant and Equipment	3	**–**	–
SUB-TOTAL		**–**	–
CURRENT ASSETS			
(i) Inventories	4	**6,185.55**	3,836.76
(ii) Financial Assets			
(a) Cash and Cash Equivalents	5	**116.18**	387.89
(iii) Other Current Assets	6	**2,038.16**	3,561.70
SUB-TOTAL		**8,339.89**	7,786.35
TOTAL ASSETS		**8,339.89**	7,786.35
II EQUITY AND LIABILITIES			
1 EQUITY			
(i) Equity Share Capital	7	**4,907.17**	4,907.17
(ii) Other Equity	8	**582.50**	580.88
SUB-TOTAL		**5,489.67**	5,488.05
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	9	**1,750.00**	771.00
SUB-TOTAL		**1,750.00**	771.00
3 CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	10	**872.00**	872.00
(b) Trade Payables	11		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		**–**	–
- Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		**0.73**	3.03
(c) Other Financial Liabilities	12	**225.48**	650.12
(ii) Other Current Liabilities	13	**2.01**	2.15
(iii) Current Tax Liabilities (Net)		**–**	–
SUB-TOTAL		**1,100.22**	1,527.30
TOTAL		**8,339.89**	7,786.35
Material Accounting Policies	2		

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS - 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 12th April, 2024

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I INCOME			
(a) Revenue from Operation		–	–
(b) Other Income	14	**7.94**	–
Total Income (a+b)		**7.94**	–
II EXPENSES			
(a) Cost of Projects	15	–	–
(b) Depreciation and amortisation expense	3	**0.35**	–
(c) Other expenses	16	**5.97**	4.88
Total Expenses (a+b+c)		**6.32**	4.88
III Profit/(Loss) before tax (I-II)		**1.62**	(4.88)
IV Tax Expense			
(a) Current tax		–	
(b) Deferred tax			
Total tax expense		–	–
V Profit/ (Loss) after tax (III-IV)		**1.62**	(4.88)
VI Other comprehensive Income / (Loss)		–	–
VII Total comprehensive Income / (loss) for the year (V + VI)		**1.62**	(4.88)
VIII Earnings per equity share (for continuing operation):			
(a) Basic Rs. per share of Rs. 10/- each	17	**0.00**	(0.01)
(b) Diluted Rs. per share of Rs. 10/- each	17	**0.00**	(0.01)
Material Accounting Policies	2		

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached.

For MAKK & Co.
Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS - 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 12th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
A Cash flow from operating activities			
(Loss) before tax for the year		**1.62**	(4.88)
Adjustments for:			
Provision for expenses		**–**	–
Interest Income		**(7.94)**	–
Depreciation and amortisation		**0.35**	–
Operating Loss before working capital changes		**(5.97)**	(4.88)
Movements in working capital:			
(Increase)/Decrease in short term loans and advances		**1,523.54**	(3.13)
(Increase)/Decrease in inventories		**(2,348.79)**	(257.01)
Increase/(Decrease) in other liabilities		**(2.44)**	231.24
		(827.69)	**(28.90)**
Cash used in operating activities		**(833.66)**	**(33.78)**
Income taxes paid		**–**	–
Net cash used in operating activities		**(833.66)**	(33.78)
B Cash flows from investing activities			
Purchase of fixed assets		**(0.35)**	–
Interest received		**7.94**	–
Material Accounting Policies			
Net cash generated by investing activities		**7.59**	–
C Cash flows from financing activities			
Proceeds from borrowings		**1,750.00**	400.00
Repayment of borrowings		**(771.00)**	–
Interest paid		**(424.64)**	–
Net cash generated by financing activities		**554.36**	400.00
Net (decrease)/increase in cash and cash equivalents		**(271.71)**	366.22
Cash and cash equivalents at the beginning of the year		**387.89**	21.67
Cash and cash equivalents at the end of the year		**116.18**	387.89
Material Accounting Policies	2		

The accompanying notes 1 to 24 are an integral part of the Financial Statements

Notes:

(a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Statdards (IND AS) 7- Statement of Cash Flows”

(b) Also refer note no. 5 - Cash & Cash Equivalents

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
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Place: Mumbai
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V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 12th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the Beginning of the year	**4,907.17**	4,907.17
Add: Shares Issue during the year	**–**	–
Balance at the end of the year	**4,907.17**	4,907.17

B. Other Equity

(₹ in Lakhs)

Particulars	Other Equity		
	Securities Premium Reserve	Retained Earnings	Total
Opening Balance as on April 01, 2022	348.09	237.67	585.76
Profit /(Loss) for the year	–	(4.88)	(4.88)
Other Comprehensive Income / (Loss)		–	–
Total Comprehensive Income / (Loss) for the year	–	(4.88)	(4.88)
Issue of Shares at premium		–	
Balance as at March 31, 2023	**348.09**	**232.79**	**580.88**
Profit/(Loss) for the year	–	1.62	1.62
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Income / (Loss) for the year	–	1.62	1.62
Balance as at March 31, 2024	**348.09**	**234.41**	**582.50**

Add :

Transfer back from General Reserve

Provision no longer required written back

Material Accounting Policies (Refer Note 2)

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS - 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 12th April, 2024

NOTES TO FINANCIAL STATEMENTS AS AT/ FOR THE YEAR ENDED MARCH 31ST, 2024

1. General Information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Limited.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has been passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortized upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised in temporary differences between the carrying amounts of assets and liabilities in the financial statements

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified into the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash- generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

2.12 *Financial Instruments*

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 *Classification of financial assets*

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purpose of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss. All other financial assets are subsequently measured at fair value.

2.13.2 *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.13.3 *Investments in equity instruments at FVTOCI*

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 *Financial assets at fair value through profit or loss (FVTPL)*

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 *Impairment of financial assets*

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 3 - Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Office Equipment	Furniture and Fixtures	Computers & Software	Total
I. Gross Carrying Amount				
Balance as at 1 April 2023	0.52	0.63	–	1.14
Additions	–	–	0.35	0.35
Disposals	–	–	–	–
Balance as at 31st March 2024	**0.52**	**0.63**	**0.35**	**1.49**
II. Accumulated depreciation and impairment				
Balance as at 1 April 2023	0.52	0.63	–	1.14
Depreciation expense for the year	–	–	0.35	0.35
Balance as at 31st March 2024	**0.52**	**0.63**	**0.35**	**1.49**
III. Net carrying amount (I-II)	–	–	–	–

(₹ in Lakhs)

Description of Assets	Office Equipment	Furniture and Fixtures	Computers & Software	Total
I. Gross Carrying Amount				
Balance as at 1 April 2022	0.52	0.63	–	1.14
Additions	–	–	–	–
Disposals	–	–		–
Balance as at 31st March 2023	**0.52**	**0.63**	**–**	**1.14**
II. Accumulated depreciation and impairment				
Balance as at 1 April 2022	0.52	0.63		1.14
Depreciation expense for the year	–	–	–	–
Balance as at 31st March 2023	**0.52**	**0.63**	**–**	**1.14**
III. Net carrying amount (I-II)	–	–	–	–

Note No. 4 - Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Work-in-progress	**6,185.55**	3,836.76
Total Inventories (at lower of cost and net realisable value)	**6,185.55**	3,836.76

(i) Redemption premium on OCRD's and borrowing cost on ICD's to the extent of Rs. 196.97 Lakhs has been inventorised during the year.

(ii) Mode of Valuation of Inventories is Cost or Net Realisable Value whichever is lower.

Note No. 5 - Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents		
(i) Balances with banks	**5.88**	387.89
(ii) Fixed Deposits with bank with original maturity Less than 3 months	**110.30**	–
Total Cash and cash equivalents	**116.18**	387.89

Note No. 6 - Other assets

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Advances for purchase of Land	**2,037.41**	3,558.43
(Mainly represents advances given to Land Aggregator)		
(ii) TDS Receivables	**0.75**	0.13
(iii) Accrued interest on fixed deposits	**–**	
(iv) Others - Balance with Government Authorities	–	3.14
Total Other Current Assets	**2,038.16**	3,561.70

Note No. 7 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of Rs 10 each with voting rights	**50,000,000**	**5,000.00**	50,000,000	5,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights (Refer Note)	**49,071,664**	**4,907.17**	49,071,664	4,907.17
	49,071,664	**4,907.17**	49,071,664	4907.17

(i) Reconciliation of the number of shares and outstanding amount

(₹ in Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	**Rs. In lakhs**	No. of Shares	Rs. In lakhs
Balance at the Beginning of the year	**49,071,664**	**4,907.17**	49,071,664	4,907.17
Add: Shares issued and subscribed during the year*	**–**	**–**	–	–
Balance at the end of the year	**49,071,664**	**4,907.17**	49,071,664	4,907.17

Terms/ rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

(ii) Details of shares held by the holding company and its subsidiaries:

Particulars	Equity Shares
As at 31st March, 2024	
Mahindra Lifespace Developers Limited	49,071,664
As at 31st March, 2023	
Mahindra Lifespace Developers Limited	49,071,664

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st March 2024 Number of shares held	% holding	As at 31st March 2023 Number of shares held	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**49,071,664**	**100.00%**	49,071,664	100.00%

(iv) Details of shares held by promoters:

Class of shares / Name of shareholder	As at 31st March 2024 Number of shares held	% holding	As at 31st March 2023 Number of shares held	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**49,071,664**	**100.00%**	49,071,664	100.00%

Note No. 8 - Other Equity

(₹ in Lakhs)

Particulars	Other Equity: Securities Premium Reserve	Other Equity: Retained Earnings	Total
Opening Balance as on April 01, 2022	348.09	237.67	**585.76**
Profit /(Loss) for the year		(4.88)	**(4.88)**
Balance as at March 31, 2023	348.09	232.79	**580.88**
Profit /(Loss) for the year		1.62	**1.62**
Balance as at March 31, 2024	348.09	234.41	**582.50**

Note No. 9 - Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured long term borrowings		
(a) Loans repayable on demand		
Optionally Convertible Redeemable Debentures from Related Parties- MIPPL (Refer Note 19)		
771 debentures of Rs. 1,00,000/- each	**–**	771.00
(b) Long Term ICD from MLDL	**1,750.00**	–
Total Non-Current Borrowings	**1,750.00**	771.00

Note 1:- The company had issued 771 Optionally convertible Reedemable Debentures of Rs. 1,00,000 each to Mahindra Industrial Park Private Limited. During CY the Company has redeemed OCRD at premium of 11% per annum.

Note 2:- During the current year the company has availed Inter Company loan of Rs. 1,750 lakhs from MLDL (Mahindra Lifespace Developers Limited). Interest is chargeable at 8.25% per annum till December-23 and from January-24 onwards the interest is chargeable at 8.50% per annum.

Note No. 10 - Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured short term borrowings		
(a) Loans from Related Parties		
Inter Corporate Deposit from MLDL (Refer Note 19)	**872.00**	872.00
Total Current Borrowings	**872.00**	872.00

Note:

The ICD has availed from Mahindra Lifespace Developers Limited. This loan currently carries interest rate of 8.25% p.a. till December-23 and from January-24 onwards the interest rate is 8.50% p.a.. The loan is repayable on demand.

Note No. 11 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Trade payable - Micro and small enterprises	**–**	–
Trade payable - Other than micro and small enterprises	**0.73**	3.03
Total Trade Payables	**0.73**	3.03

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.19**	2.24
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**0.54**	0.79
Total	**0.73**	3.03

Note No. 12 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Current		
Other Financial Liabilities Measured at Amortised Cost		
Redemption Premium on Optionally Convertible Redeemable Debentures (OCRD's) (Refer Note 19)	**–**	571.81
Interest accrued and but not due on ICD (Refer Note 19)	**225.48**	78.31
Total - Other Financial Liabilities	**225.48**	650.12

Note No. 13 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Statutory remittances		
Withholding Taxes	**2.01**	2.15
Total - Other Current Liabilities	**2.01**	2.15

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 14 - Other Income

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Fixed Deposits interest Income	**7.53**	–
(b)	Others	**0.41**	0.00
Total Other Income		**7.94**	–

Note No. 15 - Cost of Projects

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Opening Stock**	**3,836.76**	3,579.75
	Add:Expenses inventorised during the year		
	Land	**2,091.41**	–
	Redemption premium on OCRD's	**52.23**	194.00
	Rates & Taxes - Others	**9.80**	–
	Liasoning/Statutory Fees	**31.82**	22.92
	Interest Expense on ICD	**163.52**	40.09
(b)	**Sub-Total**	**2,348.78**	257.01
(c)	**Closing Stock**	**6,185.55**	3,836.76
Total Cost of Projects (a+b-c)		**–**	–

Note No. 16 - Other Expenses

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Auditors remuneration and out-of-pocket expenses	**0.34**	0.34
	(i) As Auditors	**0.34**	0.34
	(ii) For Other services	–	–
(b)	Other expenses		
	Legal and other professional costs	**2.26**	2.88
	Rates and Taxes	**3.32**	–
	Miscellaneous Expenses	**0.05**	1.66
Total Cost of Projects (a+b)		**5.97**	4.88

Note No. 17 - Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Rupees)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share		
Profit/(loss) for the year attributable to owners of the Company	**162,000**	(488,000)
Weighted average number of equity shares	**49,071,664**	49,071,664
Earnings per share from continuing operations - Basic	**0.00**	(0.01)

Note No. 18 - Financial Instruments

Capital management

The company's capital management objectives are:

To ensure the company's ability to continue as a going concern

To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31st March 2024 and 31st March 2023 is as follows:

(₹ in Lakhs)

	31-Mar-24	31-Mar-23
Debt (A)	**2,622.00**	2,214.81
Equity (B)	**5,489.67**	5,488.05
Debt Ratio (A/B)	**0.48**	0.40

Categories of financial assets and financial liabilities

(₹ in Lakhs)

	As at 31st March 2024		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Bank Balances	**116.18**	**–**	**116.18**
Non-current Liabilities			
Borrowings	**1,750.00**	**–**	**1,750.00**
Current Liabilities			
Borrowings	**872.00**	**–**	**872.00**
Trade Payables	**0.73**	**–**	**0.73**
Other Financial Liabilities			
– Non Derivative Financial Liabilities	**225.48**	**–**	**225.48**

(₹ in Lakhs)

	As at 31st March 2023		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Bank Balances	387.89	–	387.89
Non-current Liabilities			
Borrowings	771.00	–	771.00
Current Liabilities			
Borrowings	872.00	–	872.00
Trade Payables	3.03	–	3.03
Other Financial Liabilities			
– Non Derivative Financial Liabilities	650.12	–	650.12

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 19 - Related Party Transactions

(₹ in Lakhs)

Discription of Relationship	**Name of Related Party**
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited
Fellow Subsidiary	Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited)

Nature of transactions with Related Parties	**For the year ended**	**Amount**
Receiving of Services from Parent Company	31-Mar-24	1.06
	31-Mar-23	1.06
Interest on Inter Corporate Deposit from Parent Company (Inventorised Refer Note 4)	31-Mar-24	163.52
	31-Mar-23	40.08
Redemption of OCRD's of Fellow Subsidiary	31-Mar-24	771.00
	31-Mar-23	–
Repayment of premium on OCRD's to Fellow Subsidiary	31-Mar-24	624.04
	31-Mar-23	–
Inter Corporate Deposit taken from Parent Company	31-Mar-24	1,750.00
	31-Mar-23	400.00

Nature of Balances with Related Parties	**Balance as on**	**Amount**
Interest Accrued on Inter Corporate Deposits from Parent Company	31-Mar-24	225.48
	31-Mar-23	78.31
Inter Corporate Deposit (ICD) from Parent Company	31-Mar-24	2,622.00
	31-Mar-23	872.00
Against receiveing of services from Parent Company	31-Mar-24	–
	31-Mar-23	0.97
OCRD's (Fellow Subsidiary)	31-Mar-24	–
	31-Mar-23	771.00
Redemption premium on OCRD's (Fellow Subsidiary)	31-Mar-24	–
	31-Mar-23	571.81
Advance receivable (Fellow Subsidiary)	31-Mar-24	–
	31-Mar-23	0.13

Notes:

(i) During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties

(ii) Related parties have been identified by the management

(iii) Current year figures mentioned above inclusive of GST wherever applicable

Note No. - 20 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2024 are as under:

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006"

Particulars	**31-Mar-24**	31-Mar-23
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	**–**	–
– Interest due on above	**–**	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

Note No. 21 - Financial Ratios

	Particulars	**Numerator**	**Denominator**	**31-Mar-24**	**31-Mar-23**	**Variance**	**Reason**
a)	Current Ratio	Current Assets	Current Liabilities	**7.58**	5.10	49%	Increase due to high inventory during the year
b)	Debt Equity Ratio	Net Debt	Equity	**0.48**	0.40	18%	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**0.00**	–	–	
d)	Return on Equity	PAT	Networth	**0.03%**	-0.09%	-133%	
e)	Inventory Turnover ratio	COGS	Average Inventory	**–**	–		
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	**–**	–		
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**–**	–		
h)	Net capital turnover ratio,	Average Networth	Turnover	**–**	–		
i)	Net profit ratio	PAT	Revenue	**–**	–		

NOTES TO THE FINANCIAL STATEMENTS AS AT/FOR THE YEAR ENDED 31ST MARCH 2024

	Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance	Reason
j)	Return on Capital employed	PAT	Borrowing	**0.03%**	-0.09%	-133%	
k)	Return on investment.	PAT	Capital employed	**0.03%**	-0.09%	-133%	

Note : ICD means Inter Corporate Deposits

Note No. 22 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 23 - Additional regulatory information

a) **Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) **Relationship with struck off companies**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) **Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) **Utilisation of borrowed funds and securities premium**

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) **Registration of Charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) **Whistle Blower-**

During the year ended March 31, 2024 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

i) **Discrepancies between books of accounts & quarterly statements submitted to banks**

The Company has not availed any borrowings from Banks or financial institutions. Consequently the reporting under this clause is not applicable.

Note No. 24 - Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.

For MAKK & Co.

Chartered Accountants
Firm Registration No. 117246W

Mukesh Maheshwari
Partner
Membership No. 049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors of Knowledge Township Limited

Viral Oza
Director
DIN: 03552722

Parveen Mahtani
Director
DIN: 05189797

Yadunath Dhuri
Company Secretary
(ACS - 25121)

V Matha Karun Kumar
Chief Financial Officer

Place: Mumbai
Date: 12th April, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Industrial Township Maharashtra Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards / Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit and total comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion, and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence provisions of Section 197 of the Companies Act, 2013 are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company does not have any pending litigations which would impact its financial position;

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

IV. (a) The management of the Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) , including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of their knowledge and belief, no funds have been received by the Company, any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(C) Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

V The Company has not declared any dividend during the year.

VI Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No:. 105102W

Karthik Srinivasan
Partner
Membership No: 215782
UDIN: 24215782BKFGCN9622
Place: Chennai
Date: April 13, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Industrial Township Maharashtra Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Karthik Srinivasan
Partner
Membership No. 215782

UDIN: 24215782BKFGCN9622
Place: Chennai
Date: April 13, 2024

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising construction work in progress has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiii) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xiv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xv) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group 4 Core Investment Companies.

(xvi) In our opinion and according to the information and explanations given to us, the Company has not incurred any cash losses in the immediately preceding financial year and current financial year.

(xvii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xviii) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xix) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Karthik Srinivasan
Partner
Membership No. 215782

UDIN: 24215782BKFGCN9622
Place: Chennai
Date: April 13, 2024

BALANCE SHEET AS AT 31ST MARCH 2024

₹ in Lakhs

		Note No.	As at 31st March 2024	As at 31st March 2023
I	**ASSETS**			
	CURRENT ASSETS			
	(i) Inventories	3	**187.18**	187.18
	(ii) Financial Assets			
	(i) Cash and Cash Equivalents	4	**87.32**	84.29
	(ii) Other Financial Assets	5	**–**	–
	(iii) Current Tax Assets (Net)		**0.39**	0.31
	SUB-TOTAL		**274.89**	271.78
	TOTAL ASSETS		**274.89**	271.78
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(i) Equity Share Capital	6	**500.00**	500.00
	(ii) Other Equity	7	**(226.35)**	(230.37)
	SUB-TOTAL		**273.65**	269.63
	LIABILITIES			
	CURRENT LIABILITIES			
	(i) Financial Liabilities			
	(i) Trade Payables	8		
	(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		**–**	–
	(b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		**1.21**	1.12
	(ii) Other financial liabilities		**–**	–
	(ii) Current Tax Liabilities (Net)		**0.03**	1.03
	SUB-TOTAL		**1.24**	2.15
	TOTAL		**274.89**	271.78

Material Accounting Policies 2

The accompanying notes 1 to 18 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No 215782

Place: Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date : 13th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

₹ in Lakhs

Particulars		Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I	**INCOME**			
	(a) Revenue from operations		**–**	–
	(b) Other Income		**4.03**	3.14
	Total Income (a+b)		**4.03**	3.14
II	**EXPENSES**			
	(a) Cost of Projects	**9**	**–**	–
	(b) Other expenses	**10**	**1.04**	0.90
	Total Expenses (a+b)		**1.04**	0.90
III	**Profit/(loss) before tax (I-II)**		**2.99**	2.24
IV	**Tax Expense**		**–**	–
	(1) Current Tax (Net)		**(1.03)**	0.56
	Total tax expense		**(1.03)**	0.56
V	**Profit/(loss) after tax (III-IV)**		**4.02**	1.68
VI	**Other Comprehensive Income / (Loss)**		**–**	–
VII	**Total comprehensive Income / (Loss) for the year (V+VI)**		**4.02**	1.68
VIII	**Earnings per equity share (face value of Rs. 10/- each):**			
	(a) Basic	**11**	**0.08**	0.03
	(b) Diluted	**11**	**0.08**	0.03
	Material Accounting Policies	**2**		

The accompanying notes 1 to 18 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No 215782

Place: Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date : 13th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

₹ in Lakhs

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A	**Cash flows from operating activities**		
	Profit before tax for the year	**2.99**	2.24
	Adjustments for:		
	Interest Income	**(4.03)**	(3.14)
	Income tax expense recognised in profit or loss	**–**	–
	Operating Loss before working capital changes	**(1.04)**	(0.90)
	Movements in working capital:		
	Decrease/(Increase) in other assets	**(0.08)**	3.01
	(Decrease)/increase in other liabilities	**0.12**	(0.06)
	Total changes in working capital	**0.04**	2.95
	Cash generated from / (used in) operating activities	**(1.00)**	2.05
	Income taxes paid	**–**	(0.03)
	Net Cash generated from / (used in) operating activities	**(1.00)**	2.02
B	**Cash flows from investing activities**		
	Interest received	**4.03**	3.14
	Net cash generated by investing activities	**4.03**	3.14
C	**Cash flows from financing activities**		
	Net cash generated by financing activities	**–**	–
	Net increase/(decrease) in cash and cash equivalents	**3.03**	5.16
	Cash and cash equivalents at the beginning of the year	**84.29**	79.13
	Cash and cash equivalents at the end of the year	**87.32**	84.29

Material Accounting Policies (Refer Note No. 2)

The accompanying notes 1 to 18 are an integral part of the Financial Statements

Notes:

(a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Standards (IND AS) 7- Statement of Cash Flows”

(b) Also refer note no. 4 - Cash & Cash Equivalents

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No 215782

Place: Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date : 13th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity share capital

₹ in Lakhs

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Balance at the Beginning of the year	**500.00**	500.00
Balance at the end of the year	**500.00**	500.00

B. Other Equity

₹ in Lakhs

Particulars	**Reserves and Surplus**	
	Retained Earnings	Total
As at 31st March 2022	(232.05)	(232.05)
Profit/ (Loss) for the year	1.68	1.68
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income for the year	1.68	1.68
As at 31st March 2023	(230.37)	(230.37)
Profit / (Loss) for the period	4.02	4.02
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Loss for the year	**4.02**	4.02
As at 31 March 2024	**(226.35)**	**(226.35)**

Material Accounting Policies (Refer Note No. 2)

The accompanying notes 1 to 18 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No 215782

Place: Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date : 13th April, 2024

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

1. General Information

The company was incorporated on July 02, 2008 and is engaged in the business of development of Industrial Park in Roha, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Limited

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss. All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Note No. 3 - Inventories

₹ in Lakhs

Particulars		As at 31st March 2024	As at 31st March 2023
(i)	Work-in-progress	**187.18**	187.18
Total Inventories (at lower of cost and net realisable value)		**187.18**	187.18

Note:
1. Work in Progress includes Land and its related expenses

Note No. 4 - Cash and Bank Balances

₹ in Lakhs

Particulars		As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents			
(a)	Balances with banks	**0.37**	0.96
(b)	Fixed Deposits with original maturity less than 3 months	**86.95**	83.33
Total Cash and cash equivalent		**87.32**	84.29

Note No. 5 - Other Financial Assets

₹ in Lakhs

Particulars		As at 31st March 2024	As at 31st March 2023
Other Financial Assets			
(a)	Interest Accrued	**–**	–

Note No. 6 - Equity Share Capital

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**10,000,000**	**1,000**	10,000,000	1,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**5,000,000**	**500**	5,000,000	500
Total	**5,000,000**	**500**	5,000,000	500

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

(i) Reconciliation of the number of shares and the amount outstanding.

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	**Amount**	No. of shares	Amount
Balance at the Beginning and at the end of the year	**5,000,000**	**500**	5,000,000	500

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends.

(ii) Details of shares held by the holding company and its subsidiaries

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	**Amount**	No. of shares	Amount
Mahindra Lifespace Developers Limited (Holding Company)	**5,000,000**	**500**	5,000,000	500

(iii) Details of shares held by each shareholder holding more than 5% shares:

₹ in Lakhs

	As at 31st March 2024		As at 31st March 2023	
Class of Shares/Name of shareholder	**No. of shares**	**% holding**	No. of shares	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**5,000,000**	**100%**	5,000,000	100%

(iv) Details of shareholdings by the Promoter's of the Company

₹ in Lakhs

	As at 31st March 2024		As at 31st March 2023	
Class of Shares/Name of shareholder	**No. of shares**	**% holding**	No. of shares	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**5,000,000**	**100%**	5,000,000	100%

Note No. 7 - Other Equity

₹ in Lakhs

	Retained Earnings	**Total**
As at 31st March 2022	(232.05)	(232.05)
Profit/ (Loss) for the year	1.68	1.68
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income/ (Loss) for the year	1.68	1.68
As at 31st March 2023	**(230.37)**	**(230.37)**
Profit / (Loss) for the period	4.02	4.02
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income/ (Loss) for the year	4.02	4.02
As at 31st March 2024	**(226.35)**	**(226.35)**

Note No. 8 - Trade Payables

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March 2023	
	Current	**Non-Current**	Current	Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**1.21**	**–**	1.12	–
Total trade payables	**1.21**	**–**	1.12	–

Note No. 8 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

₹ in Lakhs

Particulars	**As at 31st March 2024**	As at 31st March 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.34**	0.37
1-2 Years	**0.26**	0.13
2-3 years	**–**	–
More than 3 years	**0.61**	0.62
Total	**1.21**	**1.12**

Note No. 9 - Cost of Projects

₹ in Lakhs

Particulars	**Year ended 31st March 2024**	Year ended 31st March 2023
<u>Inventories at the beginning of the year:</u>		
Work-in-progress	**187.18**	187.18
	187.18	187.18
Add: Expenses incurred during the year	**–**	–
Less: Proceeds from Land Aggregator	**–**	–
<u>Inventories at the end of the year</u>:		
Work-in-progress	**187.18**	187.18
	187.18	187.18
Total Cost of Projects	**–**	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 10 - Other Expenses

₹ in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
(i) Auditors remuneration and out-of-pocket expenses	**0.56**	0.35
(i) As Auditors	**0.56**	0.35
(ii) For other services	**–**	–
(ii) Other expenses		
(i) Legal and Other Professional Charges	**0.47**	0.38
(ii) Miscellaneous Costs	**0.01**	0.17
Total Other Expenses	**1.04**	0.90

Note No. 11 - Earnings per Share

Amount in Rupees

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit for the year attributable to owners of the Company	**4.02**	1.68
Weighted average number of equity shares	**5,000,000**	5,000,000
Earnings per share from continuing operations - Basic & Diluted	**0.08**	0.03

Note - 12 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the “ Micro, Small and Medium Enterprises Development, Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2024 are as under:

Disclosures required under Section22 of the Micro Small and Medium Enterprises Development Act 2006.

Particulars	31-Mar-24	31-Mar-23
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	**–**	–
– Interest due on above	**–**	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

Note No. 13 - Related Party Transactions

Description of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Parent Company
Nature of transactions with Related Parties		
Receiving of services	**31-Mar-24**	–
	31-Mar-23	–

Nature of Balances with Related Parties	Balance as on	Parent Company
Against receiving of services	**31-Mar-24**	–
	31-Mar-23	–

Note - 14 -Financial Ratios

Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance	Reasons
a) Current Ratio	Current Assets	Current Liabilities	**221.69**	126.41	75.37%	
b) Debt Equity Ratio	Net Debt	Equity	**–**	–		
c) Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**–**	–		
d) Return of Equity	PAT	Average Shareholder’s Equity	**1.48%**	0.63%	136.77%	This is on account of increase in PAT during the year
e) Inventory Turnover ratio	COGS	Average Inventory	**–**	–		
f) Trade Receivables turnover ratio	Turnover	Trade Receivables (Average)	**–**	–		
g) Trade Payable turnover ratio	COGS	Average Trade payable	**–**	–		
h) Net capital turnover ratio	Average Networth	Turnover	**–**	–		
i) Net profit ratio	PAT	Revenue	**–**	–		
j) Return on Capital employed	EBIT	Net worth	**1.09%**	0.83%	31.52%	This is on account of increase in EBIT during the year
k) Return on investment	PAT	Capital employed	**1.47%**	0.62%	135.77%	This is on account of increase in PAT during the year

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Note - 15 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. - 16 - Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

h) Whistle Blower-

During the year ended March 31, 2024 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower complaints.

i) Discrepancies between books of accounts & quarterly statements submitted to banks

The Company has not availed any borrowings from Banks or financial institutions. Consequently the reporting under this clause is not applicable.

Note No. - 17 - Comparitives

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

Note No. 18 - Standards issued but not yet effective

On 31st March 2024, the Ministry of Corporate Affairs (MCA) through a notification, The amendments rules to the Companies (Indian Accounting Standards) Amendment Rules, 2023 are applicable from 01 April 2024 (Financial Year 2024-2025).

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No 215782

Place: Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date : 13th April, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
ANTHURIUM DEVELOPERS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Anthurium Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards / Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended / the Companies (Accounts) Rules, 2014 as amended ("Ind AS" /"AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that we considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCQ1911

Place: Chennai
Date: April 13, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Anthurium Developers Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCQ1911

Place: Chennai
Date: April 13, 2024

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i) (a) / (b) / (c) / (d) of the order are not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on shortterm basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash profits of 0.03 Lakhs during current financial year. The Company has incurred cash losses of Rs. 0.04 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCQ1911

Place: Chennai
Date: April 13, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	**4a**	**0.21**	0.28
(ii) Bank balances other than (i) above	**4b**	**13.00**	13.00
(iii) Other Current Financial Asset	**4c**	**0.09**	0.09
(b) Other Non-Current Assets	**5**	**0.20**	0.11
SUB-TOTAL		**13.50**	13.48
TOTAL ASSETS		**13.50**	13.48
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	**6**	**5.00**	5.00
(b) Other Equity	**7**	**8.06**	8.04
SUB-TOTAL		**13.06**	13.04
LIABILITIES			
CURRENT LIABILITIES			
(a) Other Current Liabilities	**8**	**0.44**	0.44
SUB-TOTAL		**0.44**	0.44
TOTAL		**13.50**	13.48

Summary of Material Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached
For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No: 215782

Place : Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director
(DIN-03552722)

Parveen Mahtani
Director
(DIN-05189797)

Place : Mumbai
Date : 13th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
I	**REVENUE**			
	(i) Revenue from operations		–	–
	(ii) Other Income	9	0.93	0.58
	Total Revenue (I)		0.93	0.58
II	**EXPENSES**			
	(i) Other expenses	10	0.90	0.61
	Total Expenses (III)		0.90	0.61
III	**Profit/(loss) before tax (II-III)**		0.03	(0.04)
IV	**Tax Expense**			
	(i) Current tax	11	0.01	–
	Total tax expense		0.01	–
V	**(Loss) for the period (IV-V)**		0.02	(0.04)
VI	**Total comprehensive income for the period**		0.02	(0.04)
VIII	**Earnings per equity share (for continuing operation):**			
	Basic/Diluted	12	0.04	(0.07)

Summary of Material Accounting Policies

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In terms of our report attached
For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No: 215782

Place : Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director
(DIN-03552722)

Parveen Mahtani
Director
(DIN-05189797)

Place : Mumbai
Date : 13th April, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Cash flows from operating activities			
Profit/(Loss) before tax for the year		**0.03**	(0.04)
Adjustments for:			
Interest income recognised in profit or loss		**(0.93)**	(0.58)
		(0.90)	(0.61)
Movements in working capital:			
(Increase)/decrease in other assets			(0.08)
Decrease in trade and other payables		**–**	–
(Decrease)/increase in other liabilities		**(0.00)**	0.05
Cash generated from operations			
Income taxes paid		**(0.09)**	(0.06)
Net cash generated by operating activities (A)		**(0.99)**	(0.70)
Cash flows from investing activities			
Interest received		**0.93**	0.58
Net cash (used in)/generated by investing activities (B)		**0.93**	0.58
Cash flows from financing activities			
Dividend paid to owners of the Company		**–**	–
Net cash used in financing activities (C)		**–**	–
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(0.07)**	(0.12)
Cash and cash equivalents at the beginning of the year		**0.28**	0.40
Cash and cash equivalents at the end of the year		**0.21**	0.28

Summary of Material Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached
For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No: 215782

Place : Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director
(DIN-03552722)

Parveen Mahtani
Director
(DIN-05189797)

Place : Mumbai
Date : 13th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

	(₹ in lakh)
A. Equity Share Capital	
As at 31st March, 2022	5.00
Changes in equity share capital during the year	–
As at 31st March 2023	5.00
Changes in equity share capital during the year	–
As at 31st March 2024	5.00

B. Other Equity	**Retained earnings** (₹ in lakh)
Balance as at 31st March, 2022	**8.08**
Profit/(Loss) for the year	(0.04)
Other comprehensive income	–
Total comprehensive income	(0.04)
Dividend paid	–
Balance as at 31st March, 2023	**8.04**
Profit/(Loss) for the year	0.02
Other comprehensive income	–
Total comprehensive income	0.02
Dividend paid	–
Balance as at 31st March, 2024	**8.06**

Summary of Material Accounting Policies

The accompanying notes 1 to 20 are an integral part of these financial statements

In terms of our report attached
For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No: 215782

Place : Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director
(DIN-03552722)

Parveen Mahtani
Director
(DIN-05189797)

Place : Mumbai
Date : 13th April, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Anthurium Developers Limited ("the Company") is a public company incorporated in India on 02 June, 2010 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Material Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 13th April, 2024.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method which is based on useful life indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4(a) - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Balances with banks	**0.21**	0.28
Total Cash and cash equivalent................................	**0.21**	0.28

(b) Other bank balances

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) In deposit accounts	**13.00**	13.00
Total Other Bank Balances	**13.00**	13.00

(c) Other Current Financial Asset

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Interest accrued but not due on term deposit accounts	**0.09**	0.09
Total Other Current Financial Asset	**0.09**	0.09

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 5 - Other Non Current assets

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Income tax assets (Net)	**0.20**	0.11
Total	**0.20**	0.11

Note No. 6 - Equity Share Capital

(₹ in lakh)

Particulars	As at 31 March, 2024 No. of shares	As at 31 March, 2024 Amount	As at 31 March, 2023 No. of shares	As at 31 March, 2023 Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights..........	**1,00,000**	**10.00**	1,00,000	10.00
Issued, Subscribed and Partly Paid:				
Equity shares of ₹ 10 each with voting rights..........	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

Note No. 6 (a) - Equity Share Capital continued

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes (give details)	Closing Balance
Year Ended 31st March 2023						
No. of Shares..........	50,000	–	–	–	–	50,000
Amount..........	5.00	–	–	–	–	5.00
Year Ended 31st March 2024						
No. of Shares..........	**50,000**	**–**	**–**	**–**	**–**	**50,000**
Amount..........	**5.00**	**–**	**–**	**–**	**–**	**5.00**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

No. of Shares

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2022			
Mahindra Lifespace Developers Ltd. (Holding Company)..........	**50,000**	**–**	**–**
As at 31st March 2023			
Mahindra Lifespace Developers Ltd. (Holding Company)..........	50,000	–	–
As at 31st March 2024			
Mahindra Lifespace Developers Ltd. (Holding Company)..........	50,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31 March, 2024 Number of shares held	As at 31 March, 2024 % holding in that class of shares	As at 31 March, 2023 Number of shares held	As at 31 March, 2023 % holding in that class of shares
Equity shares with voting rights..........				
Mahindra Lifespace Developers Ltd..	**50,000**	**100.00%**	50,000	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31 March, 2024 Number of shares held	As at 31 March, 2024 % holding in that class of shares	As at 31 March, 2023 Number of shares held	As at 31 March, 2023 % holding in that class of shares
Equity shares with voting rights..........				
Mahindra Lifespace Developers Ltd..	**50,000**	**100.00%**	50,000	100.00%

Note No. 7 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2022	**8.08**	8.08
Profit/(Loss) for the year	(0.04)	(0.04)
Other comprehensive income	–	–
Total comprehensive income..........	(0.04)	(0.04)
Dividend paid	–	–
Balance at 31st March, 2023	**8.04**	**8.04**
Profit/(Loss) for the year	0.02	0.02
Other comprehensive income	–	–
Total comprehensive income..........	0.02	0.02
Dividend paid	–	–
Balance at 31st March, 2024	**8.06**	**8.06**

Note No. 8 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
a. Provision for expenses..........		
- Other Payable	**0.44**	0.44
Total	**0.44**	0.44

Note No. 9 - Other Income

(₹ in lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
(a) Interest Income		
(i) Interest on Bank Deposits	**0.93**	0.58
Total Other Income..........	**0.93**	0.58

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 10 - Other Expenses

(₹ in lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.34**	0.34
(b) Other expenses		
(i) Legal and other professional costs	**0.42**	0.21
(ii) Others	**0.14**	0.06
Total Other Expenses	**0.90**	0.61

Note No. 11 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ in lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Current Tax:		
In respect of current year	**0.01**	–
Total income tax expense on continuing operations	**0.01**	–

Note No. 12 - Earnings per Share

Note	Particulars	For the Year ended 31 March, 2024 Per Share	For the Year ended 31 March, 2023 Per Share
	Basic Earnings per share		
	From continuing operations	**0.04**	(0.07)
	From discontinuing operations	**–**	–
	Total basic earnings per share	**0.04**	(0.07)
	Diluted Earnings per share		
	From continuing operations	**0.04**	(0.07)
	From discontinuing operations	**–**	–
	Total diluted earnings per share	**0.04**	(0.07)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Profit / (loss) for the year attributable to owners of the Company	**0.02**	(0.04)
Profits used in the calculation of basic earnings per share from continuing operations	**0.02**	(0.04)
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations - Basic	**0.04**	(0.07)

Note No. 13 - As the Company can continue its current operations with its own cash resources, the accounts of the Company for the year ended 31st March, 2024 have been prepared on the basis of going concern.

Note No. 14 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	As at 31st March, 2024	As at 31st March, 2023
Debt (A)	**–**	–
Equity (B)	**13.06**	13.04
Debt Ratio (A/B)	**–**	–

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

(₹ in lakh)

As at 31 March, 2024	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	**0.21**	–	–	**0.21**
Other Bank Balances	**13.00**	–	–	**13.00**
Other Financial Assets	**0.09**	–	–	**0.09**
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–

As at 31 March, 2023	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	0.28	–	–	0.28
Other Bank Balances	13.00	–	–	13.00
Other Financial Assets	0.09	–	–	0.09
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-24			
Non-interest bearing			
Trade Payable	–	–	–
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–
Non-derivative financial liabilities			
31-Mar-23			
Non-interest bearing			
Trade Payable	–	–	–
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 15 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ in lakh)

Particulars	31-Mar-24 Carrying amount	31-Mar-24 Fair value	31-Mar-23 Carrying amount	31-Mar-23 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- trade and other receivables				
- cash & cash equivalents	**0.21**	–	0.28	–
- Other bank balances	**13.00**	–	13.00	–
- Other Current Assets	**0.09**	–	0.09	–
	13.30	–	13.37	–
Financial liabilities				
Financial liabilities held at amortised cost				
- loans from related parties	–	–	–	–
- trade and other payables	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Fair value hierarchy as at 31st March, 2024

Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	**0.21**	–	**0.21**
(ii) Other bank balances	–	**13.00**	–	**13.00**
(iii) Other current assets	–	**0.09**	–	**0.09**
Total	–	**13.30**	–	**13.30**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Trade Payable	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Fair value hierarchy as at 31st March, 2023

Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.28	–	0.28
(ii) Other bank balances	–	13.00	–	13.00
(iii) Other current assets	–	0.09	–	0.09
Total	–	**13.37**	–	**13.37**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Trade Payable	–	–	–	–
Total	–	–	–	–

Note: The Company has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 16 Financial Ratios

	Particulars	Numerator	Denominator	For the year ended 31 March, 2024	For the year ended 31 March, 2023	% Variance	Reason for Variance
a)	Current Ratio	Current Assets	Current Liabilities	30.68	30.53	0.51%	–
b)	Debt Equity Ratio (Gross)	Debt	Equity	NA	NA	NA	–
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Service	NA	NA	NA	–
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	0.16%	(0.27%)	(159.85%)	Marginal Increase in Profit during the year
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	NA	NA	NA	–
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	NA	NA	NA	–
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	NA	NA	NA	–
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (4)	NA	NA	NA	–
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	0.00%	0.00%	0.00%	Revenue from operations is "Nil" during the year
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	0.22%	(0.27%)	(179.80%)	Marginal Increase in Profit during the year
k)	Return on investment	Income generated from Investment	Average investments (Gross)	NA	NA	NA	–

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 17 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 18 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

Note No. 19 - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 20 - Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company	Mahindra Lifespace Developers Limited

Related party transactions

There are no related parties transactions occurred during the year.

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No: 215782

Place : Chennai
Date : 13th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director
(DIN-03552722)

Parveen Mahtani
Director
(DIN-05189797)

Place : Mumbai
Date : 13th April, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA INDUSTRIAL PARK PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Mahindra Industrial Park Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards/ Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit and total comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and the related annexures but does not include the Financial Statements and our Auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 20224 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements;

   g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except loan given to Mahindra Bloomdale Developers Limited in earlier years out of the loan borrowed from Mahindra Lifespace Developers limited in earlier years.

(b) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared/paid any dividend during the year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
UDIN: 24215782BKFGCP2832

Place: Chennai
Date: 16th April 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Mahindra Industrial Park Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
UDIN: 24215782BKFGCP2832

Place: Chennai
Date: 16th April 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Industrial Park Private Limited** for the year ended March 31, 2024

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a) (B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC bank on the basis of security of First ranking pari passu charge by way of charge on all the assets of the company except land. The Stock statements along with CA Certificate filed by the Company with HDFC bank on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) In our opinion and based on our examination, Section 138 of the Act, does not applicable to the Company and thus, Clause 3(xiv)(b) of the Order is not applicable to the Company,

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash loss of Rs. 4.62 Crores during the current financial year and a cash profit of Rs. 6.86 Crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to adhere to Section 135 of the Companies Act, 2013. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary companies. Accordingly, the reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
UDIN: 24215782BKFGCP2832

Place: Chennai
Date: 16th April 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

(Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**3.76**	6.44
(b) Deferred Tax Assets (Net)	5	**91.05**	91.05
(c) Other Non Current Assets	6	**13.37**	39.20
(d) Investments	7	**–**	1,320.00
SUB-TOTAL		**108.18**	1,456.69
CURRENT ASSETS			
(a) Inventories	8	**23,775.91**	22,362.92
(b) Financial Assets			
(i) Cash and Cash Equivalents	9a	**25.43**	24.86
(ii) Bank balances other than (i) above	9b	**–**	–
(iii) Loans to Related Party	9c	**–**	1,755.00
(iv) Other Financial Assets	9d	**–**	73.52
(c) Other Current Assets	10	**260.62**	286.90
SUB-TOTAL		**24,061.96**	24,503.20
TOTAL ASSETS		**24,170.14**	25,959.89
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	**5.00**	5.00
(b) Other Equity	12	**(739.91)**	(277.29)
SUB-TOTAL		**(734.91)**	(272.29)
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**15,407.63**	16,338.85
SUB-TOTAL		**15,407.63**	16,338.85
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**2,104.10**	3,121.89
(ii) Trade Payables	14	**84.38**	135.20
(iii) Other Financial Liabilities	15	**7,304.25**	6,629.92
(b) Other Current Liabilities	16	**4.69**	6.32
SUB-TOTAL		**9,497.42**	9,893.33
TOTAL EQUITY AND LIABILITIES		**24,170.14**	25,959.89
Material Accounting Policies	2		

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Chennai
Date: 16th April 2024

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Vimal Agarwal
Director
DIN-07296320

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 16th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Lakhs)

	Particulars	Note No.	**Year ended 31st March, 2024**	Year ended 31st March, 2023
I	Revenue from operations		**–**	–
II	Other Income	17	**111.89**	755.68
III	**Total Revenue (I + II)**		**111.89**	755.68
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**5.53**	17.30
	(b) Finance costs	19	**440.96**	–
	(c) Depreciation and amortisation expense	4	**2.68**	3.73
	(c) Other expenses	20	**125.34**	48.95
	Total Expenses (IV)		**574.51**	69.98
V	**Profit/(Loss) before tax (III - IV)**		**(462.62)**	685.70
VI	**Tax Expense**			
	Current tax			
	Deferred tax		**–**	172.59
	Total tax expense		**–**	172.59
VII	**Profit/(Loss) for the year after tax (V - VI)**		**(462.62)**	513.11
VIII	**Earnings per share**			
	(1) Basic/Diluted Earnings per share of Rs. 10/- each (Rs.)	21	**(925.24)**	1,026.22
	Material Accounting Policies	2		

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Chennai
Date: 16th April 2024

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Vimal Agarwal
Director
DIN-07296320

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 16th April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from operating activities		
Profit before tax for the year	**(462.62)**	685.70
Adjustments for:		
Net (gain)/loss arising on financial assets mandatorily measured at market value through profit or loss	**335.07**	(745.00)
Depreciation and amortisation of non-current assets	**2.68**	3.73
	(124.87)	(55.57)
Movements in working capital:		
(Increase) in inventories	**(1,412.99)**	(1,576.68)
(Decrease/Increase) in other assets	**26.29**	(1.17)
(Decrease) in trade and other payables	**(50.82)**	(143.27)
Increase/(Decrease) in other deposits	**25.83**	(5.47)
(Decrease) in other liabilities	**(1.63)**	(11.50)
	(1,413.32)	(1,738.09)
Cash used in Operating activities	**(1,538.19)**	(1,793.66)
Income taxes paid	**–**	–
Net Cash used in Operating activities	**(1,538.19)**	(1,793.66)
Cash flows from investing activities		
Interest received on Inter-corporate Deposit	**73.52**	38.89
Payments for property, plant and equipment	**–**	(0.88)
Payments for investment in OCRD of Associate	**1,431.89**	–
Proceeds from disposal of investment property	**1,755.00**	–
Net movement in bank deposits	**–**	86.45
Net cash generated from investing activities	**3,260.41**	124.46
Cash flows from financing activities		
(Repayment)/Availment of short term borrowings	**(343.46)**	81.80
(Repayment)/Availment of Long term borrowings	**(1,372.18)**	275.68
(Repayment)/Availment of Interest/OCRD Premium	**(6.00)**	1,313.17
Net cash generated from financing activities	**(1,721.64)**	1,670.65
Net increase in cash and cash equivalents	**0.58**	1.45
Cash and cash equivalents at the beginning of the year	**24.86**	23.40
Cash and cash equivalents at the end of the year	**25.43**	24.86

Material Accounting Polices Refer Note 2

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Chennai
Date: 16th April 2024

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Vimal Agarwal
Director
DIN-07296320

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 16th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Lakhs)

A. Equity share capital

As at 31st March, 2022	5.00
Changes in equity share capital during the year	–
As at 31st March, 2023	5.00
Changes in equity share capital during the year	–
As at 31st March, 2024	**5.00**

a. Equity share capital	Equity share capital (no. of shares)
Balance at April 1, 2022	50,000
Changes in equity share capital during the year	–
Closing Balance at March 31, 2023	**50,000**
Balance at April 1, 2023	50,000
Changes in equity share capital during the year	–
Balance at March 31, 2024	50,000

B. Other Equity	Retained earnings (Amount in Lakhs)
Balance as 31 March, 2022 (A)	**(790.40)**
Profit/(Loss) for the year (B)	513.11
Balance as at 31 March, 2023 (C) = [(A)+(B)]	**(277.29)**
Profit/(Loss) for the period (D)	(462.62)
Other comprehensive income (E)	–
Total comprehensive income (F) = [(D)+(E)]	(462.62)
Balance as at 31st March, 2024 (G) = [(C)+(F)]	**(739.91)**

Material Accounting Polices Refer Note 2

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Chennai
Date: 16th April 2024

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Vimal Agarwal
Director
DIN-07296320

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 16th April 2024

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

1. Corporate information

Mahindra Industrial Park Private Limited ("the Company") is a private limited company incorporated in India on 29th March, 2013 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of establishing, acquiring, developing and maintaining Industrial Parks, Technology Parks, Bio-tech Parks, Software Parks, Special Economic zones, Export Processing Zones, Industrial Areas, Industrial estates, Integrated Townships, Residential and/or Commercial Complexes, Housing Facility in India and outside India.

The Company is a joint venture of Mahindra Lifespace Developers Limited and International Finance Corporation (IFC).

2. Material Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. For all periods upto and including the financial year ended 31st March, 2024

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 16th April, 2024

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

2.7.1 *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 *Revenue recognition*

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 *Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 *Deferred tax*

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 *Minimum Alternate Tax (MAT):*

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 *Cash and cash equivalents*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 *Cash Flow Statement*

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

Note No. 4 - Property, Plant and Equipment

	Description of Assets	Office Equipment	Furniture and Fixtures	Computer	Total
I.	**Gross Carrying Amount**				
	Balance as at 1st April, 2023	8.85	1.82	8.90	19.57
	Additions during the year				
	Deductions/Adjustments during the year	–	–	–	–
	Balance as at 31st March, 2024	**8.85**	**1.82**	**8.90**	**19.57**
II.	**Accumulated depreciation and impairment**				
	Balance as at 1st April, 2023	7.56	0.80	4.77	13.13
	Depreciation expense for the year	0.71	0.17	1.80	2.68
	Deductions/Adjustments during the year	–	–	–	–
	Balance as at 31st March, 2024	**8.27**	**0.97**	**6.57**	**15.81**
III.	**Net carrying amount (I-II)**	**0.58**	**0.85**	**2.33**	**3.76**

	Description of Assets	Office Equipment	Furniture and Fixtures	Computer	Total
I.	**Gross Carrying Amount**				
	Balance as at 1st April, 2022	8.85	1.82	8.03	18.70
	Additions during the year	–	–	0.88	0.88
	Deductions/Adjustments during the year	–	–	–	–
	Balance as at 31st March, 2023	**8.85**	**1.82**	**8.91**	**19.58**
II.	**Accumulated depreciation and impairment**				
	Balance as at 1st April, 2022	5.92	0.62	2.87	9.41
	Depreciation expense for the year	1.65	0.17	1.91	3.73
	Deductions/Adjustments during the year	–	–	–	–
	Balance as at 31st March, 2023	**7.57**	**0.79**	**4.78**	**13.14**
III.	**Net carrying amount (I-II)**	1.28	1.03	4.13	6.44

Note No. 5 - Deferred Tax Assets

(Amount in Lakhs)

Particulars	**For the Year ended 31 March, 2024**				
	Opening Balance	**Recognised in Profit or Loss**	**Recognised in OCI**	**Earlier year Adjustments**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Business loss/(Gain)	91.05	–	–	–	91.05
Unabsorbed depreciation loss	–	–	–	–	–
Total Deferred Tax Asset	**91.05**	**–**	**–**	**–**	91.05
Net Deferred Tax Asset	**91.05**	**–**	**–**	**–**	91.05

(Amount in Lakhs)

Particulars	**For the Year ended 31 March, 2023**				
	Opening Balance	**Recognised in Profit or Loss**	**Recognised in OCI**	**Earlier year Adjustments**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Business loss/(Gain)	263.64	(172.59)	–	–	91.05
Unabsorbed depreciation loss	–	–	–	–	–
Total Deferred Tax Asset	**263.64**	**(172.59)**	**–**	**–**	91.05
Net Deferred Tax Asset	**263.64**	**(172.59)**	**–**	**–**	91.05

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

Note No. 6 - Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Security Deposits	**13.37**	39.20
Total	**13.37**	39.20

Note No. 7 - Investments

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Fair Value		
Unquoted Investments		
Investment in OCRD's of its fellow subsidiary		
Knowledge Township Limited	**–**	1,320.00
771 Optionally convertible redeemable debentures @ Rs. 1,00,000/- each		
Total	**–**	1,320.00

Note No. 8 - Inventories

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Work in Progress		
(Representing cost of land and related expenditure)	**23,775.91**	22,362.92
Total Inventories	**23,775.91**	22,362.92

(i) During the year finance cost of Rs. 1,357.56 lakhs, Project Spend of Rs. 1.15 lakhs and site overheads of Rs. 54.28 lakhs have been inventoried.

(ii) The carrying amount of inventories pledged as security for liabilities - Refer Note 13 for Secured non current borrowings.

(iii) Mode of Valuation of inventories is Cost or Net Realisable Value whichever is lower.

Note No. 9 - Financial Assets

(a) Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Balances with banks	**25.43**	24.86
(ii) Fixed Deposit	**–**	–
Total Cash and cash equivalents	**25.43**	24.86

(b) Other bank balances

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) In deposit accounts	**–**	–
Total other bank balances	**–**	–

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

(c) Loans to Related Parties

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Inter-Corporate Deposit given		
(i) Loans given to Mahindra Bloomdale Developers Limited (Refer Note 22)	–	1,755
Total Loans to Related Parties	–	1,755

(d) Other Financial Assets

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accured Interest Income from ICD		
(i) Other Financial Assets	–	73.52
Total Other Financial Assets	–	73.52

Note No. 10 - Other assets

(Amount in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**169.12**	–	233.11	–
(ii) Other advances	**0.47**	–	0.45	–
(iii) Income Tax Assets	**91.03**	–	53.34	–
Total	**260.62**	–	286.90	–

Note No. 11 - Equity Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	(Amount in Lakhs)	No. of shares	(Amount in Lakhs)
Authorised:				
Equity shares of Rs.10 each with voting rights	**100,000**	**10.00**	100,000	10.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

Note No. 11a - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance	Closing Balance
(a) Equity Shares with Voting rights		
Year Ended 31st March 2022		
No. of Shares	50,000	50,000
Amount	5.00	5.00
Year Ended 31st March 2023		
No. of Shares	50,000	50,000
Amount	5.00	5.00
Year Ended 31st March 2024		
No. of Shares	50,000	50,000
Amount	5.00	5.00

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2022	
Mahindra Lifespace Developers Limited	50,000
As at 31st March 2023	
Mahindra Lifespace Developers Limited	50,000
As at 31st March 2024	
Mahindra Lifespace Developers Limited	50,000

(ii) Details of shares held by each shareholder/promoter holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**50,000**	**100.00%**	50,000	100.00%

Note No. 12 - Other equity

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the Beginning of the year	**(277.29)**	**(790.40)**
Profit/(Loss) for the year	(462.62)	513.11
Balance at the end of the year	**(739.91)**	(277.29)

Note No. 13 - Borrowings

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured Borrowings		
(a) Term Loan		
(i) From HDFC Bank Limited	**1,210.13**	1,452.35
Total Secured Borrowings (A)	**1,210.13**	1,452.35

The term loan has been taken from HDFC Bank Limited. This facility has been exclusively charged on the land with minimum FACR of 1.50 times on the assets of the company. The rate of interest is linked with MCLR of HDFC Bank. The principle is repayable in 20 equal quarterly instalments after 7 years from the date of disbursement. There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

Unsecured Borrowings:

Non Current	As at 31st March, 2024	As at 31st March, 2023
Unsecured (Carried at Fair value through P&L)		
(a) 771 Series IV and 6,686 Series V Optionally convertible debentures of Rs. 1,00,000/- each taken from Mahindra Lifespace Developers Limited (Note 1)	**6,008.00**	7,322.00
Unsecured (Carried at amortised cost)		
(a) Non convertible debentures taken from International Finance Corporation - (7,565 debentures issued at Rs. 90,000 each and 756 debentures issued at Rs. 1,00,000 each) - (Note 2)	**7,564.50**	7,564.50
(b) Loans from related parties taken from Mahindra Lifespace Developers Limited	**625.00**	–
Total Non current Unsecured borrowings (B)	14,197.50	14,886.50
Total Non current borrowings (A + B)	15,407.63	16,338.85

Note 1:- The company has availed OCRD from Mahindra Lifespace Developers Limited in the FY 2019-20 in Series IV and Series V.

Series IV - These debentures carry coupon rate of 14%. The company has issued 771 debentures of Rs. 1,00,000/- each . The tenure of the debentures is 5 years. All the debentures were repaid in full during the current year.

Series V - These debentures carry coupon rate of 17%. The company has issued 6,686 debentures of Rs. 1,00,000/- each. The tenure of the debentures is 19 years..

Note 2:- The company has availed NCD from International Finance Corporation under the following tranches

Series 1A :- Under this series 2,641 debentures of Face Value at Rs. 1,00,000/- has been issued at a price of Rs. 90,000/- per debenture. This series of issue carries an interest coupon of 14% per annum. Interest will accrue on quarterly basis. Interest shall become due and payable to the holders of Series 1A Debentures quarterly subject to availability of Distributable Cash. These debentures are unlisted, unsecured, redeemable within 19 years from the date of allotment. The Company shall redeem the relevant Series 1A Debentures in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Series 1B :- Under this series 4,924 debentures of Face Value at Rs. 1,00,000/- has been issued at a price of Rs. 90,000/- per debenture. This series of issue carries a interest coupon of 14% per annum. Interest will accrue on quarterly basis. Interest shall become due and payable to the holders of Series 1B Debentures quarterly subject to availability of Distributable Cash. These debentures are unlisted, unsecured, redeemable within 19 years from the date of allotment. The Company shall redeem the relevant Series 1B Debentures in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Series B :- Under this series 756 debentures of Face Value at Rs. 1,00,000/- has been issued at a price of Rs. 1,00,000/- per debenture. This series of issue carries

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

a interest coupon of 17% per annum. Interest will accrue on quarterly basis. Interest shall become due and payable to the holders of Series B Debentures quarterly subject to availability of Distributable Cash. These debentures are unlisted, unsecured, redeemable within 19 years from the date of allotment. The Company shall redeem the relevant Series B Debentures in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Current	As at 31st March, 2024	As at 31st March, 2023
Unsecured (Carried at Amortised cost)		
(a) Loans from related parties taken from Mahindra Lifespace Developers Limited (Note 1)	**750.00**	1,755.00
(b) Short term loan from bank taken from HDFC Bank Limited (Note 2)	**981.75**	1,003.80
Current - Secured Borrowings		
(c) Current maturities of Long term Term Loan taken from HDFC Bank Limited (Note 3)	**372.35**	363.09
Total Current Borrowings	**2,104.10**	3,121.89

Note 1:- Note 1:- The Loan has been taken from Mahindra Lifespace Developers Limited. The company has availed loan of Rs. 2,830 lakhs. During the CY, the company has repaid an amount of Rs. 1,005 lakhs. Interest is chargeable at 8.25% p.a. and from Jan'24 interest is chargeable at 8.50% p.a.. The repayment of loan has to be done upon call from the borrowee.

Note 2:- The short term loan has been taken from HDFC Bank Limited. This facility is secured by charge on all the assets of the company except land. The interest rate is mutually agreeable and the current interest rate as agreed with HDFC Bank is 9.20% p.a. The loan is repayable on demand of HDFC Bank Limited. There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

Note 3:- The outstading term loan from HDFC bank is 18.15 Crores which is be payable in 20 quarterly instalments starting from FY 2023-24, the repayment liability related to FY 2024-25 has been categorised under current liabilities.

Note No. 14 - Trade Payables

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payable - Micro and small enterprises*	**–**	–
Trade payable - Other than micro and small enterprises	**84.38**	135.20
Total	**84.38**	135.20

Note - No companies have been identified under the Micro, Small, and Medium Enterprises Development Act, 2006. Therefore, the disclosure required by Notification No. G.S.R. 719 (E), dated 16 November 2007, issued by the Ministry of Corporate Affairs, is not applicable.

14 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Micro and Small enterprises		
Less than 1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Other than Micro and Small enterprises		
Less than 1 year	**9.42**	55.67
1-2 Years	**3.93**	52.47
2-3 years	**66.00**	21.20
More than 3 years	**5.03**	5.86
Total	**84.38**	135.20

Note No. 15 - Other Financial Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
(a) Interest accrued but not due	**7,304.25**	6,629.92
Total	**7,304.25**	6,629.92

Note No. 16 - Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Statutory dues		
– taxes payable (other than income taxes)	**3.27**	4.52
(b) Others	**1.42**	1.80
Total	**4.69**	6.32

Note No. 17 - Other Income

(Amount in Rs.)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(a) Interest received from FD	**1.12**	1.86
(b) Interest received from ICD and OCRD	**110.77**	–
(c) Reversal of Gratuity provision	**–**	8.82
(d) FVTPL gain on OCRD	**–**	745.00
Total	**111.89**	755.68

Note No. 18 - Employee Benefit Expense

(Amount in Rs.)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(a) Salaries and wages, including bonus	**5.00**	14.33
(b) Contribution to provident and other funds	**0.53**	2.97
Total	**5.53**	17.30

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

Note No. 19 - Finance costs

(Amount in Rs.)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest accrued during the year		
(i) Interest paid on Term Loan	**170.15**	147.29
(ii) Interest paid on OD	**92.11**	81.51
(iii) Interest paid on OCRD	**236.50**	-
(iv) Interest accrued on IFC	**1,187.62**	1,187.62
(v) Interest accrued on ICD	**112.19**	139.51
Less :- Inventorised during the year	**(1,357.61)**	(1,555.93)
Total	**440.96**	0.00

Note No. 20 - Other Expenses

Particulars	For the year ended 31st March, 2024 Per Share	For the year ended 31st March, 2023 Per Share
(a) Business Promotion Expenses	**4.74**	18.84
(b) Payments to auditors (including service tax):		
(i) For audit	**1.75**	1.77
(ii) For Other services	**–**	0.28
(c) Other expenses		
(i) Professional / Legal Fees	**8.84**	10.55
(ii) Travelling & Conveyance	**0.80**	3.31
(iii) Miscellaneous expenses	**0.77**	1.08
(iv) IT - Sharing expenses & others	**1.33**	2.21
(v) Bank Charges	**0.04**	0.02
(vi) FVTPL Gain/Loss on OCRD	**6.00**	–
(vii) Rent, Rates and Taxes	**101.07**	10.89
Total	**125.34**	48.95

Note No. 21 - Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit for the year attributable to owners of the Company	**(462.62)**	513.11
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations - Basic	**(925.24)**	1,026.22

Note No. 22 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

1	Mahindra & Mahindra Limited	Entities having joint control/significant influence over Company
2	Mahindra Lifespace Developers Limited	
3	Mahindra Integrated Business Solutions Private Limited	Other related parties
4	Mahindra Bloomdale Developers Limited	
5	Knowledge Township Limited	
6	Mahindra World City (Jaipur) Limited	

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

(Amount in Rs.)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Knowledge Township Limited	Mahindra World City (Jaipur) Limited	Mahindra Bloomdale Developers Limited
Nature of transactions with Related Parties							
Recovery from Redemption of OCRD	**31-Mar-24**	**–**	**–**	**–**	**771.00**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–
Interest on Redemption of OCRD	**31-Mar-24**	**–**	**–**	**–**	**624.05**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–
Interest on ICD payable	**31-Mar-24**	**–**	**112.41**	**–**	**–**	**–**	**–**
	31-Mar-23	–	139.51	–	–	–	–
Redemption of OCRD	**31-Mar-24**	**–**	**771.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–
Professional charges	**31-Mar-24**	**–**	**–**	**0.99**	**–**	**–**	**–**
	31-Mar-23	–	–	0.92	–	–	–
ICD taken and (repayment) (Net)	**31-Mar-24**	**–**	**(380.00)**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–
Interest on ICD received	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**35.71**
	31-Mar-23	–	–	–	–	–	140.39
Reimbursement of expenses accounted	**31-Mar-24**	**0.31**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	2.71	1.36	–	–	10.58	–

(Amount in Rs.)

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Knowledge Township Limited	Mahindra World City (Jaipur) Limited	Mahindra Bloomdale Developers Limited
Payables							
(i) Reimbursement of Expenses	**31-Mar-24**	**–**	**–**	**0.16**	**–**	**–**	**–**
	31-Mar-23	2.71	–	0.30	–	–	–
(ii) Loans Taken	**31-Mar-24**	**–**	**1,375.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	1,755.00	–	–	–	–
(iii) Interest Accrued on Loans taken	**31-Mar-24**	**–**	**69.93**	**–**	**–**	**–**	**–**
	31-Mar-23	–	513.51	–	–	–	–
(iv) OCRD's Issued	**31-Mar-24**	**–**	**7,457.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	7,457.00	–	–	–	–
Receivables		–	–	–	–	–	–
Financial Assets		–	–	–	–	–	–
(i) Loans given/ OCRD's	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	771.00	–	1,755.00
(ii) Interest Accrued on Loan/ Redemption Premium on OCRD's	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	73.52

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.
3. Current year figures mentioned above inclusive of GST wherever applicable

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern
– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amount in Rs.)

	31-Mar-24	31-Mar-23
Equity	**(734.91)**	(272.29)
Less: Cash and cash equivalents	**25.43**	24.86
	(760.34)	(297.15)

Categories of financial assets and financial liabilities

	As at 31st March, 2024		
	Amortised Costs	**FVTPL**	**Total**
Current Assets			
Cash and Cash Equivalent	25.43	–	**25.43**
Other Bank Balances	–	–	**–**
Loans	–	–	**–**
Non-current Liabilities			
Borrowings	9,399.63	6,008.00	**15,407.63**
Current Liabilities			
Borrowings	2,104.10	–	**2,104.10**
Trade Payables	84.38	–	**84.38**
Other Financial Liabilities	7,304.25	–	**7,304.25**

	As at 31st March, 2023		
	Amortised Costs	**FVTPL**	**Total**
Current Assets			
Cash and Cash Equivalent	24.86		24.86
Other Bank Balances	–		–
Loans	1,755.00		1,755.00
Non-current Liabilities			
Borrowings	7,564.50	7,322.00	14,886.50
Current Liabilities			
Borrowings	3,121.89		3,121.89
Trade Payables	135.20		135.20
Other Financial Liabilities	6,629.92		6,629.92

Note No. 23a - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of financial statements.

Note No. 24 - Ratios

Amount (In INR)

a) Current Ratio	31st March 2024	31st March 2023	Variance %
Particulars			
Current Assets (A)	24,061.96	24,503.20	
Current Liabilities (B)	9,497.42	9,893.33	
Ratio (A / B)	**2.53**	**2.48**	**2.29%**

b) Debt Equity Ratio	31st March 2024	31st March 2023	Variance %
Particulars			
Total Debt including interest accrued (A)	24,815.98	26,090.66	
Equity (B)	(734.91)	(272.29)	
Debt Equity Ratio (A / B)	**(33.77)**	**(95.82)**	**-64.76%**

Decrease is mainly on account of reayment of debt during the year.

c) Return of Equity (ROE)	31st March 2024	31st March 2023	Variance %
Particulars			
Profit After Tax (A)	(462.62)	513.11	
Networth (B)	(734.91)	(272.29)	
Ratio (A / B)	**62.95%**	**-188.44%**	**-133.41%**

Decrease is mainly on account of interest expensed off during during the year.

d) Return on Capital employed	31st March 2024	31st March 2023	Variance %
Particulars			
Earnings before Interest and Tax (A)	(462.62)	685.70	
Net worth	(734.91)	(272.29)	
Borrowing	17,511.73	19,460.74	
Capital employed (B)	16,776.82	19,188.45	
Ratio (A / B)	**-2.76%**	**3.57%**	**-177.17%**

Decrease is mainly on account of interest expensed off during during the year.

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

e) **Return on investment.**

Particulars	31st March 2024	31st March 2023	Variance %
Profit After Tax (A)	(462.62)	513.11	
Capital employed (B)	16,776.82	19,188.45	
Ratio (A / B)	**-0.03**	**0.03**	**-203.12%**

Decrease is mainly on account of interest expensed off during during the year.

Note No. 25 - Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 0.37 lakhs (Previous year - Rs. 2.85 lakhs) for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 18 Employee benefits expense. The details of actuarial valuation are given below:

(Amounts in INR)

	Gratuity (Un-Funded) 2023-24	Gratuity (Un-Funded) 2022-23
i. Net Asset/ (Liability) recognized in the balance sheet		
Present Value of Defined Benefit Obligation	8.92	8.92
Fair Value of Plan assets	–	–
Liability (Asset) recognised in the balance sheet	**8.92**	**8.92**
ii. Expense recognized in the Statement of Profit & Loss		
Past service cost	–	–
Current Service cost	0.05	1.04
Interest cost	0.01	0.61
Expected return on plan assets		–
Actuarial (gains) / Losses	0.11	(1.52)
Total expenses	**0.17**	**0.12**
iii. Amounts recognized in other comprehensive income	–	–
iv. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	0.10	8.92
Past service cost	-	-
Current Service cost	0.05	1.04
Interest Cost	0.01	0.61
Actuarial (Gains) /Losses	0.11	(1.52)
Benefits Paid	-	(2.09)
(Liability Transferred Out/ Divestments)	-	(6.84)
Present value of the obligation as at the end of the year	**0.27**	**0.11**

(Amounts in INR)

	Gratuity (Un-Funded) 2023-24	Gratuity (Un-Funded) 2022-23
v. Principal actuarial assumptions		
Discount Rate	7.18%	7.31%
Salary Growth Rate	10.00%	10.00%
Attrition rate	21.21%	21.21%

vi. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Amounts in INR)

	Year	Change in Assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount Rate	2024	1.00%	(0.01)	(0.02)
	2023	1.00%	(0.01)	0.01
Salary Growth Rate	2024	1.00%	(0.02)	(0.01)
	2023	1.00%	0.01	(0.01)

Maturity profile of defined benefit obligation:

(Amounts in INR)

	2023-24	2022-23
Year 1	–	0.00
Year 2	–	0.00
Year 3	0.06	0.00
Year 4	0.05	0.02
Year 5	0.04	0.02
Next 5 Years	0.14	0.07

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

(Amounts in INR)

Particulars	For the period ended 31st March, 2024	For the period ended 31st March, 2023
Discount rate	7.18%	7.31%
Salary Growth rate	10.00%	10.00%
Attrition rate	21.21%	21.21%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

26 - Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTES TO THE FINANCIAL STATEMENTS AS AT /FOR THE PERIOD ENDED 31ST MARCH, 2024

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

h) Whistle Blower-

During the year ended March 31, 2024 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower complaints.

i) Discrepancies between books of accounts & quarterly statements submitted to banks

The company has duly complied with all the requirements of providing the data/certificates to various convenants with the Banks and the information provided is in agreement with the books of accounts during the year ended March 31, 2024.

Note No. 27 - Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to confirm to current year's grouping/classification.

The accompanying notes 1 to 27 are an integral part of the Financial Statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Karthik Srinivasan
Partner
Membership No.: 215782

Place : Chennai
Date: 16th April 2024

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Vimal Agarwal
Director
DIN-07296320

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 16th April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Water Utilities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 24049660BKFRQD2438

Place: Mumbai
Date: April 12, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Water Utilities Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 24049660BKFRQD2438

Place: Mumbai
Date: April 12, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended March 31, 2024).

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets, reporting under clause (i)(a)(B) of the Order is not applicable.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The Company have not taken any disbursement during the year. According to the information and explanations given to us, the Company is therefore not required to file any quarterly returns and statements with such banks till balance sheet date.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities through there has been slight delay in few cases. We have been informed that the provisions of Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears, as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2024.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, the funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Hence, reporting under clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act. Hence, reporting under clause (xiv) of the Order is not applicable.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of our knowledge of the Board of Directors and Management plans of obtaining finance from bank and borrowings from parent of holding company as per the terms as may be agreed between the parties or such other sources as may be available to the Company (refer Note 33 to the financial statements), nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 24049660BKFRQD2438

Place: Mumbai
Date: April 12, 2024

BALANCE SHEET AS AT MARCH 31, 2024

	Particulars	Note No.	As at March 31, 2024 In Lakhs	As at March 31, 2023 In Lakhs
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	4	**48.10**	62.34
	(b) Financial Assets			
	(i) Other Financial assets	6	**0.12**	12.86
	(c) Deferred tax assets (net)	23	**41.08**	29.38
	(d) Non-current tax assets (net)	7	**212.57**	211.48
	(e) Other Non-current Assets	7.1	**6.12**	–
	Total Non - Current Assets		**307.99**	316.06
	2 Current assets			
	(a) Financials Assets			
	(i) Trade receivables	5	**1,890.58**	1,369.74
	(ii) Cash and cash equivalents	8	**95.83**	15.38
	(iii) Bank Balances other than (ii) above	8.1	**100.00**	166.20
	(iv) Other financial assets	6	**22.56**	5.57
	(b) Other Current Assets	7.1	**46.16**	15.87
	Total Current Assets		**2,155.13**	1,572.76
	Total Assets		**2,463.12**	1,888.82
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	9	**10.00**	10.00
	(b) Other Equity	10	**2,065.95**	1,519.94
	Total equity		**2,075.95**	1,529.94
	LIABILITIES			
	2 Non-current liabilities			
	Provisions	16	**82.02**	54.44
	Total Non - Current Liabilities		**82.02**	54.44
	3 Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables			
	– total outstanding dues of micro enterprises; and small enterprises and	11	**11.07**	–
	– total outstanding dues of creditors other than and micro enterprises and small enterprises	11	**71.65**	78.39
	(ii) Other financial liabilities	12	**85.59**	79.60
	(b) Other current liabilities	13	**11.27**	30.11
	(c) Provisions	14	**28.64**	20.88
	(d) Current Tax liabilities (net)	15	**96.93**	95.46
	Total Current Liabilities		**305.15**	304.44
	Total Equity and Liabilities		**2,463.12**	1,888.82
	See accompanying notes to the financial statements	1-41		

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 12, 2024

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Amit Kumar Sinha
Director
DIN: 09127387

Place: Mumbai
Date : April 12, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

	Particulars	Note No.	For the year ended March 31, 2024 In Lakhs	For the year ended March 31, 2023 In Lakhs
I	Revenue from operations	17	**2,251.08**	2,234.87
II	Other Income	18	**24.95**	39.22
III	**Total Income (I + II)**		**2,276.03**	2,274.09
IV	**EXPENSES**			
	(a) Employee benefits expenses	19	**801.83**	705.31
	(b) Finance costs	20	**0.47**	0.13
	(c) Depreciation	4	**15.94**	16.89
	(d) Other operating expenses	21	**574.06**	569.29
	(e) Other expenses	22	**128.32**	105.69
	Total Expenses (IV)		**1,520.62**	1,397.31
V	**Profit before tax (III - IV)**		**755.41**	876.78
VI	**Tax Expense**			
	(i) Current tax	23	**212.13**	221.03
	(ii) Deferred tax	23	**(9.44)**	3.98
	Total tax expense		**202.69**	225.01
VII	**Profit for the year (V - VI)**		**552.72**	651.77
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities/(asset)		**(8.97)**	2.71
	Tax relating to items that will not be reclassified to profit or loss		**2.26**	(0.68)
			(6.72)	2.03
IX	**Total comprehensive income for the year (VII + VIII)**		**546.01**	653.79
X	**Earnings per equity share: (Face Value of Rs. 10 each) (In Rupees.)**			
	(i) Basic	24	**552.72**	651.77
	(ii) Diluted		**552.72**	651.77
	See accompanying notes to the financial statements	1-41		

In terms of our report attached

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Amit Kumar Sinha
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DIN: 09127387

Place: Mumbai
Date : April 12, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the year ended March 31, 2024 In Lakhs		For the year ended March 31, 2023 In Lakhs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		**755.41**		876.78
Adjustments for:				
Depreciation and amortisation expense	**15.94**		16.89	
Gain on disposal of property, plant and equipment	**(0.11)**		–	
Finance Cost	**0.14**		0.13	
Provision for doubtful trade receivables written off/ (written back)	**23.46**		–	
Dividend Income	**–**		(0.06)	
Interest Income from loan to related party	**–**		(15.36)	
Interest Income from Bank	**(23.28)**	**16.15**	(23.80)	(22.19)
Operating Profit before Working Capital changes		**771.56**		854.59
Movements in working capital				
Decrease/(Increase) in Trade receivables	**(544.30)**		(1,109.50)	
(Increase)/Decrease in Other Financial assets and Other assets	**(37.38)**		2.22	
Increase Trade payables, Provisions, Other financial liabilities and other liabilities	**17.86**	**(563.82)**	(16.06)	(1,123.34)
Cash generated from operations		**207.74**		(268.75)
Income-tax paid (net of refunds)		**(211.75)**		(222.73)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**(4.01)**		(491.48)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	**(2.17)**		(2.64)	
Proceeds from sale of property, plant and equipment	**0.58**		6.01	
Interest received - Fixed Deposits at Bank	**20.00**		34.20	
Interest received - Loan to related party	**–**		17.08	
Loan repaid by related party	**–**		426.27	
Fixed Deposit made during the period	**(1,745.00)**		(3,145.17)	
Fixed Deposit Matured/Pre-closed	**1,811.20**		4,328.97	
Increase in other bank balances	**–**		3.81	
NET CASH FROM INVESTING ACTIVITIES		**84.60**		1,668.53

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

	Particulars	**For the year ended March 31, 2024** In Lakhs		For the year ended March 31, 2023 In Lakhs	
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Finance costs paid	**(0.14)**		(0.13)	
	Dividend paid	**–**		(1,200.00)	
	Loan taken from related party	**600.00**		–	
	Loan repaid to related party	**(600.00)**		–	
	NET CASH USED IN FINANCING ACTIVITIES		**(0.14)**		(1,200.13)
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**80.45**		(23.08)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**15.38**		38.46
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**95.83**		15.38

Particulars	April 1, 2023	Cash In-Flow	Cash Out-Flow	Non Cash Changes	March 31, 2024
Borrowing - Non Current	–	–	–	**–**	**–**
Borrowing - Current	–	600	600	**–**	**–**
Total	–	600	600	**–**	**–**

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (IND AS) 7 'Cash Flow Statement'.

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 12, 2024

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Amit Kumar Sinha
Director
DIN: 09127387

Place: Mumbai
Date : April 12, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital

	In Lakhs
As at April 1, 2022	10.00
Changes in equity share capital during the year	–
As at March 31, 2023	10.00
Changes in equity share capital during the year	–
As at March 31, 2024	10.00

B. Other Equity

	Reserves and Surplus		
Particular	**Retained earnings**	**Items of other comprehensive income - Remeasurements of the defined benefit liabilities/ (asset)**	**Total**
	In Lakhs	In Lakhs	In Lakhs
Balance at March 31, 2022	**2,071.60**	**(5.45)**	**2,066.15**
Profit for the year	651.77	–	651.77
Dividend paid during the year	(1,200.00)		(1,200.00)
Other Comprehensive Income/(Loss) for the year (net of tax)	–	2.03	2.03
Total Comprehensive Income for the year	(548.23)	2.03	(546.20)
Balance at March 31, 2023	**1,523.37**	**(3.42)**	**1,519.94**
Profit for the year	552.72	–	552.72
Dividend paid during the year	–		–
Other Comprehensive Income/(Loss) for the year (net of tax)	–	(6.72)	(6.72)
Total Comprehensive Income for the year	552.72	(6.72)	546.01
Balance at March 31, 2024	**2,076.10**	**(10.14)**	**2,065.95**

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place: Mumbai
Date : April 12, 2024

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Amit Kumar Sinha
Director
DIN: 09127387

Place: Mumbai
Date : April 12, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on August 10, 1999, under the provisions of the Companies Act, 1956. The Company is engaged in the operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited and the ultimate holding company is Mahindra and Mahindra Limited.

Note 2. Material accounting policies:

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment:

Property, Plant, and Equipment held for use in the supply of services or for administrative purposes, are stated in the Balance Sheet at cost less depreciation and accumulated impairment losses, if any. Costs comprise purchase price and attributable costs, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as determined by the Management, using the straight-line method. The estimated useful life as determined by the Management is in line with that prescribed in Schedule II to the Companies Act 2013. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing individually less than Rs. 5,000 are fully depreciated in the year of purchase.

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Impairment of tangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the asset's carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

i) Income for services is accounted for as and when services are rendered as per terms of the agreement at the contractual rate and there exists no significant uncertainty as to ultimate realisation.

ii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the Statement of Profit and Loss except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax are also recognised in Other Comprehensive Income.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Investments in units of Mutual Funds are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of the costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.11 New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

There were certain amendments to standards and interpretations which are applicable for the first time for the period ended 31 March 2024, but either the same are not relevant or do not have an impact on the financial statements of the Company

Note 3 Critical accounting judgments and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

At the end of the reporting period, there were no key assumptions concerning the future period that may have had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 4 - Property, Plant and Equipment

Description of Assets	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Balance as at March 31, 2022	**40.47**	**3.53**	**7.93**	**68.61**	**120.55**
Additions during the year ended March 31, 2023	0.39	0.07	2.18	–	2.64
Disposal of assets during the year ended March 31, 2023	–	–	–	11.02	11.02
Balance as at March 31, 2023	**40.86**	**3.60**	**10.11**	**57.59**	**112.17**
Additions during the year ended March 31, 2024	0.98	0.41	0.78	–	2.17
Disposal of assets during the year ended March 31, 2024	11.53	2.83	–	1.49	15.85
Balance as at March 31, 2024	**30.31**	**1.17**	**10.90**	**56.10**	**98.49**
II. Accumulated depreciation					
Balance as at March 31, 2022	**27.27**	**1.31**	**5.35**	**4.03**	**37.96**
Depreciation for the year	2.77	0.97	0.63	12.53	16.89
Eliminated on Disposal of assets during the year ended March 31, 2023	–	–	–	5.01	5.01
Balance as at March 31, 2023	**30.03**	**2.28**	**5.97**	**11.55**	**49.84**
Depreciation for the year	2.61	0.75	0.87	11.71	15.94
Eliminated on Disposal of assets during the year ended March 31, 2024	11.52	2.83	–	1.03	15.38
Balance as at March 31, 2024	**21.13**	**0.19**	**6.85**	**22.22**	**50.39**
Net carrying amount (I-II)					
Balance as at March 31, 2024	**9.19**	**0.98**	**4.05**	**33.88**	**48.10**
Balance as at March 31, 2023	10.83	1.32	4.14	46.04	62.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 5 - Trade receivables

	Particulars	As at March 31, 2024		As at March 31, 2023	
		Current	**Non Current**	Current	Non Current
		In Lakhs	In Lakhs	In Lakhs	In Lakhs
(a)	Trade Receivables considered good - Unsecured;	**1,890.58**	**–**	1,369.74	–
(b)	Trade Receivables - Credit impaired		**50.99**		27.53
	Less: Allowances for Expected Credit Losses		**(50.99)**		(27.53)
	Total	**1,890.58**	**–**	1,369.74	–

Trade receivables

The entire trade receivables balance as at March 31, 2024 is due from M/s. New Tirupur Area Development Corp. Ltd., the sole client of the Company.

The average credit period on invoice for services is 15 days. No interest is charged on trade receivables.

The concentration of credit risk is high, since the entire trade receivables are due from only one client, M/s. New Tirupur Area Development Corp. Ltd.

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at March 31, 2024**	As at March 31, 2023
	In Lakhs	In Lakhs
Balance as at beginning of the year	**27.53**	27.53
Impairment losses/Gain recognised in the year based on 12 month expected credit losses		
On receivables originated in the year	**–**	–
Other receivables	**23.46**	–
Amount written-off during the year	**–**	–
Balance at end of the year	**50.99**	27.53

Trade Receivables Ageing Schedule

	Particulars	As at March 31, 2024							
		Unbilled	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	Undisputed Trade Receivables – considered good	**–**	**195.80**	**1,095.36**	**472.68**	**102.41**	**1.96**	**22.37**	**1,890.58**
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii)	Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**6.41**	**0.55**	**44.03**	**50.99**
(iii)	Disputed Trade Receivables considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iv)	Disputed Trade Receivables - which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi)	Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total		**–**	**195.80**	**1,095.36**	**472.68**	**108.82**	**2.51**	**66.40**	**1,941.57**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars		As at 31 March 2023							
		Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	–	216.47	1,079.80	49.24	1.99	2.59	19.65	1,369.74
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	27.53	27.53
(iii)	Disputed Trade Receivables considered good	–	–	–	–	–	–	–	–
(iv)	Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–	–
(vi)	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–	–
Total		–	216.47	1,079.80	49.24	1.99	2.59	47.18	1,397.27

Note 6 - Other Financial Assets

Particulars		**As at March 31, 2024**		As at March 31, 2023	
		Current	**Non Current**	Current	Non Current
		In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
Financial assets at amortised cost					
(a)	Interest accrued on deposits with bank	**6.66**	**–**	3.37	–
(b)	Balance with bank held as margin money	**12.71**	**–**	–	12.71
(c)	Security deposits	**3.20**	**0.12**	2.20	0.15
Total		**22.56**	**0.12**	5.57	12.86

Note 7 - Non-current tax assets (net)

Particulars	**As at March 31, 2024**		As at March 31, 2023	
	Current	**Non Current**	Current	Non Current
	In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
Advance income tax including fringe benefit tax	**–**	**212.57**	–	211.48
Total	**–**	**212.57**	–	211.48

Note 7.1 - Other assets

Particulars		**As at March 31, 2024**		As at March 31, 2023	
		Current	**Non Current**	Current	Non Current
		In Lakhs	**In Lakhs**	In Lakhs	In Lakhs
Others					
(a)	Gratuity Assets (Net of provision)	**–**	**6.12**	–	–
(b)	Balance with government authorities	**30.66**	**–**	–	–
(c)	Advance to Suppliers	**0.03**	**–**	0.04	–
(d)	Prepaid Expenses	**15.47**	**–**	15.83	–
Total		**46.16**	**6.12**	15.87	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 8 - Cash and cash equivalents

Particulars	As at March 31, 2024 In Lakhs	As at March 31, 2023 In Lakhs
(a) Balance with Banks		
(i) In Current Account	**15.83**	15.38
(ii) In Deposit accounts with original marutiy less than 3 Months	**80.00**	–
	95.83	15.38

Note 8.1 - Bank Balances Other than above

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Bank Balances Other than above		
Fixed Deposits with maturity greater than 3 months and less than one year	**100.00**	166.20
Total	**100.00**	166.20

Note - 9 Equity Share capital

Particulars	As at March 31, 2024 Nos	As at March 31, 2024 In Lakhs	As at March 31, 2023 Nos	As at March 31, 2023 In Lakhs
Authorised shares:				
Equity Shares of Rs. 10 each	**1,00,000**	**10.00**	1,00,000	10.00
	1,00,000	**10.00**	1,00,000	10.00
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs.10 each	**1,00,000**	**10.00**	1,00,000	10.00
	1,00,000	**10.00**	1,00,000	10.00

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity:	As at March 31, 2024 Nos	As at March 31, 2024 In Lakhs	As at March 31, 2023 Nos	As at March 31, 2023 In Lakhs
Opening Balance	**1,00,000**	**10.00**	1,00,000	10.00
Closing Balance	**1,00,000**	**10.00**	1,00,000	10.00

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and dividend proportionate to their shareholding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of the Interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the holding company:

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2023 Number of shares
Mahindra Infrastructure Developers Limited, the holding company	**98,999**	98,999

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 % holding	As at March 31, 2023 Number of shares	As at March 31, 2023 % holding
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021

Disclosure of shareholding of promoters and percentage of change as at 31 March 2024

Promoter Name	Shares held by promoter at the end of the year i.e. 31 March 2024 No of Shares	Shares held by promoter at the end of the year i.e. 31 March 2024 % of total shares	Shares held by promoter at the end of the year i.e. 31 March 2023 No of Shares	Shares held by promoter at the end of the year i.e. 31 March 2023 % of total shares	% Change during the year
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%	–
United Utilities Limited	**1,001**	**1%**	1,001	1%	–
Total	**1,00,000**	**100%**	1,00,000	100%	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Disclosure of shareholding of promoters and percentage of change as at 31 March 2023

Promoter Name	Shares held by promoter at the end of the year i.e. 31 March 2023		Shares held by promoter at the end of the year i.e. 31 March 2022		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Mahindra Infrastructure Developers Limited	98,999	0.00%	98,999	0.00%	–
United Utilities Limited	1,001	0.00%	1,001	0.00%	–
Total	1,00,000	0.00%	1,00,000	0.00%	0.00%

Note 10 - Other Equity

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
Retaining Earnings		
As per last balance sheet	**1,519.94**	2,066.15
Add: Profit for the year	**552.72**	651.77
Dividend paid during the year	**–**	(1,200.00)
Other Comprehensive Income/(Loss) for the year (net of tax)	**(6.72)**	2.02
Balance As at March 31, 2024	**2,065.95**	1,519.94

Retained Earnings represent the cumulative profits of the Company and the effects of remesurement of defined benefit obligations. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Note - 11 Trade Payables

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
Total outstanding dues of Micro and Small enterprises* [Refer Note no: 29]	**11.07**	–
Total outstanding dues of creditors other than micro and small enterprises	**71.65**	78.39
Total	**82.72**	78.39

Note:

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Ageing for trade payable from the due date of payment for each of the category is as follows:

* Dues to Micro and Small Enterprises (MSE) have been determined to the extent such parties have been identified on the basis of information collected by management. The amount remaining unpaid at the end of the reporting year to MSE suppliers is pertaining to principal due there on for current year (refer Note 29).

Additional Information Disclosure Pursuant to Schedul III of Companies Act, 2013 as per MCA notification dated March 24, 2021

Particulars	**As at 31 March 2024**						
	Unbilled	**Not Due**	**< 1year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	**–**	**–**	**11.07**	**–**	**–**	**–**	**11.07**
Others	**–**	**49.42**	**22.23**	**–**	**–**	**–**	**71.65**
Disputed Dues - MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed Dues - Others	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Particulars	As at 31 March 2023						
	Unbilled	Not Due	< 1year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	–	–	–	–	–	–
Others	–	22.75	55.64	–	–	–	78.39
Disputed Dues - MSME	–	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note - 12 Other financial Liabilities

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
Payable to employees	**81.29**	75.30
Deposits received from Service providers	**4.30**	4.30
Total	**85.59**	79.60

Note:

Payable to employees represents amounts payable towards Salary, performance pay and bonus

Deposits received from Service providers are security deposits received from the service providers as a security towards non-performance of their contract obligations, if any.

Note - 13 Other Current Liabilities

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
(a) Statutory Dues - Taxes payable (other than income taxes)	**10.80**	29.11
(b) Interest payable U/s 234B of the Income Tax Act	**0.47**	1.00
Total	**11.27**	30.11

Note - 14 Provisions

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
Provision for employee benefits		
(a) Gratuity	**–**	2.87
(b) Compensated absences	**28.64**	18.01
Total	**28.64**	20.88

Note - 15 Current Tax Liabilities (net)

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
Provision for tax (net of advance tax)	**96.93**	95.46
Total	**96.93**	95.46

Note - 16 Provisions

Particulars	**As at March 31, 2024 In Lakhs**	As at March 31, 2023 In Lakhs
Provision for employee benefits		
Compensated absences	**82.02**	54.44
Total	**82.02**	54.44

Note - 17 Revenue from Operations

Particulars	**For the Year ended March 31, 2024 In Lakhs**	For the Year ended March 31, 2023 In Lakhs
(a) Revenue from rendering of services	**2,142.45**	2,142.45
(b) Revenue from ancilliary services	**108.63**	92.42
Total	**2,251.08**	2,234.87

Note:

The company had, as per Operation and Maintenance Agreement between the Company and New Tirupur Area Development Corporation Ltd (NTADCL) and subsequent written confirmations received from NTADCL Board, raised operations and maintenance fees' invoices amounting to Rs. 2,907.30 lakhs (including GST of Rs. 443.49 lakhs) during the year for services rendered to NTADCL. Such fees invoices include fee escalation, effective from 01.04.2023, of 15% amounting Rs. 379. 21 lakhs (including GST of Rs. 57.84 lakhs). Part of such invoices remained overdue as the same is not released by NTADCL with certain reasons not known to the Company. However, the Company is confident that the invoices raised are as per the terms of OMA and confirmations received from NTADCL Board and accordingly, will recover all the overdues including the fee escalation amount of 15% in due course. However, as an abundant caution, Company has decided to recognize revenue towards this 15% fees escalation once the discussions and/or other actions towards the recovery of such amounts are concluded.

Note - 18 Other Income

Particulars	**For the Year ended March 31, 2024 In Lakhs**	For the Year ended March 31, 2023 In Lakhs
(a) Interest Income on financial assets carried at amortised cost		
(i) Bank deposits	**23.28**	23.81
(ii) Loan to related party	**–**	15.36
(b) Dividend Income	**–**	0.06
(c) Gain on Sale of Property, plant and equipment	**0.11**	–
(d) Miscellaneous Income	**1.56**	–
Total	**24.95**	39.22

Note - 19 Employee Benefits Expenses

Particulars	**For the Year ended March 31, 2024 In Lakhs**	For the Year ended March 31, 2023 In Lakhs
(a) Salaries and wages	**748.89**	652.46
(b) Contribution to provident and other funds (See below Note)	**30.91**	33.01
(c) Staff welfare expenses	**22.03**	19.84
Total	**801.83**	705.31

Note:

Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service/employment.

Contribution to provident fund and other funds includes contributions to Provident Fund, ESI, Labour Welfare Fund and gratuity fund with LIC.

Note - 20 Finance Cost

Particulars	**For the Year ended March 31, 2024 In Lakhs**	For the Year ended March 31, 2023 In Lakhs
Interest on delayed/deferred payment of income tax	**0.33**	0.13
Interest On Intercompany Loan	**0.14**	–
Total	**0.47**	0.13

Note - 21 Other Operating Expenses

Particulars	**For the Year ended March 31, 2024 In Lakhs**	For the Year ended March 31, 2023 In Lakhs
(a) Rent including lease rentals	**3.30**	3.30
(b) Rates and taxes	**2.27**	2.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars		For the Year ended March 31, 2024 In Lakhs	For the Year ended March 31, 2023 In Lakhs
(c)	Repairs and maintenance - Machinery	**28.64**	24.00
(d)	Repairs and maintenance - Others	**8.55**	7.96
(e)	Software Expenses	**5.54**	7.91
(f)	Hire and Service Charges	**447.20**	443.08
(h)	Vehicle running expenses	**78.56**	80.20
Total		**574.06**	569.29

Note - 22 Other Expenses

Particulars		For the Year ended March 31, 2024 In Lakhs	For the Year ended March 31, 2023 In Lakhs
(a)	Insurance	**37.73**	36.44
(b)	Repairs and maintenance - Office	**3.50**	4.89
(c)	Legal and professional charges	**6.11**	5.38
(d)	Printing & Stationery	**5.35**	5.49
(e)	Postage and telephone	**8.33**	8.74
(f)	Provision for doubtful trade receivables	**23.46**	–
(g)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	**19.40**	20.10
(h)	Loss on Sale of Assets	**0.11**	
(i)	Payment to auditors (refer Note (i) below)	**12.62**	12.03
(j)	Directors Fee	**0.70**	0.70
(k)	Miscellaneous Expenses	**11.01**	11.92
Total		**128.32**	105.69

Note (i)

Payment to Auditors:	For the Year ended March 31, 2024 In Lakhs	For the Year ended March 31, 2023 In Lakhs
Payment to auditors (net of GST input credit)		
For Statutory audit	**8.96**	8.70
For Certification and other services	**3.66**	3.33
For Out of pocket expenses	**–**	–
Total	**12.62**	12.03

Note - 23 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	For the Year ended March 31, 2024 In Lakhs	For the Year ended March 31, 2023 In Lakhs
Current Tax:		
In respect of current year	**212.13**	221.03
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(9.44)**	3.98
Adjustments due to changes in tax rates	**–**	–
	(9.44)	3.98
Total income tax expense	**202.69**	225.01

(b) Income tax recognised in other Comprehensive income

Particulars	For the Year ended March 31, 2024 In Lakhs	For the Year ended March 31, 2023 In Lakhs
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit Liabilities/(Assets)	**(2.26)**	0.68
Total	**(2.26)**	0.68
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(2.26)**	0.68
Total	**(2.26)**	0.68

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the Year ended March 31, 2024 In Lakhs	For the Year ended March 31, 2023 In Lakhs
Profit before tax	**755.41**	876.78
Income tax expense calculated at 25.170% #	**190.12**	220.67
Reduction in tax rate	**–**	**–**
Effect of income that is exempt from taxation	**–**	(0.02)
Effect of expenses that is non-deductible in determining taxable profit	**12.57**	4.36
Income tax expense recognised In profit or loss	**202.69**	225.01

The tax rate used for the March 31, 2024 and March 31, 2023 in reconciliations above is the corporate tax rate of 25.170% (including surcharge and cess) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(d) Movement of Deferred Tax

Particulars	For the Year ended March 31, 2024			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	**2.61**	**(1.63)**	**–**	**0.97**
Employee Benefits	**0.89**	**0.06**	**–**	**0.95**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the Year ended March 31, 2024			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Expenses allowable on actual payment	**18.24**	**9.62**	**–**	**27.86**
Provisions	**6.93**	**5.91**	**–**	**12.84**
Gratutity Provision	**0.72**	**(4.52)**	**2.26**	**(1.54)**
Net Tax Asset (Liabilities)	**29.38**	**9.44**	**2.26**	**41.08**

Particulars	For the Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	2.01	0.60	–	2.61
Employee Benefits	0.91	(0.02)	–	0.89
Expenses allowable on actual payment	24.51	(6.27)	–	18.24
Provisions	6.93	–	–	6.93
Gratutity Provision	(0.31)	1.71	(0.68)	0.72
Net Tax Asset (Liabilities)	34.05	(3.98)	(0.68)	29.38

Note - 24 Earnings per Share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic Earnings per share	**552.72**	651.77
Diluted Earnings per share	**552.72**	651.77
	552.72	651.77

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	In Lakhs	In Lakhs
Profit for the year attributable to owners of the Company	**552.72**	651.77
Earning used in the calculation of basic and diluted earnings per shar	**552.72**	651.77
Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Face value per share Rs.10)	**1,00,000**	1,00,000
Earnings per share - Basic & Diluted (In Rupees.)	**552.72**	651.77

Note - 25 Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-24	31-Mar-23
Equity	**2,075.95**	1,529.94
Less : Cash and Bank Balances	**(195.83)**	(181.58)
	1,880.12	1,348.36

Categories of financial assets and financial liabilities

	As at March 31, 2024			
	Amortised Costs**	FVTPL	FVOCI	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-current Assets				
Trade Receivables	**–**	**–**	**–**	**–**
Other Financial Assets	**–**	**–**	**–**	**–**
– Non Derivative Financial Assets	**0.12**	**–**	**–**	**0.12**
Current Assets				
Investments	**–**	**–**	**–**	**–**
Trade Receivables	**1,890.58**	**–**	**–**	**1,890.58**
Cash and Cash Equivalents	**95.83**	**–**	**–**	**95.83**
Other Bank Balances	**100.00**	**–**	**–**	**100.00**
Loans and advances	**–**	**–**	**–**	**–**
Other Financial Assets				
– Non Derivative Financial Assets	**22.56**	**–**	**–**	**22.56**
Current Liabilities				
Trade Payables	**82.72**	**–**	**–**	**82.72**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**85.59**	**–**	**–**	**85.59**

	As at March 31, 2023			
	Amortised Costs**	FVTPL	FVOCI	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-current Assets				
Trade Receivables	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	12.86	–	–	12.86
– Loans and advances	–	–	–	–
Current Assets				
Investments	–	–	–	–
Trade Receivables	1,369.74	–	–	1,369.74
Cash and Cash Equivalents	15.38	–	–	15.38
Other Bank Balances	166.20	–	–	166.20
Loans and advances	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	5.57	–	–	5.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2023			
	Amortised Costs**	FVTPL	FVOCI	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Current Liabilities				
Trade Payables	78.39	–	–	78.39
Other Financial Liabilities				
– Non Derivative Financial Liabilities	79.60	–	–	79.60

** The Company considers that the carrying amount of these financial instruments recognised in the financials statements approximate their fair values.

Financial Risk Management Framework

The Company's activities expose it to financial risks - credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company has only one client for whom the operation and maintenance services are rendered. The Company has reached a settlement with its customers and has a approved payment schedule in place and also revenue terms for the future period.

The Company is not subject to any externally imposed capital requirements.

There is no change in estimation techniques or significant assumptions during the reporting period.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-derivative financial liabilities				
31-Mar-24				
Non-interest bearing	**168.31**	**–**	**–**	**–**
Total	**168.31**	**–**	**–**	**–**
31-Mar-23				
Non-interest bearing	157.99	–	–	–
Total	157.99	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Non-derivative financial assets				
31-Mar-24				
Non-interest bearing	**2,096.26**	**12.71**	**–**	**0.12**
Total	**2,096.26**	**12.71**	**–**	**0.12**
31-Mar-23				
Non-interest bearing	1,556.89	12.86	–	–
Total	1,556.89	12.86	–	–

Note - 26 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 25.14 Lakhs (2023 : Rs.24.13 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-24	31-Mar-23
Discount rate(s)	**7.18%**	7.31%
Expected rate(s) of salary increase	**8.00%**	10.00%
Expected rate of return on plan assets	**7.18%**	7.31%

Attrition rate

	Valuation as at	
Age (Years)	**31-Mar-24**	**31-Mar-23**
21 - 30	**21.21% p.a for all service groups**	**10.00%**
31 - 40		**5.00%**
41 - 50		**3.00%**
51 - 59		**1.00%**

Defined benefit plans – as per actuarial valuation on March 31, 2024

Particulars	**Funded Plan Gratuity**	
	2024 In Lakhs	2023 In Lakhs
Amounts recognised in the Statement of Profit and Loss are as follows:		
1. Current service cost	**5.55**	7.26
2. Past Service Credit	**–**	–
3. Interest on net defined benefit liability/(asset)	**0.21**	(0.09)
Components of defined benefit costs recognised in profit or loss	**5.76**	7.18
Remeasurement on the net defined benefit liability	**–**	–
Return on plan assets (excluding amount included in net interest expense)	**(0.32)**	0.66
Actuarial (gains) and losses arising from changes in financial assumptions	**(6.41)**	5.28
Actuarial (gains) and losses arising from changes in demographic assumptions	**–**	(5.26)
Actuarial (gains) and losses arising from experience adjustments	**15.70**	(3.39)
Change in asset ceiling, excluding amounts included in interest expenses	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**8.97**	(2.71)
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2024		
1. Present value of defined benefit obligation as at March 31,	**115.30**	99.30
2. Fair value of plan assets as at March 31,	**121.42**	96.43
3. Surplus/(Deficit)	**6.12**	(2.87)
4. Amount not recognised due to asset limit		–
5. Current portion of the above		–
6. Non current portion of the above	**6.12**	(2.87)
II. Change in the obligation during the year ended March 31, 2024		
1. Present value of defined benefit obligation at the beginning of the year	**99.30**	98.40
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		–
3. Expenses Recognised in Profit and Loss Account		–
– Current Service Cost	**5.55**	7.26
– Past Service Cost		–
– Interest Expense (Income)	**7.26**	7.09
4. Recognised in Other Comprehensive Income		–
Remeasurement (gains)/losses		–
- Actuarial Gain (Loss) arising from:		–
i. Demographic Assumptions	**–**	(5.26)
ii. Financial Assumptions	**(6.41)**	5.28
iii. Experience Adjustments	**15.70**	(3.39)
5. Benefit payments	**(6.10)**	(10.09)
6. Others (Specify)	**–**	–
7. Present value of defined benefit obligation at the end of the year	**115.30**	99.30
III. Change in fair value of plan assets during the year ended March 31,		
1. Fair value of plan assets at the beginning of the year	**96.43**	99.64
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		–
3. Expenses Recognised in Profit and Loss Account		–
– Expected return on plan assets	**7.05**	7.17
4. Recognised in Other Comprehensive Income		–
Remeasurement gains/(losses)		–
– Actual Return on plan assets in excess of the expected return	**0.32**	(0.66)
5. Contributions by employer (including benefit payments)	**23.73**	0.37
6. Benefit payments	**(6.10)**	(10.09)
7. Fair value of plan assets at the end of the year	**121.42**	96.43
IV. The Major categories of plan assets		
– Insurer managed funds (Non Quoted Value)	**121.42**	96.43

Notes:

The current service cost and net interest expenses for the year is included in the "Employee benefits expenses" line item in the statement of profit and loss.

The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

V The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	2024	**3.41**	**3.16**
	2023	3.15	2.91
Salary growth rate	2024	**3.35**	**3.16**
	2023	3.04	2.87

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

VI Maturity profile of defined benefit obligation:

	2024	2023
Expected benefits for year 1	**26.01**	21.78
Expected benefits for year 2	**31.76**	18.15
Expected benefits for year 3	**15.00**	22.91
Expected benefits for year 4	**12.04**	10.38
Expected benefits for year 5	**10.25**	8.51
Expected benefits for year 6 to 10	**33.98**	30.06
Expected benefits for year 11 and above	**18.43**	18.27

VII Plan Assets

The fair value of Company's pension plan asset as of March 31, 2023 and 2022 category are as follows:

	2024	2023
Asset category:		
Cash and cash equivalents	**–**	–
Debt instruments (quoted)	**–**	–
Debt instruments (unquoted)	**–**	–
Equity instruments (quoted)	**–**	–
Deposits with Insurance companies	**121.42**	96.43
	121.42	96.43

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 11.40 years (2023: 11.34 years)

VIII. Experience Adjustments :

	Year ended				
	2024	2023	2022	2021	2020
			Gratuity		
1. Defined Benefit Obligation	115.30	99.30	98.40	90.58	87.12
2. Fair value of plan assets	121.42	96.43	99.64	86.84	84.34
3. Surplus/(Deficit)	6.12	(2.87)	1.23	(3.74)	(2.78)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	15.70	(3.39)	(1.75)	(5.16)	(5.67)
5. Experience adjustment on plan assets [Gain/(Loss)]	(0.32)	0.66	(0.18)	(0.10)	0.11

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note - 27 Related Party Transactions

Name of the related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Parent of the Holding Company
Mahindra Infrastructure Developers Limited	Holding Company

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

List of other related parties & relationships

Name of the related party	Relationship
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary
Mahindra Rural Housing Finance Limited	Fellow subsidiary

List of Key Management Personnel (KMP)

Name of the related party	Relationship
Mr. S Venkatraman	Director

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Lifespace Develper Limited	Key Management Personnel	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	Rupees	In Lakhs
Loan taken from related party	–	–	–	600.00	–	600.00
	–	–	–	–	(–)	–
Repayment of loan by related party	–	–	–	600.00	–	600.00
	–	–	–	–	(–)	–
Interest on loan to related party	–	–	–	0.14	–	0.14
	(–)	(–)	–	(–)	(–)	–
Repayment of loan by related party	–	–	–	–	–	–
	–	(426.27)	–	–	(–)	(426.27)
Interest on loan from related party	–	–	–	–	–	–
	(–)	(15.36)	–	(–)	(–)	(15.36)
Dividend paid	–	–	–	–	–	–
	(–)	(–)	(1,187.99)	(–)	(–)	(1,187.99)
Professional Charges	1.18	–	–	–	–	1.18
	(0.01)	(–)	(–)	(–)	(–)	(0.01)
Software expenses	1.76	–	–	–	–	1.76
	(4.18)	(–)	(–)	(–)	(–)	(4.18)
Sitting Fees	–	–	–	–	0.70	0.70
	(–)	(–)	(–)	(–)	(0.70)	(0.70)

Nature of Balances with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Lifespace Develper Limited	Key Management Personnel	Total
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Trade payables	–	–	–	–	–	–
	(0.34)	(–)	(–)	(–)	(–)	(0.34)

Note: Previous year's figures are in brackets.
Trade payables to related parties represent dues on account of services rendered and do not contain guarantee transactions.

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 28 - Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

	Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Details of revenue from contract with customer recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Rendering of Services	**2,251.08**	2,234.87
2	Impairment loss on trade receivables recognised/(written back) in the Statement of profit and loss based on evaluation under Ind AS 109	**23.46**	–

3 **Disaggregate Revenue**

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue based on market or customer type		
Government/bodies established by Government	**2,251.08**	2,234.87
Other than Government	**–**	–
	2,251.08	2,234.87
Revenue based on its geographical location		
Within India	**2,251.08**	2,234.87
Overseas locations	**–**	–
	2,251.08	2,234.87
Revenue based on its timing of recognition		
Point in time	**–**	–
Over a period of time	**2,251.08**	2,234.87
	2,251.08	2,234.87

4 **Reconciliation of revenue from contract with customer**

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customer as per the contract price	**2,251.08**	2,234.87
Adjustments made to contract price on account of :-	**–**	–
Discounts/Rebates/Incentives	**–**	–
Sales Returns/Reversals	**–**	–
Deferrment of revenue	**–**	–
Changes in estimates of variable consideration	**–**	–
Recognition of revenue from contract liability out of opening balance of contract liability"	**–**	–
Any other adjustments	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**2,251.08**	2,234.87

5 **Breakup of Revenue into contracts entered in previous year and in current year**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from PO/ contract/agreement entered into previous year	**2,251.08**	2,234.87
Revenue from New PO/ contract/agreement entered into current year	**–**	–
Total Revenue recognised during the period	**2,251.08**	2,234.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 29 - Details of Dues to Micro And Small Enterprises

	Particulars	March 31, 2024	March 31, 2023
	Current		
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal	**11.07**	–
	Interest	**–**	–
b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	**–**	–
	Principal	**–**	–
	Interest	**–**	–
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	**–**	–
d)	The amount of interest accrued and remaining unpaid at the end of the year	**–**	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

This information has been determined to the extent such parties have been identified on the basis intimation received from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note - 30 Disclosure under Section 180(1c) of the Companies Act, 2013:

Particulars	Mahindra Lifespace Developer Limited
Nature	Loan Taken
Opening Balance (In Lakhs)	–
Taken during the year	600
Repaid during the year (In. Lakhs)	600
Closing Balance	–
Period (Refer Note)	1 Day
Rate of Interest	8.50%
Purpose	Business

Note: Inter Company Loan of Rs. 600.00 Lakhs repaid within one day.

Note - 31 Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year - Rs.19.40 Lakhs

(b) Amount spent during the year on (give categories):

Particulars	**Amount spent**	**Amount yet to be paid**	**Total Amount**
Education of the girl Child	9.70	–	**9.70**
Plantation of Trees	9.70	–	**9.70**
Total	**19.40**	**–**	**19.40**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note: 32 Ratios

Ratio Analysis and its elements

Sr No	Ratios	Year ended March 31, 2024	Year ended March 31, 2023	Variance
1	Current Ratio :	**7.06**	5.17	37%
	(Total Current Assets/Current liabilities)			
	[Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease obligations]			
	The variation in current ratio as on March 31, 2024 compared to March 31, 2023 is due to increase in the receivables during the year			
2	Net debt equity ratio :	**–**	–	–
	(Net debt/equity)			
	[Net debt: Non-current borrowing + Current borrowings]			
	[Equity: Equity Share Capital + Other equity]			
3	Debt service coverage ratio :			
	(EBIT/(Net finance charges+Interest income from group companies+Scheduled principal of non-current borrowings and lease obligations during the year)	**5,536.74**	6,875.38	–19%
	[EBIT: Profit/(Loss) before taxes + Net finance charges]			
	[Net finance charges : Interest cost (excluding interest on current borrowings) - Interest Income]			
	The variation in Net debt equity ratio as on March 31, 2024 compared to March 31, 2023 is due to decrease in the PBT			
4	Return on Equity :	**0.27**	0.43	–38%
	(Profit/(Loss) after tax/Average Equity)			
	[Equity: Equity Share Capital + Other equity + CCPS]			
	The variation in return on equity is due to decrease in the revenue for rendering services.			
5	Debtors turnover ratio (In days)	**1.38**	2.74	–50%
	(Average Trade receivables/Turnover in days)			
	[Turnover: Revenue from operations]			
	The variation in the Debtor turnover ratio is due to increase in receivables			
6	Trade payables turnover ratio (in days)			
	(Average Trade payables/Expenses)	**8.72**	8.95	–3%
	[Expenses : Total Expenses - Finance Cost - Depreciation and amortization expense - employee benefits expenses in respect of retirement benefits - other expenses with respect to rates & taxes, provision for doubtful debts and advances - bad-debts - sundry balances written-off - provision for impairment and foreign exchange gain/(loss)]			
7	Net capital turnover ratio (in days)	**0.80**	0.81	–1%
	(Average working capital/Turnover)			
	[Working capital: Current assets - Current liabilities]			
	[Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease obligations]			
8	Net profit ratio (%)	**0.25**	0.29	–14%
	[Net profit after tax/Turnover]			
	The variation during the year is due to increases in Expenses, mainly in Employee Benefits expenses			
9	Return on Capital Employed (%)			
	[EBIT/Average Capital employed]	**0.36**	0.57	–37%
	[Capital employed: Equity share capital + Other equity + Non-current borrowings+ Current borrowings + Current maturities of long-term debts and leases + Deferred tax Liabilities)			
	The variation during the year is due to Rs.12 Crore dividend paid out of Equity during FY22-23.			
10	Return on Investments (%)			
	(Net gain/(Loss) on sale of fair value changes of mutual funds/Average investment funds in current investments)	**0.31**	0.46	–33%
	The variation during the year is due to increase in receivables & decrease in the PBT			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note - 33

As at March 31, 2024, the Company's paid up capital was Rs. 10 lakhs and net current asset was Rs.1,849.99 lakhs which mainly comprises of trade receivables amounting to Rs.1,890.58 lakhs. Cash used in operating activities was Rs. 4.01 lakhs for the year ended March 31, 2024. The Management expects that the future cash outflows for next 12 months would be significantly met out of the outstanding collections from its customer. If there are further delays for such collections, management has plans to avail its unutilised working capital limit from bank amounting to Rs. 700 lakhs (comprising Rs. 500 lakhs overdraft facility and Rs. 200 lakhs bank guarantee) to meet shortfall, if any. Further, as per the board resolution dated April 21, 2023 the company is permitted to borrow (including from group companies), alongside existing loans, up to a maximum limit of Rs. 2,500 lakhs, the same has been committed by holding of parent company in form of inter corporate deposit.

The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above.

Note - 34 : Other Statutory Information :

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has no transactions with the companies struck off under Companies Act, 2013.

(iii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company is not declared wilful defaulter by Bank or Financial Institution.

(vi) The Company has not witnessed any delay in filing of registration of Charges.

(vii) The Company does not have immovable property held in name of the Company.

Note - 35

The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The company operates only in India. There is a single operating segment as defined by Indian Accounting Standard 108 "Operating Segments".

Note - 36

The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is Rs. 3.30 Lakhs (Previous year 3.30 Lakhs)

Note - 37

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2022.

Note - 38

Disclosure Of Struck Off Companies: The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note - 39

No material events have occurred after the balance sheet date and upto the approval of the financial statements.

Note - 40

The financial statements were approved for issue by the Board of Directors on April 12th, 2024.

Note - 41

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
Firm's Registration No.117364W/W100739

Nilesh Shah
Partner
Membership No. 49660

Place : Mumbai
Date : April 12, 2024

For and on behalf of the Board of Directors

Vimal Agarwal
Director
DIN: 07296320

Amit Kumar Sinha
Director
DIN: 09127387

Place : Mumbai
Date : April 12, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of

MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Mahindra World City Developers Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit and total comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and the related annexures but does not include the Financial Statements and our Auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to Financial Statements;

   g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence provisions of Section 197 of the Companies Act, 2013 are not applicable.

   h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer Note 29 to the Financial Statements)

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management of the company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

      (b) The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice or other auditors that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      (v) The Company has not declared/paid any dividend during the year.

      (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm’s Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN:24215782BKFGCS7808

Place: Chennai
Date: April 18, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra World City Developers Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN:24215782BKFGCS7808

Place: Chennai
Date: April 18, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its Property, Plant and Equipment:

(a) (A) According to the information and explanations given to us, the Company has generally maintained proper records showing particulars, including quantitative details and situation of property, plant and equipment and investment properties. However, quantitative details and situation of certain property, plant and equipment and investment properties.

(B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company

(b) The property, plant and equipment and investment properties are physically verified by the Company once in two years. The physical verification of property, plant and equipment and investment properties was conducted in the current financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) With respect to immoveable properties of land that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the original title deeds/Land Delivery Receipts (LDR's) issued by Government provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

ii. a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deed, certificate received from third party confirming the inventory, site visits by the management and certification of extent of work completion by competent persons are done at reasonable intervals and no material discrepancies were noticed on physical verification.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of the current assets of the Company excluding Inventories during the year. The Cashflow statements filed by the Company with HDFC Bank Limited on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to investments made. The Company has not granted any loans or provided any guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(c) The details of dues of Service Tax, Income Tax & GST which has not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount Unpaid (Rs. in Lakhs)
Finance Act, 1994	Service Tax	CESTAT	2008-2017	455.23

Name of Statue	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount Unpaid (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2012-13 to AY 2014-15	365.77
Income Tax Act, 1961	Income Tax	Hon'ble High Court of Madras	AY 2016-17	4,171.16
CGST Act, 2017	GST	Appellate Authority	2017-18	32.69
CGST Act, 2017	GST	Appellate Authority	2017-18	21.10

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. a) In our opinion and according to the information and explanations given to us and on the basis of our examination of books and records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in payment of interest thereon to banks and debenture holders. The Company has not taken any loans or borrowings from Government.

b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and based on the audit procedures performed by us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not utilised funds raised on short-term basis for long-term purposes.

e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, Associate, Joint venture or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under (xv) of the Order is not applicable to the Company.

xvi. a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause (xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCS7808

Place: Chennai
Date: April 18, 2024

BALANCE SHEET AS AT MAR 31, 2024
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	**3**	**1,120.84**	2,444.79
(b) Capital Work in Progress	**3.1**	**30.01**	48.00
(c) Investment Property	**3.2**	**1,133.13**	–
(d) Intangible Assets	**3.3**	**–**	–
(e) Financial Assets			
(i) Investments	**5**	**10,200.00**	10,200.00
(ii) Other Financial Assets	**6**	**5.73**	5.13
(f) Deferred Tax Asset	**4(c)**	**773.78**	1,526.04
(g) Other Non-Current Assets	**7**	**1,328.62**	2,696.65
Total Non-Current Assets (a+b+c+d+e+f+g)		**14,592.11**	16,920.61
2 Current assets			
(a) Inventories	**8**	**57,712.63**	51,146.99
(b) Financial Assets			
(i) Investments	**5**	**3,063.12**	–
(ii) Trade Receivables	**9**	**5,532.18**	1,776.46
(iii) Cash and Cash Equivalents	**10**	**1,025.15**	2,283.92
(iv) Bank balances other than (iii) above	**10**	**1,182.72**	683.70
(v) Other Financial Assets	**6**	**–**	400.00
(c) Other Current Assets	**7**	**1,725.55**	4,782.37
Total Current Assets (a+b+c)		**70,241.35**	61,073.44
Total Assets (1+2)		**84,833.46**	77,994.05
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	**11**	**2,000.00**	2,000.00
(b) Other Equity	**12**	**15,065.74**	11,666.15
Total Equity (a+b)		**17,065.74**	13,666.15
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**13**	**31,745.74**	37,678.70
(ii) Other Financial Liabilities	**14**	**1.54**	1.75
(b) Other Liabilities	**17.1**	**1,372.70**	1,236.09
(c) Provisions	**18**	**4,519.56**	4,640.11
Total Non-Current Liabilities (a+b+c)		**37,639.54**	43,556.65
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**15**	**6,174.08**	6,881.57
(ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	**16**	**100.16**	79.13
total outstanding dues of creditors other than micro enterprises and small enterprises		**5,565.58**	3,752.93
(iii) Other Financial Liabilities	**14**	**1,617.69**	588.50
(b) Other Liabilities	**17.2**	**16,316.56**	9,231.20
(c) Provisions	**18**	**354.11**	237.92
Total Current Liabilities (a+b+c)		**30,128.18**	20,771.25
Total Liabilities (2+3)		**67,767.72**	64,327.90
Total Equity and Liabilities (1+2+3)		**84,833.46**	77,994.05
Summary of Material Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Amit Kumar Sinha
Director
(DIN: 09127387)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
(ACS: 47990)

Place: Chennai
Date: 18th April 2024

Place: Chennai
Date: 18th April 2024

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MAR 31, 2024
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
REVENUE			
Revenue from operations	**19**	**18,255.37**	17,617.17
Other Income	**20**	**478.84**	123.32
Total Income		**18,734.21**	17,740.49
EXPENSES			
Cost of Sales			
– Cost of Projects	**21**	**5,134.01**	10,232.75
– Operation and Maintenance Expenses	**22**	**1,766.81**	1,833.83
Employee Benefits Expense	**23**	**606.00**	735.95
Depreciation/Amortisation Expense	**3**	**257.19**	314.52
Finance Costs	**24**	**3,626.05**	3,511.79
Other Expenses	**25**	**2,308.85**	1,996.66
Total Expenses		**13,698.91**	18,625.50
Profit/(Loss) before tax		**5,035.30**	(885.01)
Exceptional Items			
(a) Fair Value gain on revaluation of investment	**38**	**–**	(2,920.09)
Profit/(Loss) before tax after exceptional items		**5,035.30**	2,035.08
Tax expenses/(Credit)			
Current tax	**4(a)**	**1,106.60**	169.54
Deferred Tax (Net of MAT Credit Entitlement)	**4(a)**	**525.94**	(672.27)
Total Tax Expenses/(Credit)		**1,632.54**	(502.73)
Profit/(Loss) after tax		**3,402.76**	2,537.81
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		**(4.47)**	6.54
(b) Income tax relating to Items that will not be reclassified to profit or loss	**4(a)**	**1.30**	(1.90)
Total Other Comprehensive (Loss)/Income		**(3.17)**	4.64
Total Comprehensive Income/(Loss)		**3,399.59**	2,542.45
Profit from continuing operations for the year attributable to:			
Owners of the Company		**3,402.76**	2,537.81
Earnings per equity share (face value of Rs.10/- each)			
Basic/Diluted in Rs.	**27**	**17.01**	12.69
Summary of Material Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Amit Kumar Sinha
Director
(DIN: 09127387)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
(ACS: 47990)

Place: Chennai
Date: 18th April 2024

Place: Chennai
Date: 18th April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MAR 31, 2024
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flow from operating activities		
Profit/(Loss) before tax and exceptional items	**5,035.30**	(885.02)
Adjustments for:		
Finance costs	**3,626.05**	3,511.79
Interest Income	**(176.23)**	(33.78)
Depreciation	**257.19**	314.52
Operating Profit before working capital changes	**8,742.31**	2,907.51
Movements in working capital:		
(Increase) /Decrease in trade receivables	**(3,755.72)**	(1,373.42)
(Increase) /Decrease in inventories	**(6,266.26)**	(9,374.31)
Decrease /(Increase) in other assets	**3,456.84**	(1,722.69)
Decrease/(Increase) in other non current assets	**1,137.74**	(2,499.98)
Increase/(Decrease) in trade and other payables	**1,833.09**	2,938.71
Increase/(Decrease) in Other Financial Liabilities	**300.90**	(532.77)
(Decrease)/Increase in Provisions	**(7.53)**	4,768.74
Increase/(Decrease) in other liabilities	**7,221.97**	8,761.66
Cash generated from operations	**12,663.34**	3,873.45
Income taxes (paid)/(received)	**(650.00)**	(75.00)
Net cash generated from operating activities	**12,013.34**	3,798.45
Cash flows from investing activities		
Payments for property, plant and equipment	**(48.39)**	(135.19)
Bank balances not considered as Cash and Cash Equivalents (Deposits)	**(499.02)**	(683.70)
Proceeds/(Purchase) of Current Investments (Net)	**(3,063.12)**	–
Interest received	**176.23**	33.78
Net cash (used in) from investing activities	**(3,434.30)**	(785.11)
Cash flows from Financing activities		
(Repayment)/Proceeds from Short term borrowings	**(1,500.00)**	–
Repayment of long term borrowings	**(6,099.70)**	(2,915.23)
Proceeds from long term borrowings	**–**	26,500.00
Repayment of/Reduction in Intercorporate Deposits to Related parties	**–**	(25,000.00)
Interest paid	**(3,030.61)**	(3,291.46)
Net cash (used in)/generated from financing activities	**(10,630.31)**	(4,706.69)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MAR 31, 2024 (Cont'd)
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Net (Decrease)/Increase in cash and cash equivalents	**(2,051.27)**	(1,693.35)
Cash and cash equivalents at the beginning of the year	**(3,097.65)**	(1,404.30)
Cash and Cash equivalents at the end of the year *	**(5,148.93)**	(3,097.65)

*** Comprises of**

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Cash and cash equivalents		
(a) Balances with banks		
in Current Accounts	**121.53**	270.67
Deposits with original maturity of less than three months	**903.62**	2,013.25
Overdraft with Banks	**(6,174.08)**	(5,381.57)
Total Cash and cash equivalents (considered in Statement of Cash Flows)	**(5,148.93)**	(3,097.65)

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows' under Section 133 of Companies Act 2013

Summary of Material Accounting Policies (refer note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements

In terms of our Report attached
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 18th April 2024

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Amit Kumar Sinha
Director
(DIN: 09127387)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
(ACS: 47990)

Place: Chennai
Date: 18th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAR, 2024
All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Share Capital	Other Equity					
	Equity Share Capital	General Reserve	Capital Redemption Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve	Total
Balance as at April 1, 2022	2,000.00	345.00	6,500.00	2,168.17	–	–	11,013.17
Effect of Business Combination (Refer Note 38)	–	–	–	(450.00)	450.00	110.54	110.54
Profit/(Loss) for the year	–	–	–	2,537.81	–	–	2,537.81
Other Comprehensive Loss*	–	–	–	4.64	–	–	4.64
Balance as at March 31, 2023	2,000.00	345.00	6,500.00	4,260.61	450.00	110.54	13,666.15

Particulars	Share Capital	Other Equity					
	Equity Share Capital	General Reserve	Capital Redemption Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve arising on Merger	Total
Balance as at April 1, 2023	**2,000.00**	**345.00**	**6,500.00**	**4,260.61**	**450.00**	**110.54**	**13,666.15**
Profit for the year	**–**	**–**	**–**	**3,402.76**	**–**	**–**	**3,402.76**
Transfer In/(Out)		**450.00**			**(450.00)**		
Other Comprehensive Income	**–**	**–**	**–**	**(3.17)**	**–**	**–**	**(3.17)**
Balance as at Mar 31, 2024	**2,000.00**	**795.00**	**6,500.00**	**7,660.20**	**–**	**110.54**	**17,065.74**

* Remeasurement gain/(losses) net of taxes on defined benefit plans during the year is recognised as a part of retained earnings

Summary of Material Accounting Policies (refer note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 18th April 2024

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
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Chief Executive Officer

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Chief Financial Officer

Aman Desai
Company Secretary
(ACS: 47990)

Place: Chennai
Date: 18th April 2024

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

1. General Information

Mahindra World City Developers Limited ("the Company") was incorporated on February 19, 1997. The Company is in the business of land development for industrial, commercial, and residential use and township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees. The Company has developed and operates an integrated business city "Mahindra World City" at Chengalpattu taluk near Chennai.

Promoted in a Public Private Partnership by the Mahindra Group and Tamilnadu Industrial Development Corporation Limited (A Government of Tamil Nadu Undertaking), Mahindra World City surpasses the conventional definition of a business space - it is a business eco-system, carefully linked and integrated to function with efficiency. Mahindra World City, Chennai is India's first integrated City and Corporate India's first operational SEZ.

Etching its name on India's business map, Mahindra World City Chennai, has attracted corporate giants such as BMW, B. Braun, Capgemini, Marriot, Infosys, BASF, Lincoln Electric, Parker Hannifin, Renault-Nissan, Tesa SE, Federal Mogul, Fujitec, Pegatron, NTN Corporation, Timken, TVS Group of Companies and Wipro among others.

The Registered office of the company is located at Ground Floor, Mahindra Towers, 17/18, Patulous Road, Chennai, Tamil Nadu -600 002.

2. Material Accounting Policies

2.1 Statement of compliance

The Standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

2.2.1 Basis of preparation and presentation

The Standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Exemption from preparation of consolidated financial statements

The Company has investments in a Joint venture. The Holding company, Mahindra Lifespaces Developers Limited, having its registered office at 5th floor, Mahindra Towers, Worli, Mumbai 400 018 are presenting the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 having satisfied the conditions for exemption from preparing consolidated financial statements as per Companies (Accounts) Amendments Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

2.2.3 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2.2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 1 year for the purpose of Current – Non-Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

— Expected to be realised or intended to be sold or consumed in normal operating cycle

— Held primarily for the purpose of trading

— Expected to be realised within twelve months after the reporting period, or

— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

— It is expected to be settled in normal operating cycle

— It is held primarily for the purpose of trading

— It is due to be settled within twelve months after the reporting period, or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Sale of Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time i.e Completed contract method of accounting as per IND AS 115 when (a)the seller has transferred all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with the ownership, (b) The seller has effectively handed over the possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) it is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Group offers deferred payment schemes to its customers. The Group adjusts the transaction price for the effects of the significant financing component.

2.3.3 Sale of land

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts/ agreements.

2.3.3 Project Management fee

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

2.3.4 Income from Operation and Maintenance (O&M)

Income from operation and maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.5 Contract Cost

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.3.6 Significant accounting Judgements, Estimates and Assumptions

2.3.6.1 Determining the timing of revenue recognition on the sale of completed and under development property.

The Group has generally evaluated and concluded that based on an analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Group has concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

2.3.6.2 Determination of performance obligations

With respect to the sale of property, the Group has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Group is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

2.3.7 Dividend and interest income

Dividend income from investments from Joint ventures and Associates is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 The Company as a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.4.2 The Company as a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases **are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.**

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

2.5.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Investment Properties:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. Investment property includes freehold/ leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.9 Impairment of tangible and intangible asset other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit and loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.11 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Provisions, contingent liabilities and contingent assets

2.13.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.13.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.13.3 Contingent liabilities

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events when no reliable estimate is possible.

2.13.4 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.15 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain/loss arising out of such translation is adjusted to the statement of profit and loss.

2.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit and loss for financial assets at fair value through other comprehensive income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

All other financial assets are subsequently measured at fair value.

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2.16.2 The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

2.16.3 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at financial assets at fair value through profit or loss (“FVTPL”). Interest income is recognised in statement of profit and loss and is included in the “Other income” line item.

2.16.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.16.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

In addition, the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

2.16.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

  For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.17.1.2 Financial liabilities subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

2.18 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.19 Earnings per Share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.20 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

2.21 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these Standalone financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the standalone financial statements.

Determination of the timing of revenue recognition on the sale of completed and under development property.

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

Determination of performance obligation

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

3. Property, Plant and Equipment

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Land - Freehold	Buildings - (Own use)	Plant and Equipments	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1st April, 2023	195.05	2,746.78	2,560.35	173.82	660.69	25.56	100.90	6,463.15
Additions*	–	–	12.97	7.41	18.18	–	27.82	66.38
Transfer (to)/from Investment property	(100.59)	(1,364.70)	–	–	–	–	–	(1,465.29)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Land - Freehold	Buildings - (Own use)	Plant and Equipments	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
Deletions	–	–	–	–	–	(13.62)	–	(13.62)
Balance as at 31st March, 2024	**94.46**	**1,382.08**	**2,573.32**	**181.23**	**678.87**	**11.94**	**128.72**	**5,050.62**
II. Accumulated depreciation								
Balance as at 1st April, 2023	–	1,029.11	2,165.90	160.68	576.43	19.79	66.45	4,018.36
Transfer (to)/from Investment property	–	(309.74)	–	–	–	–	–	(309.74)
Depreciation expense for the year	–	45.23	122.30	9.64	36.50	1.44	19.67	234.78
Eliminated on Deletion of assets	–	–	–	–	–	(13.62)	–	(13.62)
Balance as at 31st March, 2024	**–**	**764.60**	**2,288.20**	**170.32**	**612.93**	**7.61**	**86.12**	**3,929.78**
III. Net carrying amount (I-II)								
Balance as at 31st March, 2024	**94.46**	**617.48**	**285.13**	**10.90**	**65.94**	**4.34**	**42.60**	**1,120.84**
Balance as at 31st March, 2023	**195.05**	**1,717.67**	**394.45**	**13.14**	**84.26**	**5.77**	**34.45**	**2,444.79**
I. Gross Carrying Amount								
Balance as at 1st April, 2022	195.05	2,746.78	2,540.32	170.93	533.87	14.03	51.58	6,252.56
Effect of business combination (Refer Note 38)	–	–	15.96	5.62	125.54	11.53	22.84	181.50
Other Additions during the year			7.57	0.87	1.28		26.48	36.19
Disposals	–	–	(3.50)	(3.60)	–	–	–	(7.10)
Balance as at 31st March, 2023	**195.05**	**2,746.78**	**2,560.35**	**173.82**	**660.69**	**25.56**	**100.90**	**6,463.15**
II. Accumulated depreciation								
Balance as at 1st April, 2022	–	961.47	1,999.84	158.04	434.61	14.03	42.45	3,610.44
Effect of business combination (Refer Note 38)	–	–	12.84	5.34	65.68	4.32	12.32	100.50
Depreciation expense for the year	–	67.64	141.67	15.95	76.14	1.44	11.68	314.52
Eliminated on disposal of assets	–	–	(3.50)	(3.60)	–	–	–	(7.10)
Balance as at 31st March, 2023	**–**	**1,029.11**	**2,165.90**	**160.68**	**576.43**	**19.79**	**66.45**	**4,018.36**
III. Net carrying amount (I-II)								
Balance as at 31st March, 2023	**195.05**	**1,717.67**	**394.45**	**13.14**	**84.26**	**5.77**	**34.45**	**2,444.79**
Balance as at 31st March, 2022	**195.05**	**1,785.31**	**540.48**	**12.89**	**99.26**	**–**	**9.13**	**2,642.12**

No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

3.1 Movement of Capital Work in Progress

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Opening Balance	**48.00**	30.00
Effect of business combination (Refer Note 38)	**–**	18.00
Capitalised during the year	**(17.99)**	–
Additions	**–**	–
Closing Balance	**30.01**	48.00

Description of Assets	As at 31st Mar, 2024	As at 31st Mar, 2023
Capital Work-in-Progress	**30.01**	48.00
Less than 1 year	**–**	48.00
1-2 years	**30.01**	–
2-3 years	–	–
More than 3 years	–	–
Total	**30.01**	48.00

* Includes transfer from capital work in progress

3.2 Investment Property

All amounts are in Rupees Lakhs unless otherwise stated

Carrying Amounts of:	As at 31st Mar, 2024	As at 31st Mar, 2023
Completed Investment Properties (Net Value)	**1,133.13**	–

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April 2023	–	–	–
Addition/Transfer in	100.59	1,364.70	1,465.29
Disposals	–	–	–
Balance as at 31st March, 2024	**100.59**	**1,364.70**	**1,465.29**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Land	Buildings	Total
II. Accumulated depreciation and impairment			
Balance as at 1st April 2023	–	–	–
Transfer from Fixed Assets	–	309.74	309.74
Addition	–	22.42	22.42
Disposals	–	–	–
Balance as at 31st March, 2024	**–**	**332.16**	**332.15**
III. Net carrying amount as at 31st March, 2024 (I-II)	**100.59**	**1,032.54**	**1,133.13**

Fair value disclosure on Company's investment properties

(i) The Company's investment properties consist of land and building with current rentable area of 59,784 sq. ft. Management determined that the investment properties consist of two classes of assets − Land and Building − based on the nature, characteristics and risks of each property.

(ii) As at 31st March, 2024, the fair values of the properties are Rs. 1,836.00 Lakhs and Rs. 1,360.09 Lakhs respectively (Level 3). These valuations are based on valuations performed by V Dinakaran & Associates who is registered with an authority which governs the valuers in India and has appropriate qualification and experience in the valuation of properties.

(iii) The Company has mortgaged the above property to Axis Bank for the overdraft facility availed. There are no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation on investment properties:

As at 31st March 2024, the fair values of the Mahindra world City Club, Chennai have been arrived at on the basis of a valuation carried out as on the respective dates by V. Dinakaran & Associates, independent valuer not related to the Group. V. Dinakaran & Associates are registered with the authority which governs the valuers in India and they have appropriate qualifications and experience in the valuation of properties in the relevant locations. The Fair value was determined using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2.

Information regarding income and expenditure of Investment Property:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Rental Income derived from investment properties (included in 'Revenue from Operations'	**24.47**	–
Direct operating expenses that generate rental income (included in 'Other Expenses')	**3.25**	–

3.3 Intangible Assets

All amounts are in Rupees Lakhs unless otherwise stated

Carrying Amounts of:	As at 31st Mar, 2024	As at 31st Mar, 2023
Other Intangible Assets	**–**	–

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2023	**59.16**	59.16
Balance as at 31st March, 2024	**59.16**	59.16
II. Accumulated depreciation and impairment		
Balance as at 1st April, 2023	**59.16**	59.16
Balance as at 31st March, 2024	**59.16**	59.16
III. Net carrying amount as at 31st March, 2024 (I-II)	**–**	–

All amounts are in Rupees Lakhs unless otherwise stated

Description of Assets	Computer Software	Total
Intangible Assets		
I. Gross Carrying Amount		
Balance as at 1st April 2022	**59.16**	59.16
Balance as at 31st March, 2023	**59.16**	59.16
II. Accumulated depreciation and impairment		
Balance as at 1st April 2022	**59.16**	59.16
Balance as at 31st March, 2023	**59.16**	59.16
III. Net carrying amount as at 31st March, 2023 (I-II)	**–**	–

Note: The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2

4. Tax Expense/(Credit)

(a) Tax Expense/(Credit) recognised in profit or loss

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Current Tax:		
In respect of current year	**1,105.30**	171.44
Deferred Tax	**525.94**	(672.27)
Tax of earlier years (Net)		–
Total income tax (credit)/expense on income from operations	**1,631.24**	(500.83)

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement Profit aand Loss is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Profit/(Loss)Loss before tax	**5,035.30**	2,035.08
Income tax expense calculated at statutory rate***	**1,467.58**	593.00
Permanent difference- unwinding of RPS & Others	**163.66**	(1,093.83)
	1,631.24	(500.83)
Income tax (credit)/expense recognised in statement of profit and loss	**1,631.24**	(500.83)

*** The Tax Rate used for 31st March 2024 and 31st March 2023 reconciliations above are the corporate tax rate of 29.12% payable by Corporate Entities in India on taxable profits under Indian Income Tax Act laws.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

(c) Movement in deferred tax balances

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2024					
	Opening Balance	**Effect of business Combination**	**Recognised in Profit or Loss**	**Recognised in OCI**	**Earlier year Adjustments**	**Closing Balance**
Tax effect of items constituting deferred tax Liabilities						
Property, Plant and Equipment	**230.88**	**–**	**(21.66)**	**–**	**–**	**209.22**
FVTPL Financials Asset & Liabilties	**11.45**	**–**	**–**	**–**	**–**	**11.45**
FV of Assets Transferred on Business Combination	**1,179.16**	**–**	**(372.12)**	**–**	**–**	**807.04**
Total Deferred Tax Liabilities	**1,421.49**	**–**	**(393.78)**	**–**	**–**	**1,027.71**
Tax effect of items constituting deferred tax assets						
Section 43B disallowances	**38.27**	**–**	**0.56**	**–**	**–**	**38.83**
Business loss	**1,007.00**	**–**	**(1,007.00)**	**–**	**–**	**–**
Unabsorbed depreciation loss	**192.00**	**–**	**(192.00)**	**–**	**–**	**–**
Provision for doubtful debts & DLP	**122.52**	**–**	**28.29**	**–**	**–**	**150.81**
Unrealised pft on sale of MF	**–**	**–**	**3.82**	**–**	**–**	**3.82**
RPS redemption Premium	**–**	**–**	**246.61**	**–**	**–**	**246.61**
MAT Credit entitlement	**1,587.74**	**–**	**(226.32)**	**–**	**–**	**1,361.43**
Total Deferred Tax Asset	**2,947.53**	**–**	**(1,146.04)**	**–**	**–**	**1,801.49**
Net Deferred Tax Asset	**1,526.04**	**–**	**(752.26)**	**–**	**–**	**773.78**

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the Year ended 31st March, 2023					
	Opening Balance	Effect of business Combination	Recognised in Profit or Loss	Recognised in OCI	Earlier year Adjustments	Closing Balance
Tax effect of items constituting deferred tax Liabilities						
Property, Plant and Equipment	263.04	33.27	(65.43)	–	–	230.88
FVTPL Financials Asset & Liabilties	18.00	–	(6.55)	–	–	11.45
FV of Assets Transferred on Business Combination	–	1,526.92	(347.76)	–	–	1,179.16
Total Deferred Tax Liabilities	281.04	1,560.19	(419.74)	–	–	1,421.49
Tax effect of items constituting deferred tax assets						
Section 43B disallowances	17.17	–	21.10	–	–	38.27
Business loss	1,007.00	–	–	–	–	1,007.00
Unabsorbed depreciation loss	192.00	–	–	–	–	192.00
Provision for doubtful debts	62.53	–	59.99	–	–	122.52
MAT Credit entitlement	113.11	1,303.19	171.44	–	–	1,587.74
Total Deferred Tax Asset	1,391.81	1,303.19	252.53	–	–	2,947.53
Net Deferred Tax Liabilities	1,110.77	(257.00)	672.27	–	–	1,526.04

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

5. Investments

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024 Current	As at 31st Mar, 2024 Non Current	As at 31st Mar, 2023 Current	As at 31st Mar, 2023 Non Current
A. Cost				
Unquoted Investments (all fully paid)				
Investments in Equity Instruments				
– of Joint Venture				
Mahindra Industrial Park chennai Limited 10,20,00,000 Shares @ INR 10 Per Share	**–**	**10,200.00**	–	10,200.00
Investments Carried At Cost	**–**	**10,200.00**	–	10,200.00
B. Designated as at Fair Value Through Profit and Loss (FVTPL)				
Quoted Investments (all fully paid)				
Investments in Mutual Funds	**3,063.12**			–
Investments Carried At FVTPL (B)	**3,063.12**	**–**	–	–
Total Invesments (C)= (A)+(B)	**3,063.12**	**10,200.00**	–	10,200.00
Other disclosures				
Aggregate carrying value of quoted investments				
Market value of quoted investments	**3,063.12**	**–**		–
Aggregate amount of unquoted investments	**–**	**10,200.00**	–	10,200.00

6. Other Financial Assets

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024 Current	As at 31st Mar, 2024 Non-current	As at 31st Mar, 2023 Current	As at 31st Mar, 2023 Non-current
Advances, Considered doubtful				
Advances for purchase of land - unsecured	**34.05**	**–**	34.05	–
Less: Provision for advances considered doubtful	**(34.05)**	**–**	(34.05)	–
Unsecured, considered good unless stated otherwise				
Fixed deposits under lien	**–**	**5.73**	400.00	5.13
Total	**–**	**5.73**	400.00	5.13

7. Other Assets

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024 Current	As at 31st Mar, 2024 Non-Current	As at 31st Mar, 2023 Current	As at 31st Mar, 2023 Non-Current
(a) Advances other than capital advances				
(i) Advances to employees	**3.06**	**–**	14.24	–
(ii) Advances for purchase of land - secured**	**–**	**–**	3,347.04	–
(iii) Advances to suppliers Unsecured considered good	**741.18**	**–**	1,142.12	–
(iv) Balances with government authorities (other than income taxes)***	**–**	**166.08**	–	1,271.41
(b) Advance income tax	**–**	**1,041.92**	–	1,185.86
(c) Security Deposit				
- Unsecured, considered good	**595.23**	**120.62**	3.50	210.08
(d) Prepaid Expenses	**386.08**	**–**	275.47	29.30
Total	**1,725.55**	**1,328.62**	4,782.37	2,696.65

** During the PY advance for purchase of Land is secured by equitable Mortgage by deposit of title deeds of 39.19 acres of land at Varadarajapuram, Kancheepuram Dist. Tamilnadu.

*** Balance with Government authorities as at 31st March 2024 includes payment of Rs 37.98 lakhs (PY: Rs. 37.98 lakhs) made under protest against service tax demands and Rs. 43.96 lakhs under GST demands (PY: Rs Nil)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

8. Inventories

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Construction Materials	**604.29**	796.12
Construction Work-in-progress*	**51,032.07**	50,203.09
Finished goods	**6,076.27**	147.78
Total Inventories (at lower of cost and net realisable value)	**57,712.63**	51,146.99

* Construction Work-in-Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

* Construction Materials primarily comprises of Steel, Cement, Chrome plated & Sanitary Fixtures and UPVC windows which are used for construction activities.

The cost of inventories recognised as an expense during the year in respect of continuing operations is Rs. 5,134.01 lakhs (PY: Rs. 10,232.75 Lakhs)

The Company has availed cash credit facilities, Term Loan and borrowings which are secured by hypothecation of inventories.

9. Trade Receivables

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024 Current	As at 31st Mar, 2024 Non Current	As at 31st Mar, 2023 Current	As at 31st Mar, 2023 Non Current
Trade Receivables:				
– Unsecured considered Good	**5,532.18**	–	**1,776.46**	–
– Receivables with significant credit risk	**175.01**	–	**188.07**	–
	5,707.19	–	**1,964.53**	–
Less: Provision for expected credit losses	**(175.01)**	–	**(188.07)**	–
Total	**5,532.18**	–	**1,776.46**	–

Refer Note 32 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

The average credit period in the range of 7-31 days on lease of residential property as per the agreement with customers.

9 a Ageing for trade receivables from the due date of payment for each of the category is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**–**	–
0 months - 6 months	**5,192.38**	1,498.84
6 months -1 year	**156.37**	205.54
1-2 Years	**157.66**	22.62
2-3 years	**25.76**	37.36
More than 3 years	**–**	12.10
Trade Receivable - Credit impaired		
Not Due	**–**	–
0 months - 6 months	**–**	–
6 months -1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**175.01**	188.07
Total	**5,707.19**	1,964.53

* there were no unbilled receivables, hence the same is not disclosed in ageing schedule

9(b) Movement in the allowance for credit loss

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Balance at beginning of the year	**188.07**	180.65
On account of Business Combination	**-**	9.71
Additions/(reversals) during the year (Net)	**(13.05)**	(2.28)
Balance at end of the year	**175.01**	188.07

10. Cash and Bank Balances

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Cash and cash equivalents		
Balances with banks		
In Current Accounts	**121.53**	270.67
Cash in hand	**–**	–
Deposits with original maturity of less than three months	**903.62**	2,013.25
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**1,025.15**	2,283.92
Bank Balances other than Cash and cash equivalents		
– Current Accounts - earmarked *	**211.93**	25.69
– Earmarked Deposit account with scheduled banks #	**970.79**	410.41
– Deposits with original maturity of More than three months	**–**	247.60
Total Other Bank balances	**1,182.72**	683.70

* Required to be set aside and kept in separate bank account under Tamil Nadu Real Estate (Regulation and Development) Act, 2016.

Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers.

Reconciliation of Cash and Cash Equivalents

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Total Cash and Cash Equivalents as per Balance Sheet	**1,025.15**	2,283.92
Overdraft with Banks (Note 15)	**(6,174.08)**	(5,381.57)
Total Cash and Cash Equivalents as per Statement of Cashflow	**(5,148.93)**	(3,097.65)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

11. Equity Share Capital

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024		As at 31st Mar, 2023	
	No. of shares	**Amount**	No. of shares	Amount
Authorized shares				
2,50,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	**25,000,000**	**2,500.00**	25,000,000	2,500.00
13,05,00,000 Cumulative Redeemable preference shares of Rs. 10 each	**130,500,000**	**13,050.00**	130,500,000	13,050.00
Issued, Subscribed and Fully Paidup:				
2,00,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	**20,000,000**	**2,000.00**	20,000,000	2,000.00
Total	**20,000,000**	**2,000.00**	20,000,000	2,000.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity Shares with Voting rights*			
As at 31st March, 2023			
No. of Shares	20,000,000	–	20,000,000
Amount in Lakhs	2,000.00	–	2,000.00
As at 31st March, 2024			
No. of Shares	**20,000,000**	**–**	**20,000,000**
Amount in Lakhs	**2,000.00**	**–**	**2,000.00**

* **Terms/ rights attached to equity shares:** The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share.Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

* **Terms/ rights attached to Preference shares:** 0.01% Non-convertible Redeemable Preference Shares of Rs 10/- each are classified as compound financial instrument and liability component of these shares has been disclosed under non-current borrowing {Refer note 13}

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st Mar, 2024		As at 31st Mar, 2023	
	No.	**% holding in the class**	No.	% holding in the class
Equity shares with voting rights:-				
Mahindra Lifespace Developers Limited, Holding Company	**17,799,999**	**89.00%**	17,799,999	89.00%
Tamilnadu Industrial Development Corporation Limited	**2,200,000**	**11.00%**	2,200,000	11.00%

(iii) Details of shares held by the Promoters, holding company, the ultimate holding company, their subsidiaries and associates:

	No. of Shares
Particulars	**Equity Shares with Voting rights**
As at 31st Mar, 2024	
Mahindra Lifespace Developers Limited, the Holding Company	17,799,999
As at 31st Mar, 2023	
Mahindra Lifespace Developers Limited, the Holding Company	17,799,999

(iv) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows: (refer note 38)

Particulars	As at 31st Mar, 2024		As at 31st Mar, 2023	
	No.	**Amount**	No.	Amount
0.01% Non-convertible redeemable Preference Shares issued on settlement of consideration payable	**120,250,000**	**12,025.00**	120,250,000.00	12,025.00

12 (a) Other Equity

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
General Reserve	**795.00**	345.00
Capital Redemption Reserve	**6,500.00**	6,500.00
Retained earnings	**7,660.20**	4,260.61
Debenture Redemption Reserve	**–**	450.00
Capital Reserve arising on Business Combination	**110.54**	110.54
Total Other Equity	**15,065.74**	11,666.15

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

12 (b) Other Equity

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	General Reserve	Capital Redemption Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve arising on Merger	Total
Balance as at 1st April, 2023	**345.00**	**6,500.00**	**4,260.61**	**450.00**	**110.54**	**11,666.15**
Effect of Business Combination (Refer Note 38)	–	–	–	–	–	–
Profit for the year	–	–	3,402.76			3,402.76
Transfer In/(Out)	450.00			(450.00)		
Other Comprehensive Income for the year (net of tax)	–	–	(3.17)			(3.17)
Balance as at March 31, 2024	**795.00**	**6,500.00**	**7,660.20**	**–**	**110.54**	**15,065.74**

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Debenture Redemption Reserve (DRR): The company has repaid the debentures in the current year, consequently DRR has been transferred to General reserve, in previous year, a debenture redemption reserve is created against issue of debentures to protect investors against the possibility of default by the company. The Company evaluated the DRR required as on March 31, 2023 based on the notification GSR 127(E), dated 19 August 2019 and has created a DRR of Rs. 450 Lakhs.

General Reserve: Reserve created on account of merger of Associates is not available for distribution of dividend and expected to remain invested permanently.

Capital Redemption Reserve: The Capital Redemption Reserve is created against Buy Back of shares.

Capital Reserve arising on Merger: Reserve created on account of merger of Associates is not available for distribution of dividend and expected to remain invested permanently. (Refer Note 38)

13 Non-Current Borrowings

	Particulars	Coupon Rate	As at 31st Mar, 2024	As at 31st Mar, 2023
Measured at amortised cost				
Secured Borrowings:				
a.	Non-Convertible Debentures (refer to sub note(i) below)	8.40%	**–**	3,000.00
b.	Term Loan from financial instituation (refer to sub note(ii) below)	10.20%	**20,485.07**	23,584.77
c.	Non Convertible Redeemable Preference Shares (refer to sub note(iii) below)	0.01%	**11,260.67**	11,093.93
Total			**31,745.74**	37,678.70

i) Non-Convertible Debentures(Listed/Secured)

in PY, The Terms and conditions of the Listed, Secured Non Convertible Debentures issued by the Company are summarised below

Series	I	II	III
Face Value of the Debentures(Rs in lakhs)	1,500.00	1,500.00	1,500.00
Total Redemption Premium(Rs in lakhs)	214.32	299.64	393.68
Rate of Interest Payable Annually	8.40%	8.40%	8.40%
Maturity Date	14-Sep-2023	13-Sep-2024	12-Sep-2025

During the PY, The above Debentures are secured by first ranking pari passu mortgage and charge on specific lands of the Company and Lein on Fixed Deposits Amounting to Rs 400 Lakhs. The carrying value of these specific Lands is Rs.2,752.15 Lakhs and is shown as part of “work in Progress” in Inventories Schedule, Refer note No.8 Interest Payment frequency is half yearly for the said Debentures.

ii) Term Loan (Secured)

The company availed Term Loan from HDFC Ltd ; Sanctioned amount Rs 27,000.00 Lakhs. Present interest rate for the Loan amount is 10.60%.

The Loan has a moratarium period of 50 months and from 51st Month onwards the Company has to pay Rs 1,687.5 lakhs per quarter till 96th Month. The Term loans is secured by equitable Mortgage by deposit of title deeds of 59.098 acres of land at Mahindra World City (NH 45), Chengalpattu and 235.58 acres of land at Peruvoyal Village, NH16 near Ponneri/Gummidipundi and 12.22 acres of land at Mahindra World City (NH 45), Chengalpattu.

iii) Non Convertible Redeemable Preference Shares (Non Listed)

The Company has issued 0.01% of Non Convertible Redeemable Preference shares with Series 1 (2,00,00,000), Series 2 (2,00,00,000), Series 3 (2,00,00,000), Series 4 (2,00,00,000), Series 5 (2,00,00,000), Series 6 (2,02,50,000) having the face value of Rs 10 with a tenure of 20 years for each series which is not extendable but can be redemeed at an early date with the concent of all the Preference share holders. Redemption Premium is payable at the time of Redemption @ 6% p.a. on compounded basis for the period from the date of allotment till the date of redemption. The Face value of Preference shares issued is Rs 120,25.00 Lakhs (Refer Note 38)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

14. Other Financial Liabilities

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Non-Current		
Security deposits received from lessees	**1.54**	1.75
Other financial liabilities- Non Current	**1.54**	1.75
Current		
Premium payable on redemption of RPS	**846.88**	107.67
Interest accrued		
Interest Accrued and due on borrowings**	**5.96**	17.09
Other liabilities		
Deposits from customers*	**764.85**	463.74
Other financial liabilities- Current	**1,617.69**	588.50

* refers to amount collected from customers towards "Advance maintenance and Corpus fund" net off amount receivable. Out of the funds collected, the Company has invested in earmarked deposit accounts with banks (Refer Note 10)

** Refer Note 13(ii) {PY- Note 13(i)of the Financial Statements}

15. Current Borrowings (Amortised Cost)

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Coupon Rate	As at 31st Mar, 2024	As at 31st Mar, 2023
A. Secured Borrowings at amortised cost			
Cash Credit from Banks	**7.35% to 9.75%**	**4,420.79**	3,555.20
Non-Convertible Debentures {Refer Note 13(i)}	**8.60%**	**–**	1,500.00
Total Secured Borrowings		**4,420.79**	5,055.20
B. Unsecured Borrowings			
HDFC Bank Limited - Overdraft of INR 20.39 Crores- Repayable on Demand	**9.85%**	**1,753.29**	1,826.37
Total Unsecured Borrowings		**1,753.29**	1,826.37
Total		**6,174.08**	6,881.57

Secured Borrowings:

Cash Credit from Banks Consists of:

1. HDFC Bank Ltd is Rs. 3,059 Lakhs and rate of interest is Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts and Work in progress and first ranking pari passu charge on specific lands of the company.
2. AXIS Bank Ltd is Rs. 2,500 Lakhs is secured by First pari passu charge consists of Land and building of MWC Club.

Unsecured Borrowings:

1. The Cash Credit sanctioned by HDFC Bank Ltd is Rs. 2,039 Lakhs and rate of interest is Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is unsecured.

16. Trade Payables

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Trade Payables		
total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	**100.16**	79.13
total outstanding dues of creditors other than micro enterprises and small enterprises	**5,565.58**	3,752.93
Total	**5,665.74**	3,832.06

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

The average credit period in the range of 7-31 days as per the agreement with Contractors/Suppliers.

16 a Ageing for trade payable from the due date of payment for each of the category is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Undisputed dues of micro enterprises and small enterprises		
Not Due	**–**	–
0 months - 1 year	**82.74**	78.08
1-2 Years	**17.24**	0.25
2-3 years	**0.15**	–
More than 3 years	**0.03**	0.80
Undisputed dues of creditors other than micro enterprises and small enterprises		
Not Due	**–**	–
0 months - 1 year	**4,768.54**	3,558.32
1-2 Years	**624.22**	22.60
2-3 years	**10.38**	75.87
More than 3 years	**162.45**	96.14
Total	**5,665.75**	3,832.06

17.1 Other Liabilities-Non Current

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
(a) Deferred Revenue	**992.32**	778.44
(b) Unearned Income	**380.38**	457.65
Total	**1,372.70**	1,236.09

17.2 Other Liabilities- Current

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
(a) Advances received from customers	**16,093.03**	9,068.99
(c) Employee related dues	**120.74**	111.72
(d) Statutory dues		
taxes payable (other than income taxes)	**98.27**	45.12
Unearned Income	**4.52**	5.37
Total	**16,316.56**	9,231.20

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

18. Provisions

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Non Current Provisions		
Gratuity	**38.47**	42.62
Leave Encashment	**49.59**	49.47
Provision for Disputed dues (Excise and Service Tax Dues)	**4,431.50**	4,548.02
Total Non Current Provisions	**4,519.56**	4,640.11
Current Provisions		
Gratuity	**25.65**	24.50
Leave Encashment	**19.63**	14.82
Defect Liability Provision	**308.83**	198.60
Total Current Provisions	**354.11**	237.92

Details of movement in Other Provisions is as follows:

Particulars	Defect Liability Provision	Provision for Disputed dues
Balance at April 1, 2022	–	–
Additional provisions recognised- On Account of Business Combination (refer note 38)	198.60	4,548.02
Amounts used during the year	–	–
Unused amounts reversed during the period	–	–
Balance at March 31, 2023	198.60	4,548.02
Balance at April 1, 2023	198.60	4,548.02
Additional provisions recognised	110.23	–
Amounts used during the year	–	–
Unused amounts reversed during the period	–	(116.52)
Balance at March 31, 2024	308.83	4,431.50

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon lease of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a defect liability period limited to 5 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years after the reporting date.

19. Revenue from Operations

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Income from Projects (Refer note no: 33)	**10,332.98**	5,407.72
Income From Project Management	**288.74**	780.00
Land Lease Premium	**4,561.05**	7,664.45
Sale of land	**–**	673.40
Rental income	**118.50**	98.70
Operation and maintenance income	**2,392.71**	2,211.32
Club membership fees	**74.77**	69.95
Club Annual subscription fees	**–**	39.18
Club Operating Income	**79.59**	269.85
Sales Commission Income	**407.03**	192.60
Other Operational Income Transfer Fees	**–**	210.00
Total	**18,255.37**	17,617.17

20. Other Income

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Interest Income on Financial assets that are not designated as Fair Value through Profit and Loss	**201.26**	**44.74**
Bank Deposits	**176.23**	33.78
Others	**25.03**	10.96
Net Gain arising on current investments measured at Fair Value through Profit and Loss	**13.12**	-
Scrap Income	**2.10**	0.16
Other Income	**262.36**	78.42
Total	**478.84**	123.32

* Other Income includes interest charged from late payment from customers, interest on income tax refund and reversal of provision for disputed dues

21. Cost of Sales

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Inventories at the beginning of the year:	**51,146.99**	27,637.50
Stock-in-trade	**796.12**	-
Construction Work-in-progress	**50,203.09**	27,637.52
Finished goods	**147.78**	-
Add: On Effect of Business Combination (refer note 38)	**-**	24,043.95
Add: Expenses Incurred during the year	**11,699.65**	9,698.29
Land and Construction Costs	**10,949.22**	9,086.35
Employee Cost Inventorised	**451.05**	211.74
Borrowing Costs Inventorised	**299.38**	400.20
Inventories at the end of the year:	**57,712.63**	51,146.99
Stock-in-trade	**604.29**	796.12
Construction Work-in-progress	**51,032.07**	50,203.09
Finished goods	**6,076.27**	147.78
Total	**5,134.01**	10,232.75

22. Operation & Maintenance Expenses

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Repairs & Maintenance	**361.49**	457.19
Security	**254.85**	262.89
Electrical & Mechanical Maintenance	**332.37**	361.47
House keeping	**218.39**	211.14
Power & Fuel	**190.40**	169.94
Landscaping maintenance	**133.83**	143.33
Rates & Taxes	**118.52**	86.65
Other Expenses	**156.96**	141.22
Total Operation & Maintenance Expenses	**1,766.81**	1,833.83

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

23. Employee Benefits Expense

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Salaries and wages including bonus	**955.38**	834.67
Contributions to provident and other funds	**66.72**	65.01
Staff welfare expenses	**34.95**	48.01
Less: Allocated to projects	**(451.05)**	(211.74)
Total Employee Benefits Expense	**606.00**	735.95

24. Finance Costs

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
(a) Interest expense on:		
(i) Term loan	**2,319.46**	1,917.22
(ii) Loan from Related parties	**–**	358.06
(iii) Debentures	**174.51**	378.00
(iv) Overdraft	**515.84**	397.77
(v) Other Interest	**9.67**	32.94
(vi) Premium on redemption of Redemable Preference Shares (Refer Note 13(iii)	**905.95**	828.00
Less: Allocated to projects*	**(299.38)**	(400.20)
Total Finance Costs	**3,626.05**	3,511.79

* Borrowing cost inventorised refers to interest on Borrowings in Note 13 & 15 considered at the average rate of 8.1%

25. Other expenses

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Power and fuel	**26.33**	69.57
Rent including lease rentals	**49.57**	30.80
Repairs and maintenance	**41.56**	468.36
Insurance	**2.26**	1.25
Rates and taxes	**88.05**	167.68
Communication	**16.17**	14.00
Travelling and conveyance	**50.30**	33.75
Printing and stationery	**17.17**	12.88
Business promotion	**461.36**	420.13
Legal and professional	**416.27**	267.41
Payments to auditors* (Refer below for details of Audit fees)	**23.13**	23.83
Directors sitting fees	**1.60**	4.16
Commission	**398.13**	53.81
Donations	**12.00**	9.28
Services outsourced	**–**	122.63
Advances written off	**489.41**	–
Club expenses	**81.90**	111.26
Other General Expenses	**133.64**	185.86
Total Other expenses	**2,308.85**	1,996.66

All amounts are in Rupees Lakhs unless otherwise stated

*** Payment to auditors (excluding taxes)**	For the Year ended 31st Mar, 2024	For the Year ended 31st Mar, 2023
Statutory Audit and Limited Reviews	**18.50**	19.00
Tax Audit	**2.50**	2.50
Certification and Other Services	**2.00**	2.20
Out of Pocket Expenses	**0.13**	0.13
	23.13	23.83

26. Segment information

Business segments

The Company operates in only one business segment, i.e. 'Projects, Project Management and Development' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Chairperson regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

27. Earnings per Share

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Basic/Diluted Earnings per share	**17.01**	12.69
Total basic/diluted earnings per share	**17.01**	12.69

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Profit/(Loss) for the year attributable to owners of the Company	**3,402.76**	2,537.81
Less: Preference dividend and tax thereon	**–**	–
Profit/(Loss) for the year used in the calculation of basic earnings per share	**3,402.76**	2,537.81
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**–**	–
Profits/(Loss) used in the calculation of basic earnings per share from continuing operations	**3,402.76**	2,537.81
Weighted average number of equity shares (in nos)	**2,00,00,000**	2,00,00,000
Basic and Diluted Earning per share (in face value of Rs. 10/- per share) (in Rs.)	**17.01**	12.69

28. Expense on Corporate Social Responsibility

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st Mar, 2023
Gross amount required to be spent by the company during the year	**–**	–
Amount spent during the year on		
Contribution to Nanhi Kali foundation	**–**	–
Supporting Primary Health Centre	**–**	–
Support to School for Enhancing Quality of Education	**–**	–
Contribution to District Collector for Covid-19 prevention measures	**–**	–
Awareness programmes -Solid waste Management & others	**–**	–
	–	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

29. Contingent liabilities and Capital Commitments

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Contingent liabilities (to the extent not provided for)		
Income tax demands (to the extent not recognised in the books)		
Demands against the Company not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed for FY 2015-16 (Assessment Year 2016-17)*	**4,171.16**	10,181.93
Service tax demands received	**493.21**	493.21
Legal Matters**		
1. Suit for specific performance filed by Harsha estates before the Principal District and Sessions Court, Thiruvallur, and the connected matters	**3,524.00**	3,524.00
2. Land alienated by government to the company and the same land has been transferred by the erstwhile landowner to Pallava Park Hotel	**–**	97.63
Bank Guarantee		
Bank Guarantee issued to The Deputy Director Town and Country Planning.............................	**50.67**	50.67
Total Contingent Liabilities	**8,239.04**	14,347.44

* The National Faceless Assessment Centre, Delhi passed an assessment Order under Section 147 r.w.s 144 of the IT Act on 12.02.2024 for an amount of Rs. 41.71 Crs including an interest of Rs. 20.77 Crs. The company filed a Writ petition on 04th March, 2024 (Filing Number is WMP/7423 & 7427 /2024 in WP(SR) 6680/2024) pleading to stay all further proceedings pursuant to the Impugned Order and issue orders for fresh hearing u/s 147. The matter has been posted for hearing on 13th June, 2024. The stay has been extended till 13th June, 2024

** In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof

30. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized Rs. 47.08 Lakhs (PY Rs. 56.71 Lakhs) for Provident fund & Other funds contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 23 Employee benefits expense. The company has funded the gratuity Liability through LIC Scheme. The details of actuarial valuation are given below:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

All amounts are in Rupees Lakhs unless otherwise stated

		Gratuity (Funded) 2023-24	2022-23
a.	**Net Liabilities recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**97.82**	98.20
	Fair Value of Plan assets...	**33.69**	31.09
	Liabilities recognised in the balance sheet	**64.11**	67.12
b.	**Expense recognized in the Statement of Profit and Loss**		
	Past service cost..	**-**	-
	Current Service cost	**10.26**	9.66
	Interest cost..	**4.91**	5.18
	Expected return on plan assets..	**(0.34)**	0.31
	Actuarial (gains)/Losses...	**4.81**	(6.85)
	Total expenses..	**19.64**	8.30
c.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year..	**98.21**	53.56
	Liability Transferred In/ Acquisitions	**3.54**	67.99
	Past service cost..	**-**	-
	Current Service cost	**10.26**	9.66
	Interest Cost..	**7.18**	6.97
	Actuarial (Gains) /Losses...	**4.81**	(6.85)
	Benefits Paid	**(26.18)**	(33.11)
	Present value of the obligation as at the end of the year	**97.83**	98.21
d.	**Change in fair value of plan assets**		
	Present value of plan assets as the beginning of the year	**31.09**	29.62
	Expected return on plan assets..	**2.61**	1.47
	Contributions made	**-**	-
	Benefits paid and Charges	**-**	-
	Present value of plan assets at the end of the year......	**33.70**	31.09
e.	**Principal actuarial assumptions**		
	Discount Rate...	**7.31%**	6.03%
	Expected return on plan assets..	**7.31%**	6.03%
	Expected rate of Salary increase......................................	**10.00%**	10.00%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

	Gratuity (Funded) 2023-24	2022-23
Attrition Rate	**21.21%**	20.00%
Mortality	LIC (2012-14) Ultimate mortality tables	
f. **Estimate of amount of contribution in the immediate next year**	**64.13**	67.12

g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.

All amounts are in Rupees Lakhs unless otherwise stated

i. Experience adjustment as provided by actuary:	for the years 2023-24	2022-23	2021-22	2020-21	2019-20
Present value of DBO	**97.82**	98.20	53.56	46.97	53.69
Fair value of plan assets	**33.69**	31.09	29.61	27.30	25.52
Experience gain/(loss) adjustments on plan liabilities	**(1.13)**	(1.13)	(2.85)	(2.01)	(1.44)
Experience gain/(loss) adjustments on plan assets	**0.34**	0.31	0.44	0.24	(0.32)

Long-Term Compensated Absences
Actuarial assumptions:

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st Mar, 2023
Discount rate	**7.31%**	6.03%
Expected return on plan assets	**7.31%**	6.03%
Salary escalation	**10.00%**	10.00%
Attrition	**21.21%**	20.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year	Change in Assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount Rate	**2024**	**1.00%**	**(3.54)**	**3.85**
	2023	1.00%	(3.31)	3.59
Salary Growth Rate	**2024**	**1.00%**	**3.71**	**(3.48)**
	2023	1.00%	3.47	(3.26)
Employee Turnover	**2024**	**1.00%**	**(0.70)**	**0.75**
	2023	1.00%	(0.54)	0.58

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024	As at 31st Mar, 2023
Year 1	18.01	18.67
Year 2	15.66	16.48
Year 3	13.73	14.30
Year 4	12.57	12.45
Year 5	11.39	11.09
Next 5 Years	38.13	38.27

Plan of Assets

The fair value of Company's pension plan asset as of 31st March, 2024 and 31st March, 2023 by category are as follows:

Asset Category	As at 31st March, 2024	As at 31st March, 2023
Deposits with Insurance companies	100%	100%

31. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

32. Financial Instruments

Capital management

'The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

'The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

Debt-to-equity ratio as of 31st March, 2024 and 31st March, 2023 is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

	31st Mar, 2024	31st Mar, 2023
Debt (A)	**37,919.82**	44,667.94
Equity (B)	**15,065.74**	11,666.15
Debt Equity Ratio (A/B)	**2.52**	3.83

Categories of financial assets and financial liabilities

All amounts are in Rupees Lakhs unless otherwise stated

	As at 31st Mar, 2024: Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments in Joint Venture	**10,200.00**	**–**	**–**	**10,200.00**
Other Financial Assets	**5.73**	**–**	**–**	**5.73**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

	As at 31st Mar, 2024			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Current Assets				
Investments	**–**	**3,063.12**	**–**	**3,063.12**
Trade Receivables	**5,532.18**	**–**	**–**	**5,532.18**
Cash and Cash equivalents	**1,025.15**	**–**	**–**	**1,025.15**
Bank Balances	**1,182.72**			**1,182.72**
	17,945.78	**3,063.12**	**–**	**21,008.90**
Non-current Liabilities				
Borrowings	**31,745.74**	**–**	**–**	**31,745.74**
Other Financial Liabilities	**1.54**	**–**	**–**	**1.54**
Current Liabilities				
Borrowings	**6,174.08**	**–**	**–**	**6,174.08**
Trade Payables	**5,665.74**	**–**	**–**	**5,665.74**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**1,617.69**	**–**	**–**	**1,617.69**
	45,204.79	**–**	**–**	**45,204.79**

All amounts are in Rupees Lakhs unless otherwise stated

	As at 31st Mar, 2023			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments in Joint Venture	10,200.00	–	–	10,200.00
Other Financial Assets	5.13	–	–	5.13
Current Assets				
Trade Receivables	1,776.46	–	–	1,776.46
Cash and Cash equivalents	2,283.92	–	–	2,283.92
Bank Balances	683.70			683.70
Other Financial Assets	400.00	–	–	400.00
	15,349.21	–	–	15,349.21
Non-current Liabilities				
Borrowings	37,786.37	–	–	37,786.37
Other Financial Liabilities	1.75	–	–	1.75
Current Liabilities				
Borrowings	6,881.57	–	–	6,881.57
Trade Payables	3,832.06	–	–	3,832.06
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	480.83	–	–	480.83
	48,982.58	–	–	48,982.58

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents & other financial assets.

Trade Receivables

The company trade receivable includes Land leasing, Industrial park maintenance service, property leasing activities and sale of residential flats and plots as appearing in the balance sheet . Company executes Land leasing agreement with customers only, entire lease premium is paid by customers and hence no risk of credit loss in dues relating to Land leasing premium. Further, As per the company's policy, every customer has to deposit 3 to 6 months of Maintenance charges and/ or monthly lease rentals with the company and as per the terms of the agreement with the customer's, company is entitled to adjust the pending dues against the deposits taken from customer and as per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration and hence, company is not exposed to any credit loss risk.

The concentration of credit risk is limited due to the fact that the customer base is large. The Company determines the allowance for expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2024 is considered adequate.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For Other Financial Assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. Other Financial Assets are considered to be low credit risk exposure assets.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31st March, 2024				
Non-interest bearing				
Trade Payables	**5,665.74**	**–**	**–**	**–**
Capital Creditors	**–**	**–**	**–**	**–**
Other Financial Liabilities	**1,617.69**	**–**	**–**	**1.54**
Variable interest rate instruments				
Short term Borrowing – Principal	**6,174.08**	**–**	**–**	**–**
Loan term Borrowing – Principal	**2,000.00**	**4,000.00**	**16,087.19**	**9,658.55**
Total	**15,457.51**	**4,000.00**	**16,087.19**	**9,660.09**
31st March, 2023				
Non-interest bearing				
Trade Payable	3,832.06	–	–	–
Capital Creditors	–	–	–	–
Other Financial Liabilities	480.83	–	–	1.75
Variable interest rate instruments		–	–	
Short term Borrowing - Principal	6,881.57	–	–	–
Loan term Borrowing - Principal	–	3,000.00	8,429.50	26,356.87
Total	11,194.46	3,000.00	8,429.50	26,358.62

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	31st Mar, 2024	31st Mar, 2023
Secured Bank Overdraft facility		
– Expiring within one year	**1,423.92**	2,234.75
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
– Expiring within one year	**100.00**	100.00
	1,523.92	2,334.75

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31st March, 2024				
Non-interest bearing				
Non Current Investments	**–**	**–**	**–**	**10,200.00**
Investments	**3,063.12**	**–**	**–**	**–**
Trade Receivables	**5,532.18**	**–**	**–**	**–**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Cash and Cash equivalents	**1,025.15**	**-**	**-**	**-**
Cash and Bank Balances	**1,182.72**	**-**	**-**	**-**
Other Current Financial Assets	**-**	**5.73**	**-**	**-**
Total	**10,803.17**	**5.73**	**-**	**10,200.00**
31st March, 2023				
Non-interest bearing				
Non Current Investments	-	-	-	10,200.00
Trade Receivables	1,776.46	-	-	-
Cash and Cash equivalents	2,283.92	-	-	-
Cash and Bank Balances	683.70	-	-	-
Other Current Financial Assets	400.00	5.13	-	-
Total	5,144.08	5.13	-	10,200.00

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	All amounts are in Rupees Lakhs unless otherwise stated		
Year	**Currency**	**Increase/ decrease in basis points**	**Effect on Profit / (loss) before tax**
31 March, 2024	INR	+100	379.20
	INR	-100	(379.20)
31 March, 2023	INR	+100	446.68
	INR	-100	(446.68)

33. INDAS 115 Disclosures

1 Contract Balances

Amounts received before the related performance obligation is satisified are included in the balance sheet (Contract liability) as "Advance received from customers". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 109.86 lakhs (FY 22-23 Rs. 5,407.72 lakhs) from Opening Contract liability included in the balance sheet as "Advance received from customers" in Note no 17.2 - Other Current liabilities of Rs.9,068.99 lakhs

There were no significant changes in the composition of the contract liabilities and trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

There are no contract assets outstanding at the end of the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024, is Rs. 15,309.62 Lakhs (as at March 31, 2023 Rs. 6,834.82 lakhs). Out of this, the Company expects to recognize revenue of 86% within the next year and remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2 Reconciliation of revenue recognized with the contracted price is as follows:

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Contracted price	**10,332.98**	5,407.72
Adjustments on account of cash discounts or early payment rebates, etc.	**–**	–
Revenue recognised as per Statement of Profit & Loss	**10,332.98**	5,407.72

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

3 Contract costs

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st Mar, 2024	Year ended 31st Mar, 2023
Contract costs included in Prepaid expenses in Note no.7(d)- Other Assets	**364.76**	239.47

The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under Note no. 7(d) - Other Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2024, amortisation amounting to Rs. 193.80 lakhs (FY 22-23 Rs. 53.81 lakhs) is recognised as part of other expenses in the statement of profit and loss. There was no impairment loss in relation to the costs capitalised.

34. Related Party Transactions

Details of related parties:

Description of relationship	Name of the Company
Ultimate Holding Company	Mahindra & Mahindra Limited(M&M)
Holding Company	Mahindra Lifespaces Developers Limited (MLDL)
Joint Venture	Mahindra Industrial Park Chennai Ltd (MIPCL)
Joint Venture	Mahindra World City Jaipur Ltd (MWCJL)
Associate	Mahindra Consulting Engineers Limited (MACE) (Upto 14th March 2023)
Associate	Mahindra Bloomdale Developers Limited (MBDL)
Associate	Tech Mahindra Limited (TML)
Associate	Mahindra Integrated Township Limited (MITL) (Merged with MWCDL w.e.f 01 April 2022)*
Associate	Mahindra Residential Developers Limited (MRDL) (Merged with MWCDL w.e.f 01 April 2022)*
Key Management Personnel (KMP)	
Chief Executive Offcer	Mr. Vimal Agarwal
Company Secretary	Mr. Antaryami Sahoo (Upto 29 September 2023)
Company Secretary	Mr. Aman Desai (w.e.f 18 January 2024)
Chief Financial Officer	Ms. Bharathy K (Upto 28 October 2022)
Chief Financial Officer	Mr. Bhaskar Pulipati (w.e.f 31 January 2023)

Details of related party transactions during the year ended 31st March, 2024 and balances outstanding as at 31st March, 2024:

All amounts are in Rupees Lakhs unless otherwise stated

Transactions during the year	Utilimate Holding Company (M&M)	Holding Company (MLDL)	Joint Venture (MIPCL)	Joint Venture (MWCJL)	Associate (MBDL)	Associate (TML)	Associate (MACE)	Associate (MIBS)	KMP
Land Sale	–	–	–	–	–	–	–	–	–
	–	–	(673.40)	–	–	–	–	–	–
Lease of Land	–	–	–	–	–	–	–	–	–
	–	–	(1,960.45)	–	–	–	–	–	–
Operation and maintenance Income	254.91	–	–	–	–	–	–	–	–
	(240.34)	–	–	–	–	–	–	–	–
Water charges income	18.24	–	–	–	–	–	–	–	–
	(12.26)	–	–	–	–	–	–	–	–
Club income/ASF	34.07	–	–	–	–	–	–	–	–
	(75.78)	–	–	–	–	–	–	–	–
Other Services Provided	–	–	–	–	–	–	–	–	–
	–	–	(1,138.92)	(0.07)	–	–	–	–	–
Service received	15.78	143.05	–	–	–	–	–	38.86	–
	(12.25)	(60.94)	–	–	–	–	(16.05)	(2.88)	–
Commission received	–	–	480.30	–	–	–	–	–	
	–	–	–	–	–	–	–	–	
Reimbursement of expenses- Given	67.32	–	–	–	–	–	–	–	–
	(56.99)	–	–	–	–	–	–	–	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Transactions during the year	Utilimate Holding Company (M&M)	Holding Company (MLDL)	Joint Venture (MIPCL)	Joint Venture (MWCJL)	Associate (MBDL)	Associate (TML)	Associate (MACE)	Associate (MIBS)	KMP
Reimbursement of expenses- Taken	–	6.90	–		–	–	–	–	–
	–	–	–		–	–	–	–	–
ESOP Costs	–	–	–	–	–	–	–	–	–
	–	(2.91)	–	–	–	–	–	–	–
RPS Premium	–	846.88	–	–	–	–	–	–	–
	–	(107.67)	–	–	–	–	–	–	–
Interest Paid	–	–	–	–	–	–	–	–	–
	–	–	–	–	(15.23)	(350.34)	–	–	–
Inter Corporate Deposit received	–	–	–	–	–	–	–	–	–
	–	–	–	–	(500.00)	–	–	–	–
Issue of Redeemable preference shares	–	–	–	–	–	–	–	–	–
	–	(12,025.00)	–	–	–	–	–	–	–
Intercorporate Deposit/Term loan repaid	–	–	–	–	–	–	–	–	–
	–	–	–	–	(500.00)	(25,000.00)	–	–	–
Managerial Remuneration									
Chief Financial Officer	–	–	–	–	–	–	–	–	41.98
	–	–	–	–	–	–	–	–	(61.21)
Company Secretary	–	–	–	–	–	–	–	–	9.05
	–	–	–	–	–	–	–	–	(12.95)
Sitting Fees	–	–	–	–	–	–	–	–	1.60
	–	–	–	–	–	–	–	–	(3.80)
Balance Outstanding as at the year end									
RPS Premium Payable	–	846.88	–	–	–	–	–	–	–
	–	(107.67)	–	–	–	–	–	–	–
RPS Outstanding	–	12,025.00	–	–	–	–	–	–	–
	–	(12,025.00)	–	–	–	–	–	–	–
Security Deposits taken	55.65	–	–	–	–	–	–	–	–
	(55.65)	–	–	–	–	–	–	–	–
Receivables	5.78	3.87	201.38	–	–	–	–	–	–
	(9.26)	–	(562.09)	–	–	–	–	–	–
Payables	–	29.95	–	–	–	–	–	–	–
	(13.34)	(55.32)	–	–	–	–	–	(1.05)	–

Note: Figures in bracket relates to the previous year

35. Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024		As at 31st Mar, 2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	**10,200.00**	**10,200.00**	10,200.00	10,200.00
– trade and other receivables	**5,532.18**	**5,532.18**	1,776.46	1,776.46
– Cash and cash equivalents	**1,025.15**	**1,025.15**	2,283.92	2,283.92
– Bank balances other than above	**1,182.72**	**1,182.72**	1,083.70	1,083.70
– deposits and similar assets	**5.73**	**5.73**	5.13	5.13
Total	**17,945.78**	**17,945.78**	15,349.21	15,349.21
Financial liabilities				
Financial liabilities held at amortised cost				
– Debentures	**–**	**–**	4,500.00	4,500.00
– Non Convertible Redeemable Preference Shares	**11,260.67**	**11,260.67**	11,201.60	11,201.60

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31st Mar, 2024		As at 31st Mar, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
– Long term loans from Financial Institutions	**20,485.07**	**20,485.07**	23,584.77	23,584.77
– OD limits from Bank	**6,174.08**	**6,174.08**	5,381.57	5,381.57
– Loans from related parties	**–**	**–**	–	–
– Trade and other payables	**5,665.74**	**5,665.74**	3,832.06	3,832.06
– Other Financial Liabilities	**1,619.23**	**1,619.23**	482.58	482.58
Total	**45,204.79**	**45,204.79**	48,982.58	48,982.58

Fair value hierarchy as at 31st March, 2024

All amounts are in Rupees Lakhs unless otherwise stated

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	**–**	**10,200.00**	–	**10,200.00**
– trade and other receivables	**–**	**5,532.18**	**–**	**5,532.18**
– cash and cash equivalents	**–**	**1,025.15**	**–**	**1,025.15**
– Bank balances other than above	**–**	**1,182.72**	**–**	**1,182.72**
– deposits and similar assets	**–**	**5.73**	**–**	**5.73**
Total	**–**	**17,945.78**	**–**	**17,945.78**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Debentures	**–**	**–**		**–**
– Non Convertible Redeemable Preference Shares	**–**	**11,260.67**		**11,260.67**
– Long term loans from Financial Institutions	**–**	**20,485.07**	–	**20,485.07**
– OD limits from Bank	**–**	**6,174.08**	–	**6,174.08**
– trade and other payables	**–**	**5,665.74**	–	**5,665.74**
– Other Financial Liabilities	**–**	**1,619.23**	–	**1,619.23**
Total	**–**	**45,204.79**	**–**	**45,204.79**

Fair value hierarchy as at 31st March, 2023

All amounts are in Rupees Lakhs unless otherwise stated

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	10,200.00	–	10,200.00
– trade and other receivables	–	1,776.46	–	1,776.46
– cash and cash equivalents	–	2,283.92	–	2,283.92
– Bank balances other than above	–	1,083.70	–	1,083.70
– deposits and similar assets		5.13		5.13
Total	–	15,349.21	–	15,349.21
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Debentures	–	4,500.00	–	4,500.00
– Non Convertible Redeemable Preference Shares	–	11,201.60	–	11,201.60
– Long term loans from Financial Institutions	–	23,584.77	–	23,584.77
– OD limits from Bank	–	5,381.57	–	5,381.57
– trade and other payables		3,832.06		3,832.06
– Other Financial Liabilities	–	482.58	–	482.58
Total	–	48,982.58	–	48,982.58

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

36. Ratios

a) Current Ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Current Assets (A)	**70,241.35**	61,073.44	
Current Liabilities (B)	**30,128.18**	19,736.69	
Ratio (A/B)	**2.33**	3.09	(25%)

Variance in current ratio is mainly on account of increase in amount received from customers (deferred revenue)

b) Debt Equity Ratio

Particulars	2023-24	2022-23	Variance %
Total Debt including interest accrued (A)	**37,925.78**	44,685.03	
Equity (B)	**17,065.74**	13,666.15	
Debt Equity Ratio (A/B)	**2.22**	3.27	(32%)

Variance is due Repayment of of NCD of Rs 45 Crores and long term borrowings of Rs 30.93 Crores.

c) Debt Service Coverage Ratio (DSCR)

Particulars	2023-24	2022-23	Variance %
Profit After Tax	**3,402.76**	2,537.81	
Depreciation	**257.19**	314.52	
Interest (Charged to P&L)	**3,626.05**	3,511.79	
Non Cash Expense	**-**	-	
Earnings available for Debt Service (A)	**7,286.00**	6,364.12	
Debt Service			
Interest Payments	**3,925.43**	3,911.99	
Pricipal Repayments	**37,919.82**	44,667.94	
Total Debt Serviced (B)	**41,845.25**	48,579.93	
Debt Service Coverage Ratio (DSCR) (A/B)	**0.17**	0.13	33%

Increase in Earning available for Debt Service and Debt service coverage ratio is mainly on account of profit recognised during the year and the repayment of the term loans and NCD during the year.

d) Return of Equity (ROE)

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Profit After Tax	**3,402.76**	2,537.81	
Networth	**17,065.74**	13,666.15	
Ratio (A/B)	**19.94%**	18.57%	7.37%

Increase in ROE is mainly on account of profit reported during the year

e) Inventory Turnover ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Cost of Land leased (A)	**5,134.01**	10,232.75	
Average Inventory (B)	**57,712.63**	51,146.99	
Ratio (A/B)	**0.09**	0.20	100%

Reduction in Inventory Turnover Ratio is mainly on account of less cost of sales recognised in the current year

f) Trade Receivables turnover ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Turnover (credit) (A)	**18,255.37**	17,617.17	
Trade Receaivables (Average) (B)	**3,654.32**	1,089.75	
Ratio (A/B)	**5.00**	16.17	(69%)

The Company has raised the handing over demand for two project on last week of March 2024

g) Trade Payable turnover ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Project Development Expenses and other expenses (excluding interest) (A)	**9,209.67**	14,063.24	
Average Trade payable (B)	**4,748.90**	2,362.65	
Ratio (A/B)	**1.94**	5.95	(67%)

The decrease is due to Merger in the previous year

h) Net capital turnover ratio,

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Working Capital (A)	**40,113.17**	41,336.75	
Turnover (B)	**18,255.37**	17,617.17	
Ratio (A/B)	**2.20**	2.35	(6%)

No Major variance

i) Net profit ratio

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Profit After Tax (A)	**3,402.76**	2,537.81	
Revenue (B)	**18,255.37**	17,617.17	
Ratio (A/B)	**18.64%**	14.41%	29%

Increase in Net Profit ratio is mainly on account of Profit reported during the year.

j) Return on Capital employed

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Earnings before Interest and Tax (A)	**8,661.35**	5,546.87	
Net worth	**17,065.74**	13,666.15	
Borrowing	**37,919.82**	44,667.94	
Capital employed (B)	**54,985.56**	58,334.09	
Ratio (A/B)	**15.75%**	9.51%	66%

Increase in Return on Capital Employed is mainly on account of Profit reported during the year.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

k) Return on investment.

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	2023-24	2022-23	Variance %
Earnings before Interest and Tax (A)	**8,661.35**	5,546.87	
Capital employed (B)	**54,985.56**	58,334.09	
Ratio (A/B)	**15.75%**	9.51%	66%

Increase in Return on Investment is mainly on account of Profit reported during the year.

37 a Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

h) Whistle Blower-

During the year ended March 31, 2024 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

37 b Security of current assets against borrowings

The Company has not been sanctioned working capital limits in excess of Rs 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the period ended 30 June 2023, 30 September 2023 and 31 December 2023.

37. c Recent Indian Accounting Standards (Ind AS)

There are no standards that are notified and not yet efffective as on 31 March 2024.

38. During the previous year FY 2022-23, Merger of Mahindra Integrated Township Ltd (MITL) and Mahindra Residential Developers Ltd (MRDL) with Mahindra World City Developers Ltd (MWCDL)

a) Scheme of Amalgamation

The Scheme of Amalgamation ('Scheme') filed during the year ended 31 March, 2022 under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Mahindra Integrated Township Limited (MITL) ("Transferor Company 1") and Mahindra Residential Developers Limited (MRDL) ("Transferor Company 2") and Mahindra World City Developers Ltd ("Transferee Company") was approved by the Hon'ble National Company Law Tribunal vide its order dated 09 December 2022 with appointed date of 1 April 2022. Consequently the Company has given effect to the scheme as per Ind AS 103- Business Combinations (Aquisition method) in the standalone financial statements w.e.f. appointed date i.e. 1 April 2022 in accordance with General Circular No.09/2019 issued by Ministry of Corporate Affairs dated August 21, 2019. The Company received the certified copy of the said order on 09th December 2022 and filed the same with the respective Registrar of Companies on 30 December 2022.

b) Details of Consideration

The scheme provides for issue of non-convertible redeemable preference shares by the Transferee Company in the manner set out in the Scheme on amalgamation of the Transferor Companies with the Transferee Company. On the Scheme of amalgamation becoming effective, the Transferee Company issued 325 fully paid up 0.01% Redeemable Preference shares of Rs 10 each for every 100 equity share of Rs 10 each held by Mahindra Lifespace Developers Limited (MLDL) in MITL (Transferor Company 1) (after considering cancellation of shares on account of cross holding.)

Persuant to the Amalgamation of the Transferor Company 1(MITL), Transferor Company 2 (MRDL) becomes the wholly owned Subsidiary of Transferee Company (MWCDL) and accordingly, as regards the amalgamation of the Transferor Company 2 is concerned, no shared will be issued by the Transferee company in Respect of the same.

c) Fair value of Consideration Transferred

S No	Particulars	MITL	MRDL	Total
	Assets:			
(a)	Property, Plant and Equipment	73.27	7.21	80.48
(b)	Other Financial Assets	0.75	34.91	35.66
(c)	Deferred Tax Assets	1,209.71	60.20	1,269.91
(d)	Other Non-current Assets	251.62	867.72	1,119.34
(e)	Inventories	22,647.43	1,396.52	24,043.95
(f)	Trade Receivables	1,937.39	–	1,937.39
(g)	Cash and Cash Equivalents	617.59	405.93	1,023.52
(h)	Bank balances	330.25	–	330.25
(i)	Other Financial Assets	1,027.41	5,111.92	6,139.33
(j)	Other Current Assets	1,236.43	583.87	1,820.30
	Total Assets	**29,331.85**	**8,468.28**	**37,800.13**
	Less: Liabilities			
(a)	Borrowings (Non-Current)	4,500.00	–	4,500.00

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

S No	Particulars	MITL	MRDL	Total
(b)	Provisions	80.71	–	80.71
(c)	Borrowings (Current)	3,182.45	–	3,182.45
(d)	Trade Payables	2,124.30	498.18	2,622.48
(d)	Other Financial Liabilities	274.97	7.68	282.65
(e)	Other Current Liabilities	6,131.15	31.72	6,162.87
(f)	Provisions	118.17	71.65	189.83
(g)	Contingent Liability	1,337.29	3,210.73	4,548.02
	Total Liabilities	**17,749.05**	**3,819.96**	**21,569.01**
	Fair value of the net asset acquired	11,582.81	4,648.31	16,231.12
	% of Investment held by MWCDL in MITL			26%
	FV value of Investment in MITL by MWCDL			4,220.09

S No	Particulars	MITL	MRDL	Total
	Investment Held by MWCDL in the Books			1,300.00
	Exceptional Gain/ (Loss)			2,920.09
	Purchase Consideration is dischared by way:			
	Knocking of Investments in MITL held by MWCDL			4,220.09
	Fair Value of RPS issued to MLDL			10,373.60
	Deferred Tax Liability on Fair Value of Assets	2,608.32	(1,081.40)	1,526.92
	Fair value of the Consideration Transferred			16,120.61
	Capital Reserve			110.51

39. Additional Information to the Financial Statements

i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

	All amounts are in Rupees Lakhs unless otherwise stated		
S. No.	**Particulars**	**As at 31st Mar, 2024**	As at 31st Mar, 2023
1	Dues remaining unpaid		
	Principal	**100.16**	79.13
	Interest	**–**	–
2	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	**–**	–
	Interest paid in terms of Section 16 of the MSMED Act	**–**	–
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
5	Amount of interest accrued and remaining unpaid	**–**	–

40. Other Notes

i. The Company has disclosed the impact of pending litigations on its financial position in these financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any material foreseeable losses on long term contracts. The company has not entered into any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company does not have foreign exchange exposure as at 31 March, 2024.

41. Leases

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less. Amount recognised as expense in Statement of Profit and Loss is Rs. 49.57 Lakhs (FY 2022-23 Rs 30.80 Lakhs).

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

42. Events after the Reporting period

No material events have occurred after the Balance sheet date and up to the approval of Financial statements.

43. Regrouping and Reclassification

Previous period/year figures have been regrouped/reclassified where found necessary, to conform to current period/year classification.

44. Approval of Financial Statements

The financial statements were approved for issue by the board of directors in the meeting on 18th April, 2024.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Karthik Srinivasan
Partner
Membership No.: 215782

Place: Chennai
Date: 18th April 2024

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Amit Kumar Sinha
Director
(DIN: 09127387)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
(ACS: 47990)

Place: Chennai
Date: 18th April 2024

Form AOC 1

PART "A" - Subsidiaries

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.

Statement containing salient features of financial statements of Subsidiary / Associates / Joint Ventures as per Companies Act,2013.

Particulars	**MIPCL**
The date since when Joint venture/Associate acquired	22-Dec-14
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share capital	17,000.00
Reserves & surplus	1,841.97
Total assets	21,406.83
Total Liabilities	2,564.86
Investments	–
Turnover	9,344.38
Profit/(Loss) before taxation	1,804.83
Provision for taxation	333.82
Profit/(Loss) after taxation	1,471.01
Proposed Dividend	–
% of shareholding	60%

1. There are no Subsidiaries which are yet to commence operations
2. No Subsidiaries which have been liquidated or sold during the year

PART B- Joint Ventures/Associates$: Nil

$ Mahindra Industrial Park Chennai Limited is direct joint venture cum subsidiary companies and have been covered in Part A above.

1. There are no Joint Ventures/Associates which are yet to commence operations
2. Associates which have been liquidated or sold during the year* : Nil

* w.e.f 01 April 2022, Mahindra Integrated Township Limited & Mahindra Residential Developers Limited has been Merged with Mahindra World City Developers Limited

For and on behalf of the board of directors of
Mahindra World City Developers Limited

Ameet Hariani
Director
(DIN:00087866)

Amit Kumar Sinha
Director
(DIN: 09127387)

Vimal Agarwal
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
(ACS: 47990)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (JAIPUR) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra World City (Jaipur) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The interim dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Mumbai, April 15, 2024 *UDIN: 24045668BKFILB1283*

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra World City (Jaipur) Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILB1283

Mumbai, April 15, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, in respect of the leasehold land on which the properties are constructed by the Company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the Balance Sheet date where the Company is the lessee in the agreements.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and investment properties or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, certificate received from third party confirming the inventory, site visits by the management and certification of extent of work completion by competent persons, is carried out at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of accounts receivables during the year. The statements of accounts receivables filed by the Company with HDFC Bank Limited on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Urban Land Tax and Income Tax which have not been deposited as on March 31, 2024 on account of disputes are as under:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount unpaid (Rs. In Lakhs)
The Jaipur Development Authority Act, 1982	Urban Land Tax (Shahri Jamabandi)	Jaipur Development Authority	2006-2016	32,179.39
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2011-2012	32.16

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration a whistle blower complaint received by the Company during the year and shared with us for reporting under this clause.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILB1283

Mumbai, April 15, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Rs. in Lakhs

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**5,202.33**	5,078.50
(b) Capital Work-in-Progress	4	**196.38**	151.17
(c) Investment Properties	5	**7,712.78**	7,877.99
(d) Intangible Assets	6	**–**	–
(e) Financial Assets			
(i) Security Deposits	7	**89.01**	74.76
(f) Other Non-current Assets	9	**578.92**	613.08
SUB-TOTAL		**13,779.42**	13,795.50
2 CURRENT ASSETS			
(a) Inventories	10	**49,779.45**	47,033.75
(b) Financial Assets			
(i) Investments	11	**9,585.21**	8,139.93
(ii) Trade Receivables	12	**3,344.45**	571.64
(iii) Cash and Cash Equivalents	13	**3,165.29**	154.42
(iv) Bank Balances other than (iii) above	13	**–**	16.16
(v) Other Financial Assets	8	**0.78**	0.79
(c) Other Current Assets	9	**103.96**	211.87
SUB-TOTAL		**65,979.14**	56,128.56
TOTAL ASSETS (1 + 2)		**79,758.56**	69,924.06
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Share Capital	14	**15,000.00**	15,000.00
(b) Other Equity	15	**37,314.96**	27,648.98
SUB-TOTAL		**52,314.96**	42,648.98
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	**10,468.51**	11,541.41
(ii) Other Financial Liabilities	17	**1.52**	4.73
(b) Provisions	18	**2,874.65**	4,872.75
(c) Deferred Tax Liabilities (Net)	19	**1,864.63**	2,117.37
(d) Other Non-current Liabilities	20	**1,231.52**	1,098.75
SUB-TOTAL		**16,440.83**	19,635.01
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	**–**	–
(ii) Trade Payables	21		
- Total outstanding dues of micro enterprises and small enterprises		**33.81**	35.30
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,408.50**	1,312.74
(iii) Other Financial Liabilities	17	**4,394.02**	3,182.36
(b) Other Current Liabilities	20	**1,218.98**	1,436.89
(c) Provisions	18	**3,947.46**	1,672.78
TOTAL CURRENT LIABILITIES		**11,002.77**	7,640.07
TOTAL EQUITY AND LIABILITIES (1 + 2 +3)		**79,758.56**	69,924.06
Summary of Material Accounting Policies	2		

The accompanying Notes 1 to 41 are an integral part of these financial statements.

In terms of our report of even date
For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 15, 2024

For and on behalf of Board of the Directors

Amit Kumar Sinha
Director
DIN: 09127387

Karkala Rajaram Pai
Director
DIN: 07553119

Anuj Bindal
Chief Executive Officer

Keshav Singhal
Chief Financial Officer

Bijal Parmar
Company Secretary
Membership No. 32339

Place: Jaipur
Date: April 15, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. in Lakhs

	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
I	Revenue from operations	22	**27,556.32**	24,354.95
II	Other Income	23	**590.55**	658.54
III	**Total Income (I + II)**		**28,146.87**	25,013.49
IV	**Expenses**			
	(a) Cost of Sales			
	- Cost of Projects	24	**5,057.38**	4,293.19
	- Operation and Maintenance expenses	25	**1,876.96**	1,999.10
	(b) Employee benefits expense	26	**482.78**	480.27
	(c) Finance costs	27	**700.42**	720.82
	(d) Depreciation and amortisation expense	3 and 5	**441.79**	470.53
	(e) Other expenses	28	**955.60**	909.51
	Total Expenses (IV)		**9,514.93**	8,873.42
V	**Profit before tax (III - IV)**		**18,631.94**	16,140.07
VI	**Tax Expense**			
	(1) Current tax	29	**4,715.56**	3,581.48
	(2) Deferred tax	29	**(251.95)**	54.21
	Total tax expense (VI)		**4,463.61**	3,635.69
VII	**Profit after tax (V - VI)**		**14,168.33**	12,504.38
VIII	**Other comprehensive income/(loss)**		**(2.35)**	4.77
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**(3.14)**	6.73
	(b) Income tax relating to item that will not be reclassified to profit or loss		**0.79**	(1.96)
IX	**Total comprehensive income for the year (VII + VIII)**		**14,165.98**	12,509.15
XI	**Earnings per share (Face Value of Rs. 10/- each)**			
	Basic and Diluted (Rs.)	30	**9.45**	8.34
	Summary of Material Accounting Policies.	2		

The accompanying Notes 1 to 41 are an integral part of these financial statements.

In terms of our report of even date
For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 15, 2024

For and on behalf of Board of the Directors

Amit Kumar Sinha
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DIN: 09127387

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Anuj Bindal
Chief Executive Officer

Keshav Singhal
Chief Financial Officer

Bijal Parmar
Company Secretary
Membership No. 32339

Place: Jaipur
Date: April 15, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash flows from operating activities		
Profit before tax for the year	**18,631.94**	16,140.07
Non-cash adjustment to reconcile profit before tax to net cash flows		
Finance costs	**700.42**	720.82
Interest Income	**(18.08)**	(96.44)
Liabilities written back	**(10.81)**	(3.47)
Investment income	**(557.52)**	(519.80)
Depreciation and amortisation expense	**441.79**	470.53
Operating Profit before working capital changes	**19,187.74**	16,711.71
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	**(2,772.81)**	451.76
(Increase)/Decrease in inventories	**(2,285.37)**	2,128.52
Decrease in other non-current and current assets	**97.38**	221.35
(Increase)/Decrease in financial assets - security deposits	**(14.25)**	43.93
Increase in trade and other payables	**94.27**	75.51
Increase/(Decrease) in financial liabilities	**769.39**	(1,116.15)
(Decrease)/Increase in other liabilities	**(85.14)**	10.01
Increase in provisions	**284.25**	591.74
Cash generated from operations	**15,275.46**	19,118.38
Income taxes (paid)/refunded, net	**(4,659.61)**	(3,697.54)
Net cash from operating activities	**10,615.85**	15,420.84
Cash flows from investing activities		
Capital expenditure	**(439.81)**	(29.20)
Net movement in mutual funds	**(871.60)**	2,497.01
Interest and investment income received	**6.83**	132.23
Net cash (used in)/from investing activities	**(1,304.58)**	2,600.04
Cash flows from financing activities		
Repayment of long-term borrowings	**(1,091.44)**	(4,072.79)
Net repayment of short-term borrowings	**–**	(50.07)
Dividend paid	**(4,500.00)**	(12,750.00)
Interest paid	**(708.96)**	(1,132.53)
Net cash (used in) financing activities	**(6,300.40)**	(18,005.39)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. in Lakhs

Particulars	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Net increase in cash and cash equivalents	**3,010.87**	15.49
Cash and cash equivalents at the beginning of the year	**154.42**	138.93
Cash and cash equivalents at the end of the year	**3,165.29**	154.42
Components of cash and cash equivalents		
Cash on hand	**1.16**	0.69
With banks	**3,164.13**	153.73
Total cash and cash equivalents (Note 13)	**3,165.29**	154.42

Summary of Material Accounting Policies (Note 2).
The accompanying Notes 1 to 41 are an integral part of these financial statements.

Note:
The above Statement of Cash Flows has been prepared under the “Indirect method” as set in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

In terms of our report of even date
For B.K. Khare & Co.
Chartered Accountants
Firm’s Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 15, 2024

For and on behalf of Board of the Directors

Amit Kumar Sinha
Director
DIN: 09127387

Karkala Rajaram Pai
Director
DIN: 07553119

Anuj Bindal
Chief Executive Officer

Keshav Singhal
Chief Financial Officer

Bijal Parmar
Company Secretary
Membership No. 32339

Place: Jaipur
Date: April 15, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

Rs. in Lakhs

Balance as at - April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at - March 31, 2024
15,000.00	–	–	–	15,000.00

Balance as at - April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at - March 31, 2023
15,000.00	–	–	–	15,000.00

B. Other Equity

Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income	
Particulars	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained Earnings**	**Acturial Gain / Loss**	**Total**
Balance as at - April 1, 2023	1,156.47	5,000.00	21,466.94	25.57	27,648.98
Profit for the year	–	–	14,168.33	–	14,168.33
Other Comprehensive Income net of taxes	–	–	–	(2.35)	(2.35)
Dividend paid on Equity Shares	–	–	(4,500.00)	–	(4,500.00)
Transfer from Debenture Redemption Reserve	(109.14)	–	109.14	–	–
Balance as at - March 31, 2024	1,047.33	5,000.00	31,244.41	23.22	37,314.96

Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income	
Particulars	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained Earnings**	**Acturial Gain / Loss**	**Total**
Balance as at - April 1, 2022	1,563.75	5,000.00	21,305.28	20.80	27,889.83
Profit for the year	–	–	12,504.38	–	12,504.38
Other Comprehensive Loss net of taxes	–	–	–	4.77	4.77
Dividend paid on Equity Shares	–	–	(12,750.00)	–	(12,750.00)
Transfer from Debenture Redemption Reserve	(407.28)	–	407.28	–	–
Balance as at - March 31, 2023	1,156.47	5,000.00	21,466.94	25.57	27,648.98

Summary of Material Accounting Policies (Note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our report of even date
For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 15, 2024

For and on behalf of Board of the Directors

Amit Kumar Sinha
Director
DIN: 09127387

Karkala Rajaram Pai
Director
DIN: 07553119

Anuj Bindal
Chief Executive Officer

Keshav Singhal
Chief Financial Officer

Bijal Parmar
Company Secretary
Membership No. 32339

Place: Jaipur
Date: April 15, 2024

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

1. General Information

Mahindra World City (Jaipur) Limited ("the Company") is engaged in the business of development of an Industrial Park with Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long-term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

The registered office of the Company is located at 4th Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur – 302001, Rajasthan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2021 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Companies Act, 2013 ("the Act"). The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on April 15, 2024.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from properties

Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight-line basis over the non-cancellable lease period.

2.3.3 Income from Operations and Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized over time on an accrual basis as per terms of the agreement with the lessees.

2.3.4 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current – Non-Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

2.5.1 The Company as a Lessee

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.5.2 Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties used in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Certain plant and equipment are depreciated over a period of 12 years based on technical evaluation of useful life by management.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Investment Property:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment properties are measured in accordance with requirement of IND AS 16 for cost model.

Investment property includes leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated at the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.12 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also, allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Provisions, contingent liabilities and contingent assets

2.14.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14.3 Contingent liabilities

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events, when no reliable estimate is possible.

2.14.4 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for Fair Value through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments.
- that the Company manages together and has a recent actual pattern of short term
- profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or
- a financial guarantee.

2.16.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.16.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.16.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16.8 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.9.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.9.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

2.16.9.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the profit and loss account.

2.18 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences etc.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.20 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.22 Use of estimates and judgements

The Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Note No. 3 Property, Plant and Equipment

Carrying Amounts of:	As at 31st March, 2024	As at 31st March, 2023
Leasehold Land	**18.27**	18.50
Buildings	**4,378.74**	4,524.11
Plant and Equipment	**344.67**	453.50
Office Equipment	**376.22**	11.42
Furniture and Fixtures	**–**	–
Vehicles	**42.10**	49.12
Computers	**42.33**	21.85
Total	**5,202.33**	**5,078.50**

Description of Assets	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at April 1, 2023	20.55	5,974.88	2,903.02	66.11	1,490.45	86.01	81.03	**10,622.05**
Additions	–	–	–	369.42	1.36	–	29.63	**400.41**
Disposals	–	–	–	–	–	–	–	**–**
Balance As at March 31, 2024	**20.55**	**5,974.88**	**2,903.02**	**435.53**	**1,491.81**	**86.01**	**110.66**	**11,022.46**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2023	2.05	1,450.77	2,449.52	54.69	1,490.45	36.89	59.18	**5,543.55**
Depreciation expense for the year	0.23	145.37	108.83	4.62	1.36	7.02	9.15	**276.58**
Disposals	–	–	–	–	–	–	–	**–**
Balance As at March 31, 2024	**2.28**	**1,596.14**	**2,558.35**	**59.31**	**1,491.81**	**43.91**	**68.33**	**5,820.13**
III. Net carrying amount as at March 31, 2024 (I-II)	**18.27**	**4,378.74**	**344.67**	**376.22**	**–**	**42.10**	**42.33**	**5,202.33**

Description of Assets	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at April 1, 2022	20.55	5,974.88	2,903.02	60.88	1,490.45	29.87	64.58	10,544.23
Additions	–	–	–	5.23	–	56.14	23.76	85.13
Disposals	–	–	–	–	–	–	7.31	7.31
Balance as at March 31, 2023	20.55	5,974.88	2,903.02	66.11	1,490.45	86.01	81.03	10,622.05
II. Accumulated depreciation and impairment								
Balance as at April 1, 2022	1.82	1,305.40	2,333.30	47.10	1,490.45	29.87	64.25	5,272.19
Depreciation expense for the year	0.23	145.37	116.22	7.59	–	7.02	2.24	278.67
Disposals	–	–	–	–	–	–	7.31	7.31
Balance as at March 31, 2023	2.05	1,450.77	2,449.52	54.69	1,490.45	36.89	59.18	5,543.55
III. Net carrying amount as at March 31, 2023 (I-II)	18.50	4,524.11	453.50	11.42	–	49.12	21.85	5,078.50

Note:

For depreciation method used and useful lives or depreciation rates used, Refer Note 2.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Note No. 4 Capital-Work-in Progress

(a) CWIP aging schedule

Rs. In Lakhs

As at March 31, 2024	**Amount in CWIP for a period of**				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**45.44**	**–**	**127.02**	**–**	**172.46**
Projects temporarily suspended	**–**	–	**–**	**23.92**	**23.92**
Total	**45.44**	**–**	**127.02**	**23.92**	**196.38**

Rs. In Lakhs

As at March 31, 2023	Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.23	–	127.02	–	127.25
Projects temporarily suspended	–	–	–	23.92	23.92
Total	**0.23**	**–**	**127.02**	**23.92**	**151.17**

(b) There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Note No. 5 Investment Property

Carrying Amounts of:	**As at 31st March, 2024**	As at 31st March, 2023
Completed Investment Properties (Net Value)	**7,712.78**	7,877.99

Description of Assets	**Land**	**Buildings**	**Total**
I. Gross Carrying Amount			
Balance as at April 1, 2023	370.04	10,052.34	10,422.38
Addition	–	–	–
Balance As at March 31, 2024	**370.04**	**10,052.34**	**10,422.38**
II. Accumulated depreciation and impairment			
Balance as at April 1, 2023	61.00	2,483.39	2,544.39
Addition	3.68	161.53	165.21
Balance As at March 31, 2024	**64.68**	**2,644.92**	**2,709.60**
III. Net carrying amount as at 31 March 2024 (I-II)	**305.36**	**7,407.42**	**7,712.78**

Description of Assets	**Land**	**Buildings**	**Total**
I. Gross Carrying Amount			
Balance as at April 1, 2022	370.04	10,052.34	10,422.38
Addition	–	–	–
Balance As at March 31, 2023	**370.04**	**10,052.34**	**10,422.38**
II. Accumulated depreciation and impairment			
Balance as at April 1, 2022	57.32	2,295.21	2,352.53
Addition	3.68	188.18	191.86
Balance As at March 31, 2023	**61.00**	**2,483.39**	**2,544.39**
III. Net carrying amount as at March 31, 2023 (I-II)	**309.04**	**7,568.95**	**7,877.99**

Fair value disclosure on Company's investment properties

(i) The Company's investment properties consist of land and buildings with current rentable area of 4.30 Lakhs sq. ft. Management determined that the investment properties consist of two classes of assets − Land and Buildings − based on the nature, characteristics and risks of each property.

(ii) As at March 31, 2024 and March 31, 2023, the fair values of the properties are Rs. 21,340.50 Lakhs and Rs.19,025.24 Lakhs respectively (Level 3). These are based on valuations performed by Purshotam Khandelwal who is registered with an authority which governs the valuers in India and has appropriate qualification and experience in the valuation of properties.

(iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique- Income Approach Method

	Range (weighted average)	
Significant unobservable Inputs	**As at 31st March, 2024**	As at 31st March, 2023
Annual Rental	**1,352.46**	1,479.20
Less: Repairs and Maintenance Expenses, Insurance, etc. 15%	**202.87**	221.88
Net Annual Rental	**1,149.59**	1,257.32
Capitalized Net Yield	**10.00%**	10.00%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Significant unobservable Inputs	Range (weighted average) As at 31st March, 2024	As at 31st March, 2023
Net Annual Income	**11,495.91**	12,573.20
Total Built Up area (Sq Ft area)	**430,672**	430,672
Rented Built Up Area	**285,898**	331,409
Area under Possession MWCJ	**144,773**	99,262
Market Rate /Sq. ft Rs. 6,800 FY 2023-24 Rs. 6,500 FY 2022-23	**9,844.59**	6,452.04
Total Market Value	**21,340.50**	**19,025.24**
Realisable Value	**17,072.40**	15,219.23
Realisable Value (in crores)	**170.72**	152.19
Distress Sale Value	**12,804.30**	11,414.42
Distress Sale Value (in crores)	**128.04**	114.14

Basis of Valuation Method: Valuation is carried out by income approach method (also called Yield Method) adopted in which appropriate rate of return is capitalised to reach the market value of the property of the portion rent out and sales comparable method use for the portion under owner possession.

For depreciation method used and useful lives or depreciation rates used, Refer Note 2.

Note No. 6 Intangible Assets

Carrying Amounts of:	As at 31st March, 2024	As at 31st March, 2023
Other Intangible Assets	**–**	–

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at April 1, 2023	52.03	52.03
Balance As at March 31, 2024	**52.03**	**52.03**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2023	52.03	52.03
Balance As at March 31, 2024	**52.03**	**52.03**
III. Net carrying amount as at 31 March 2024 (I-II)	**–**	**–**

Description of Assets	Computer Software	Total
Intangible Assets		
I. Gross Carrying Amount		
Balance as at April 1, 2022	52.03	52.03
Balance as at 31 March, 2023	52.03	52.03
II. Accumulated depreciation and impairment		
Balance as at April 1, 2022	52.03	52.03
Balance as at March 31, 2023	**52.03**	**52.03**
III. Net carrying amount as at March 31, 2023 (I-II)	**–**	**–**

Note: For depreciation method used and useful lives or depreciation rates used, Refer Note 2.

Note No. 7 Security Deposits

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Security Deposits				
- Unsecured, considered good	**–**	**89.01**	–	74.76
Total	**–**	**89.01**	–	74.76

Note No. 8 Other Financial Assets

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Financial assets at amortised cost				
a) Interest Accrued on deposits	**0.78**	**–**	0.79	–
Total	**0.78**	**–**	0.79	–

Note No. 9 Other Assets

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Other advances				
(i) Balances with government authorities (other than income taxes)	**19.64**	**82.91**	–	82.91
(ii) Income Tax Assets (Net of provision of Rs. 21,480.90 Lakhs - FY 24: Rs. 16,765.34 Lakhs - FY23)	**–**	**71.37**	–	116.06

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
(iii) Taxes paid under Protest (Refer note 32)	**–**	**406.88**	–	406.88
(iv) Prepaid Expenses	**73.50**	**17.76**	67.88	7.23
(v) Advance to vendors	**4.48**	**–**	143.10	–
(vi) Others	**6.34**	**–**	0.89	–
Total	**103.96**	**578.92**	211.87	613.08

Note No. 10 Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
Inventories (Work-in-progress)	**49,779.45**	47,033.75
Total Inventories	**49,779.45**	47,033.75
Included in above:		
Land Cost	**20,597.53**	17,093.10
Development Cost	**29,181.92**	29,940.65
Total	**49,779.45**	47,033.75

(i) The cost of inventories recognised as an expense during the year was Rs. 5,057.38 Lakhs (FY 2022-2023: Rs. 4,293.19 Lakhs).

(ii) The carrying amount of inventories is pledged as security for overdraft facility, which has not been utilised.

(iii) Mode of valuation of inventories is cost or net realisable value whichever is less. Refer Note 2.8.

Note No. 11 Investments

Particulars	Current As at 31st March, 2024	Current As at 31st March, 2023
I. Unquoted Investments		
Investments in Mutual Funds	**9,585.21**	8,139.93
Total Unquoted Investments	**9,585.21**	8,139.93
Investments Carried At FVTPL	**9,585.21**	8,139.93
Other disclosures:		
Aggregate amount of Market value of investments	**9,585.21**	8,139.93

Refer Note 37 for disclosure of Measurement Requirements as per Ind AS 107, 109 and 113.

Note No. 12 Trade Receivables

Rs. in Lakhs

Particulars	Current As at 31st March, 2024	Current As at 31st March, 2023
Trade receivables		
(a) Trade Receivables considered good - Unsecured	**3,344.45**	571.64
(b) Trade Receivables - Credit impaired.	**172.85**	172.85
Less: Allowance for credit losses	**(172.85)**	(172.85)
TOTAL	**3,344.45**	571.64

Outstanding for following periods from due date of payment	As at 31st March, 2024 Undisputed Trade receivables – considered good	As at 31st March, 2024 Undisputed Trade Receivables – credit impaired	As at 31st March, 2023 Undisputed Trade receivables – considered good	As at 31st March, 2023 Undisputed Trade Receivables – credit impaired
Less than 6 months	**3,067.20**	**–**	337.19	–
6 months - 1 year	**110.29**	**–**	132.47	–
1-2 years	**50.47**	**–**	64.35	–
2-3 years	**80.65**	**–**	31.96	17.69
More than 3 years	**35.83**	**172.85**	5.67	155.16
Total	**3,344.45**	**172.85**	571.64	172.85

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Note No. 13 Cash and Bank Balances

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Cash and cash equivalents		
(a) Balances with banks	**164.13**	153.73
(b) Cash on hand	**1.16**	0.69
(c) Fixed Deposits with original maturity less than 3 months	**3,000.00**	–
Total Cash and cash equivalents	**3,165.29**	154.42
Other Bank Balances		
(a) Earmarked balances with banks (Refer note No. 13 a. below)	**–**	16.16
Total Other Bank balances	**–**	16.16
Grand Total	**3,165.29**	170.58

Note 13 (a) In Previous year FY 23, fixed deposit was earmarked for availing overdraft facility of Rs. 9.00 Lakhs with State Bank of India.

Note No. 14 Share Capital

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Authorised Share Capital:		
150,000,000 fully paid equity shares of Rs 10 each	**15,000.00**	15,000.00
50,000,000 Preference shares of Rs 10 each	**5,000.00**	5,000.00
Issued, Subscribed and Fully Paid:		
150,000,000 Equity shares of 10 each	**15,000.00**	15,000.00
Total	**15,000.00**	15,000.00

(a) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry right to dividends.

(ii) The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(iii) Repayment of capital will be in proportion to the number of equity shares held.

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	**Opening Balance**	**Other Changes**	**Closing Balance**
Equity Shares with Voting rights			
Year Ended 31 March 2024			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000
Year Ended 31 March 2023			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000

Note: There were no preference shares issued during the year or outstanding as on March 31, 2024 and March 31, 2023.

(c) Details of shares held by each shareholder holding more than 5% shares:

	As at 31st March, 2024		As at 31st March, 2023	
Class of shares/Name of shareholder	**Number of shares held**	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Mahindra Lifespace Developers Limited	**111,000,000**	**74%**	111,000,000	74%
- Rajasthan State Industrial Development and Investment Corporation Limited	**39,000,000**	**26%**	39,000,000	26%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

(d) Details of shares held by promoters:

Class of shares/ Name of Promoters	Number of shares	% of Total Shares	% Change during the year
As at March 31, 2024			
Equity shares with voting rights			
– Mahindra Lifespace Developers Limited	111,000,000	74%	0%
– Rajasthan State Industrial Development and Investment Corporation Limited	39,000,000	26%	0%
As at March 31, 2023			
Equity shares with voting rights			
– Mahindra Lifespace Developers Limited	111,000,000	74%	0%
– Rajasthan State Industrial Development and Investment Corporation Limited	39,000,000	26%	0%

Note No. 15 (a) Other Equity

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Retained earnings	**31,267.63**	21,492.51
Capital redemption reserve	**5,000.00**	5,000.00
Debenture redemption reserve	**1,047.33**	1,156.47
Total	**37,314.96**	27,648.98

Note No. 15 (b) Other Equity

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2023	5,000.00	1,156.47	21,492.51	27,648.98
Profit for the year	–	–	14,168.33	14,168.33
Other Comprehensive Income (net of taxes)	–	–	(2.35)	(2.35)
Total	5,000.00	1,156.47	35,658.49	41,814.96
Dividend paid on Equity Shares	–	–	(4,500.00)	(4,500.00)
Transfers from Debenture Redemption Reserve	–	(109.14)	109.14	–
As at March 31, 2024	**5,000.00**	**1,047.33**	**31,267.63**	**37,314.96**

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2022	5,000.00	1,563.75	21,326.08	27,889.83
Profit for the year	–	–	12,504.38	12,504.38
Other Comprehensive Loss (net of taxes)	–	–	4.77	4.77
Total	5,000.00	1,563.75	33,835.23	40,398.98
Dividend paid on Equity Shares	–	–	(12,750.00)	(12,750.00)
Transfers from Debenture Redemption Reserve	–	(407.28)	407.28	–
As at March 31, 2023	5,000.00	1,156.47	21,492.51	27,648.98

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Debenture Redemption Reserve: Debenture redemption reserve is a provision created against issue of debentures to protect investors against the possibility of default by the company.

Pursuant to Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 (amended vide Notification dated August 16, 2019), an amount of Rs. 109.14 Lakhs (PY - Rs. 407.28 Lakhs) being the excess Debenture Redemption Reserve in the books of account has been transferred to Retained Earnings.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 16 Borrowings

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Non- Current Borrowings		
Measured at amortised cost		
Unsecured Borrowings:		
- Other Loans - Refer Note 16A	**10,468.51**	11,541.41
Total Unsecured Borrowings	**10,468.51**	11,541.41
Total Non-Current Borrowings	**10,468.51**	11,541.41

Summary of Borrowing Arrangements:

Note - 16A The Company has issued, on July 5, 2018 - unsecured, unlisted, redeemable, non-convertible debentures as below:

Particulars	Series 1A *	Series 1B	Series B	Total
Face Value (Rs.)	100.00	100.00	100.00	
No. of Debentures	6,622,870	12,856,160	1,947,903	**21,426,933**
Total Face Value (Value in Lakhs)	6,622.87	12,856.16	1,947.90	**21,426.93**
Discount on issue	10%	10%	Nil	**Nil**
Total Issue Value (Value in Lakhs)	**5,960.59**	**11,570.54**	**1,947.90**	**19,479.03**

* Series 1A has been completely redeemed in previous year FY 2023.

The key terms series 1A are as below:

Coupon on each Series 1A Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1A Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1A Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series 1B are as below:

Coupon on each Series 1B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series B are as below:

Coupon on each Series B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Non- Current Borrowings Oustanding Summary

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Non-Convertible Debentures - International Finance Corporation	**10,468.51**	11,541.41
Total	**10,468.51**	11,541.41

Note No. 17 Other Financial Liabilities

Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(a) Security Deposits	**1.52**	4.73
Total Non Current Other financial liabilities measured at amortised cost	**1.52**	4.73
Current		
a) Interest Accrued but not due (Note - 16A)	**2,037.72**	1,604.47
b) Other liabilities		
(1) Capital Creditors	**51.85**	46.04
(2) Security Deposits from lessees	**2,281.74**	1,509.39
(3) Others	**22.71**	22.46
Total Current Other financial liabilities measured at amortised cost	**4,394.02**	3,182.36
Total other financial liabilities	**4,395.54**	3,187.09

Note No. 18 Provisions

Particulars	**As at 31st March, 2024**		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
(a) Provision for employee benefits				
- Gratuity	**13.61**	**57.06**	12.33	52.70
- Leave encashment	**11.55**	**33.42**	11.42	37.58
(b) Other Provisions				
(1) Provision for cost of sale	**3,922.30**	**2,784.17**	1,649.03	4,782.47
Total Provisions	**3,947.46**	**2,874.65**	1,672.78	4,872.75

Note - 18a. The Other Provisions are not subject to discounting, considering no fixed timeline to incur cash outflow.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Note No. 19 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities	**1,893.74**	2,150.59
Deferred Tax Assets	**(29.11)**	(33.22)
Total	**1,864.63**	2,117.37

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March, 2024		
	Opening Balance	**For the year**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	**2,150.59**	**(256.85)**	**1,893.74**
(A)	**2,150.59**	**(256.85)**	**1,893.74**
Tax effect of items constituting deferred tax assets			
Provisions for Leave Encashment and Gratuity	**33.22**	**(4.11)**	**29.11**
(B)	**33.22**	**(4.11)**	**29.11**
Net Tax Liabilities.....(A - B)	**2,117.37**	**(252.74)**	**1,864.63**

Particulars	For the year ended March 31, 2023		
	Opening Balance	For the year	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	2,104.33	46.26	2,150.59
(A)	2,104.33	46.26	2,150.59
Tax effect of items constituting deferred tax assets			
Provisions for Leave Encashment and Gratuity	25.93	7.29	33.22
Provision for Doubtful Debts	15.99	(15.99)	–
Other Items	1.21	(1.21)	–
(B)	43.13	(9.91)	33.22
Net Tax Liabilities.......(A - B)	2,061.20	56.17	2,117.37

Note: Deferred tax Credit/(Charge) recognised in other comprehensive income on remeasurements of the defined benefit plans is Rs. 0.79 Lakhs (Previous Year Rs. -1.96 Lakhs).

Note No. 20 Other Liabilities

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
a. Advances received from customers	**1,174.43**	**–**	1,375.33	–
b. Statutory dues				
- taxes payable (other than income taxes)	**29.04**	**–**	48.03	–
c. Others*	**15.51**	**1,231.52**	13.53	1,098.75
TOTAL OTHER LIABILITIES	**1,218.98**	**1,231.52**	1,436.89	1,098.75

* Others represent the rent free deposits received from customers.

Note No. 21 Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payables - Micro and small enterprises - Refer Note 33	**33.81**	35.30
Trade payable - Other than micro and small enterprises	**1,408.50**	1,312.74
Total trade payables	**1,442.31**	1,348.04

As at March 31, 2024

Outstanding for following periods	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	**31.87**	**16.76**	**–**	**–**
1-2 years	**1.94**	**433.35**	**–**	**–**
2-3 years	**–**	**268.28**	**–**	**–**
More than 3 years	**–**	**690.11**	**–**	**–**
Total	**33.81**	**1,408.50**	**–**	**–**

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All amounts are in Lakhs unless otherwise stated

As at March 31, 2023

Outstanding for following periods	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	30.88	289.35	–	–
1-2 years	4.42	268.46	–	–
2-3 years	–	36.55	–	–
More than 3 years	–	718.38	–	–
Total	**35.30**	**1,312.74**	–	–

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- The average credit period in the range of 0-60 days on goods/service received is as per the terms of the agreement with vendors.
- The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No. 22 Revenue from Operations

Particulars	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Revenue from rendering of services:		
(i) Land Lease Premium	**23,151.93**	19,890.78
(ii) Property Rentals- eVolve	**1,363.72**	1,544.91
(iii) Income from Operation and Maintenance	**2,839.78**	2,590.22
(iv) Others	**200.89**	329.04
Total Revenue from Operations	**27,556.32**	24,354.95

22. (a) During the year, the company has leased 76.11 (Previous year - 71.38) acres of land on long term basis. Out of this, 27.38 (Previous year - 20.04) acres in Special Economic Zone (SEZ) and 48.73 (Previous year - 51.34) acres is in the Non Special Economic Zone (Non SEZ).

22. (b) During the year, Others represent transfer fee towards transfer of plot by client (Rs. 200.89 Lakhs). Previous year FY 23 represents transfer of plot by client and income of old dues from State Banks of India of Rs. 226.19 Lakhs and Rs. 102.85 Lakhs respectively.

Note No. 23 Other Income

Particulars	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
(a) Interest Income		
- Interest on Bank Deposits	**6.82**	96.44
- Others	**11.26**	–
(b) Net gain arising on financial assets designated as at FVTPL	**557.52**	519.80
(c) Miscellaneous Income	**14.95**	42.30
Total Other Income	**590.55**	658.54

Note No. 24 Cost of Projects

Particulars	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Cost of Projects:		
Opening Stock:		
Work-in-progress	**47,033.75**	48,393.01
Sub-Total (a)	**47,033.75**	48,393.01
Add: Expenses incurred during the year		
Civil, Electrical, Contracting etc.#	**7,122.09**	1,951.32
Finance Costs	**460.33**	769.26
Overheads allocated *	**220.66**	213.35
Sub-Total (b)	**7,803.08**	2,933.93
Less: Closing Stock:		
Work in progress	**49,779.45**	47,033.75
Sub-Total (c)	**49,779.45**	47,033.75
Total (a+b-c)	**5,057.38**	4,293.19

* Overheads represent manpower and admin expenses inventorised.

During the year, the management has reassessed the provision for cost of development of land. Consequent to this exercise, a reversal of provision for cost of development of Rs. 875 lakhs has been accounted as a reduction from the cost of projects.

Note No. 25 Operation & Maintenance expenses

Particulars	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
(a) Site Electricity and Diesel Expenses	**143.96**	172.14
(b) Repairs and Maintenance Expenses	**358.46**	557.48
(c) Security Charges	**290.07**	268.08
(d) Landscaping/Water Charges	**711.74**	658.51
(e) Cleaning/Housekeeping Charges	**232.57**	231.75
(f) Organization Expenses	**62.22**	53.97
(g) Insurance Expenses	**33.61**	20.05
(h) Legal and Professional Fees	**5.75**	6.05
(i) Rates and Taxes	**7.24**	6.69
(j) Other Miscellaneous Expenses	**31.34**	24.38
Total Operation and Maintenance Expense	**1,876.96**	1,999.10

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Note No. 26 Employee Benefits Expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Salaries and wages, including bonus*	**595.46**	593.16
(b) Contribution to provident and other funds	**41.80**	48.22
(c) Staff welfare expenses	**26.68**	23.89
Total Employee Benefits Expense	**663.94**	665.27
Less : Allocated to projects	**(181.16)**	(185.00)
Total Net Employee Benefits Expense	**482.78**	480.27

* Includes cost for Employee Stock Options of Mahindra Lifespace Developers Limited issued to employees of the Company aggregating to Rs 0.13 Lakhs (Previous year Rs. 7.94 Lakhs).

Note No. 27 Finance Costs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Interest expense	**1,160.35**	1,484.77
(b) Other interest costs	**0.40**	5.31
Total finance costs	**1,160.75**	1,490.08
Less : Allocated to projects	**(460.33)**	(769.26)
Total Net finance costs	**700.42**	720.82

27. (a) The interest is inventorised on borrowings referred to in Note 16A and in the ratio of undeveloped inventory to the total inventory.

27. (b) Borrowing cost allocated to projects refers to interest on borrowings in Note 16A.

Note No. 28 Other Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Rent including Lease Rentals	**9.64**	10.10
(b) Rates and Taxes	**100.85**	104.54
(c) Insurance	**0.23**	14.32
(d) Repairs and Maintenance- Others	**76.48**	56.63
(e) Power and Fuel	**8.69**	7.27
(f) Travelling and Conveyance	**63.31**	38.67
(g) Legal and Professional Fees	**83.09**	66.80
(h) Printing and Stationery	**4.71**	3.75
(i) Communication	**8.02**	6.90
(j) Advertisement, Marketing and Business Development	**285.60**	316.99
(k) Auditors Remuneration (Refer note no. 28 (a))	**20.00**	20.19
(l) Expenditure on Corporate Social Responsibility (Refer note no. 28 (b))	**256.00**	170.40
(m) Development Management Fees	**70.42**	107.50
(n) Miscellaneous Expenses	**8.06**	13.80
Total Gross Other Expenses	**995.10**	937.86
Less : Allocated to projects/Capitalised	**(39.50)**	(28.35)
Total Net Other Expenses	**955.60**	909.51

Note No. 28 (a) Auditors Remuneration

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Payments to the auditors comprises:		
- For audit including limited reviews	**16.60**	16.60
- Certifications	**3.40**	3.40
- Reimbursement of expenses	**–**	0.19
Total	**20.00**	20.19

Note No. 28(b) Corporate Social Responsibility (CSR)

Nature of CSR activities	Education	Health	Environment	Group CSR Activities	Others	Total
Amount required to be spent by the Company during the year	60.00	35.00	97.00	–	64.00	256.00
Amount of expenditure incurred	60.00	35.00	97.00	–	64.00	256.00
Shortfall at the end of the year	–	–	–	–	–	–
Total of previous years shortfall	–	–	–	–	–	–
Reason for shortfall	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Details of related party transactions	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Provision	–	–	–	–	–	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

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Note No. 28(c) Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	31st March 2024	31st March 2023	Variance (%)	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	6.00	7.35	-18%	
Debt Equity Ratio	Debt	Equity	0.20	0.27	-26%	Due to repayment of NCD's by Rs. 1,091 lakhs
Debt Service Coverage Ratio (DSCR)	EBITDA [1]	Debt Service [2]	1.77	1.41	25%	
Return of Equity	Profit after tax	Net worth	27.08%	29.32%	-8%	
Inventory Turnover ratio	Cost of Sales [3]	Average Inventory	0.14	0.13	9%	
Trade Receivables turnover ratio	Turnover	Average Trade Receivables	14.07	30.54	-54%	Due to increase in trade receivables
Trade Payable turnover ratio	Cost of Sales [3]	Average Trade Payable	4.97	4.80	3%	
Net capital turnover ratio	Turnover	Working Capital	0.50	0.50	0%	
Net profit ratio	PAT	Revenue	51.42%	51.34%	0%	
Return on Capital employed	EBIT	Capital employed [4]	21.92%	22.21%	-1%	

Notes:

1. Earnings before interest, tax, depreciation and amortisation
2. Debt service = Current Borrowings + Non-Current borrowings + Interest charged to statement of profit and loss
3. Refer Notes 24 and 25
4. Capital employed = Net Worth + Current Borrowings + Non-Current Borrowings

Note No. 29 Current Tax and Deferred Tax

Income Tax recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax:		
In respect of current year	**4,715.56**	3,581.48
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(251.95)**	54.21
Total income tax expense	**4,463.61**	3,635.69

The total Income tax computation reconciled with book profit

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before Tax	**18,631.94**	16,140.07
Income Tax FY 24 @ 25.17% and for FY 23 @ 29.12%	**4,689.66**	4,699.99
Effect of expenses that is non-deductible in determining taxable profit:		
CSR Expenses (In FY23 - Net of deduction under Section 80G allowed)	**64.44**	36.94
Deduction under Section 80IAB	**–**	(1,091.32)
Interest on Advance Tax	**14.60**	–
Others	**(305.09)**	(9.92)
Total	**4,463.61**	3,635.69
Income tax expense recognised in Statement of Profit and Loss	**4,463.61**	3,635.69

Note No. 30 Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit for the year attributable to owners of the Company	**14,168.33**	12,504.38
Weighted average number of equity shares (Nos.)	**150,000,000**	150,000,000
Basic and diluted earnings per share (in rupees per share) of Face Value- Rs. 10 Per Share	**9.45**	8.34

Note: The Company has not issued any potential equity shares and hence, basic and diluted EPS are the same.

Note No. 31 Segment information

The Company operates in only one business segment, i.e. 'lease of land and properties constructed thereon' based on the nature of the services and products, the risks and returns, etc. This has been determined in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who is regarded as Chief Operating Decision Maker ("CODM"). The Company operates only in India and considering that the conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note No. 32 Contingent liabilities and commitments

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contingent liabilities (to the extent not provided for)		
(a) Other Matters disputed:		
Shahri Jamabandi (Urban Assessment/Ground rent demanded by Jaipur Development Authority, Government of Rajasthan)	**32,179.39**	32,179.39

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Particulars	As at 31st March, 2024	As at 31st March, 2023
Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.		
(b) Other money for which the Company is contingently liable (Income Tax Matter under appeal)	**32.16**	32.16

Note No. 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dues to Micro and Small Enterprises remaining unpaid	**33.81**	35.30
- Principal	**33.81**	35.30
- Interest	**–**	–

(i) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

(ii) There are no overdue amounts at any time during the year and hence, no interest amount is due or paid during the year.

Note No. 34 Leases

The Company has not applied the requirement of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Amount recognised in Statement of Profit and Loss Account is Rs. 9.64 Lakhs (Previous year Rs. 10.10 Lakhs).

Note No. 35 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 29.55 lakhs (31st March, 2023, Rs. 26.87 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31st March, 2024	Valuation as at 31st March, 2023
Discount rate(s)	**7.18%**	7.31%
Expected rate(s) of salary increase	**10.00%**	10.00%
Attrition Rate	**21.21%**	21.21%
Average Longevity	**IALM (2012-14) Urban**	IALM (2012-14) Urban

Retirement age is considered to be 60 years.

Defined benefit plans (unfunded) – As per Actuarial Valuation

Particulars	Defined Benefit Plan (Unfunded) Gratuity 31st March, 2024	Defined Benefit Plan (Unfunded) Gratuity 31st March, 2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**6.56**	9.12
Net interest expense	**4.75**	4.49
Components of defined benefit costs recognised in profit or loss	**11.32**	13.61
Actuarial (Gain)/Loss on obligation	**3.14**	(6.73)
Components of defined benefit costs recognised in other comprehensive income	**3.14**	(6.73)
Total	**14.46**	6.88
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31		
1. Present value of defined benefit obligation as at 31 March	**70.67**	65.03
2. Surplus/(Deficit)	**(70.67)**	(65.03)
3. Current portion of the above	**13.61**	12.33
4. Non current portion of the above	**57.06**	52.70
II. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	**65.03**	61.10

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

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Particulars	Defined Benefit Plan (Unfunded) Gratuity 31st March, 2024	31st March, 2023
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**6.56**	9.12
- Interest Expense (Income)	**4.75**	4.49
3. Liability transferred In/ Acquisitions	**2.71**	7.73
4. Liability Transferred Out/ Divestments	**(0.93)**	–
5. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses):		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	(9.68)
ii. Financial Assumptions	**0.30**	2.15
iii. Experience Adjustments	**2.85**	0.80
6. Benefit payments	**(10.61)**	(10.68)
7. Present value of defined benefit obligation at the end of the year	**70.67**	65.03

The sensitivity of the defined benefit obligation to changes by in the weighted principal assumptions is:

Principal assumptions	Year	Impact on defined benefit obligation: Increase in assumption by 1%	Decrease in assumption by 1%
Discount rate	**2024**	**68.46**	**73.03**
	2023	62.93	67.29
Salary growth rate	**2024**	**72.95**	**68.49**
	2023	67.21	62.96

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Maturity profile of defined benefit obligation:	March 31, 2024	March 31, 2023
Within 1 year	**13.60**	12.33
1 - 2 year	**11.74**	11.08
2 - 3 year	**10.25**	9.57
3 - 4 year	**9.05**	8.35
4 - 5 year	**10.57**	7.37
5 - 10 years	**27.86**	28.26

Note No. 36 Related Party Transactions

Description of relationship	Names of related parties	Description of relationship	Names of related parties
Entities having joint control/ significant influence over Company	Mahindra & Mahindra Limited Mahindra Lifespace Developers Limited Rajasthan State Industrial Development and Investment Corporation Limited	**Fellow Subsidiaries (Note 1)**	Mahindra World City Developers Limited Mahindra Integrated Business Solutions Private Limited Mahindra Solarize Private Limited Mahindra Industrial Park Private Limited Mahindra Logistics Limited MLL Mobility Private Limited Indo French Chamber of Commerce & Industry Mahindra Homes Private Limited Mahindra Bloomdale Developers Limited
Key Management Personnel (KMP)	Mr. Anuj Bindal - Chief Executive Officer w.e.f. 22.07.2022 Mr. Asfar Khan - Chief Financial Officer - from 11.10.2018 to 18.05.2022 Mr. Pankaj Sharma - Chief Financial Officer - from 28.10.2022 to 27.01.2023 Mr. Keshav Singhal -Chief Financial Officer - w.e.f. 25.07.2023 Mr. Ameet Pratapsinh Hariani - Independent Director Mr. Maheswar Sahu - Independent Director Mr. Salil Singhal - Independent Director Ms. Amrita Chowdhury - Independent Director	**Associate of Ultimate Holding Company**	Tech Mahindra Limited

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Rajasthan State Industrial Development and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Solarize Private Limited	Mahindra Logistics Limited	Tech Mahindra Limited	Mahindra World City Developers Limited	Mahindra Industrial Park Private Limited	MLL Mobility Private Limited	Indo French Chamber of Commerce & Industry	Mahindra Homes Private Limited	Mahindra Bloomdale Developers Limited	Mr. Anuj Bindal	Mr. Pankaj Sharma	Mr. Keshav Singhal	Key Management Personnel
Rendering of services	31-Mar-24	44.52	–	–	–	–	–	–	–	–	–	–	–	4.39	–	–	–	–
	31-Mar-23	44.50	–	–	–	–	18.09	–	–	–	–	–	–	–	–	–	–	–
Receiving of services	31-Mar-24	40.58	117.31	–	10.59	–	–	–	–	–	24.98	0.86	2.97	–	–	–	–	–
	31-Mar-23	37.57	158.66	–	1.58	–	–	–	0.07	10.57	14.44	–	–	–	–	–	–	–
Director Sitting Fee	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.90
	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.20
Purchase of PPE	31-Mar-24	–	–	–	–	345.95	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance arrangements:																		
Trade Advance	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	378.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Land Purchase	31-Mar-24	–	–	254.86	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	454.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reimbursement made to parties	31-Mar-24	0.44	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Remuneration	31-Mar-24	–	–	–	–	–	–	–	–	–	–	–	–	–	97.48	–	16.57	–
	31-Mar-23	–	–	–	–	–	–	–	–	–	–	–	–		93.62	6.97	–	–
Equity Shares Dividend Paid	31-Mar-24	–	3,330.00	1,170.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	9,435.00	3,315.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Particulars	Balance as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Rajasthan State Industrial Development and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Solarize Private Limited	Mahindra Logistics Limited	Tech Mahindra Limited	Mahindra World City Developers Limited	Mahindra Industrial Park Private Limited	MLL Mobility Private Limited	Indo French Chamber of Commerce & Industry	Mahindra Homes Private Limited	Mahindra Bloomdale Developers Limited	Mr. Anuj Bindal	Mr. Pankaj Sharma	Mr. Keshav Singhal	Key Management Personnel
Trade Payables	31-Mar-24	11.07	33.09	–	9.38	39.85	–	–	–	–	5.58	–	2.97	–	–	–	–	–
	31-Mar-23	29.45	88.38	–	0.30	–	–	–	–	–	4.98	–	–	–	–	–	–	–
Loans and Advances taken (MOU Advance)	31-Mar-24	–	–	–	–	–	–	570.00	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–	570.00	–	–	–	–	–	–	–	–	–	–
Trade Receivables	31-Mar-24	1.88	–	–	–	–	–	0.41	–	–	–	–	–	4.39	–	–	–	–
	31-Mar-23	1.39	–	–	–	–	0.02	0.41	–	–	–	–	–	–	–	–	–	–
Deposits Payables	31-Mar-24	8.40	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	8.40	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advance / Deposit to Vendor	31-Mar-24	–	–	123.19	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	378.05	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Note:

1. Fellow subsidiaries mentioned with which the Company has transactions during the current year or previous year.
2. As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Note No. 37 Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31st March, 2024		31st March, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost:				
- investments in debt instruments	**9,585.21**	**9,585.21**	8,139.93	8,139.93
- Trade Receivables	**3,344.45**	**3,344.45**	571.64	571.64
- Cash and Cash Equivalents	**3,165.29**	**3,165.29**	154.42	154.42
- Other Bank Balances	**–**	**–**	16.16	16.16
- Security Deposits	**89.01**	**89.01**	74.76	74.76
- Other Financial Assets	**0.78**	**0.78**	0.79	0.79
Total financial assets	**16,184.74**	**16,184.74**	8,957.70	8,957.70
Financial liabilities				
Financial liabilities held at amortised cost:				
- Long term Borrowings-NCDs	**10,468.51**	**10,468.51**	11,541.41	11,541.41
- Trade Payables	**1,442.31**	**1,442.31**	1,348.04	1,348.04
- Other Financial Liabilities	**4,395.54**	**4,395.54**	3,187.09	3,187.09
Total	**16,306.36**	**16,306.36**	16,076.54	16,076.54

Rs. in Lakhs

Fair value hierarchy as at 31st March, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	**–**	**3,344.45**	**–**	**3,344.45**
- Cash and Cash Equivalents	**–**	**3,165.29**	**–**	**3,165.29**
- Other Bank Balances	**–**	**–**	**–**	**–**
- Loans	**–**	**89.01**	**–**	**89.01**
- Other Financial Assets	**–**	**0.78**	**–**	**0.78**
Total	**–**	**6,599.53**	**–**	**6,599.53**
Financial liabilities				
Financial Liabilities carried at amortised cost:				
- Long term Borrowings-NCDs	**–**	**10,468.51**	**–**	**10,468.51**
- Security Deposits		**1.52**	**–**	**1.52**
- Trade Payables	**–**	**1,442.31**	**–**	**1,442.31**
- Other Financial Liabilities	**–**	**4,395.54**	**–**	**4,395.54**
Total	**–**	**16,307.88**	**–**	**16,307.88**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Rs. in Lakhs

Fair value hierarchy as at 31st March, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	–	571.64	–	571.64
- Cash and Cash Equivalents	–	154.42	–	154.42
- Other Bank Balances	–	16.16	–	16.16
- Loans	–	74.76	–	74.76
- Other Financial Assets	–	0.79	–	0.79
Total	–	817.77	–	817.77
Financial liabilities				
Financial Liabilities carried at amortised cost:				
- Long term Borrowings-NCDs	–	11,541.41	–	11,541.41
- Security Deposits		4.73	–	4.73
- Trade Payables	–	1,348.04	–	1,348.04
- Other Financial Liabilities	–	3,187.09	–	3,187.09
Total	–	16,081.27	–	16,081.27

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 38 Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2024 and 31 March 2023 is as follows:

	31st March, 2024	31st March, 2023
Debt (A)*	**10,468.51**	11,541.41
Equity (B)	**52,314.96**	42,648.98
Debt Equity Ratio (A/B)	**0.20**	0.27

* Debt includes Borrowings (Note No. 16 Borrowings).

Categories of financial assets and financial liabilities

As at 31st March, 2024

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	89.01	–	–	89.01
Investments	–	9,585.21	–	9,585.21
Current Assets				
Trade Receivables	3,344.45	–	–	3,344.45
Cash and Cash Equivalents	3,165.29	–	–	3,165.29
Other Financial Assets				
- Non Derivative Financial Assets	0.78	–	–	0.78
Non-current Liabilities				
Borrowings	10,468.51	–	–	10,468.51
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1.52	–	–	1.52
Current Liabilities				
Trade Payables	1,442.31	–	–	1,442.31
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4,394.02	–	–	4,394.02

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

As at 31st March, 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	74.76	–	–	74.76
Investments	–	8,139.93	–	8,139.93
Current Assets				
Trade Receivables	571.64	–	–	571.64
Cash and Cash Equivalents	154.42	–	–	154.42
Other Bank Balances	16.16	–	–	16.16
Loans				
- Non Derivative Financial Assets	0.79	–	–	0.79
Non-current Liabilities				
Borrowings	11,541.41	–	–	11,541.41
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4.73	–	–	4.73
Current Liabilities				
Trade Payables	1,348.04	–	–	1,348.04
Other Financial Liabilities				
– Non Derivative Financial Liabilities	3,182.36	–	–	3,182.36

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counter party defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company enters into an agreement with each customer. The agreement has a termination clause by which the Company can terminate the agreement and secure the receivable. The trade receivables are also reviewed by the management regularly and necessary actions are taken in order to collect any amount outstanding from customers. Being a Developer, a unit needs certain NOC and permission in respect of commencement and operation of the business and as per the agreement signed with customer, the developer gives the required NOC and permission after clearing the outstanding dues along with interest.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Customer credibility is researched before leasing the land to ensure only credit worthiness of the clients.

The credit risk on liquid funds is limited because the counterparties are banks and debt mutual funds with high credit-ratings assigned.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1 Year to 3 Years**	**3 Years to 5 Years**	**More than 5 years**
Non-derivative financial liabilities				
31-Mar-24				
Non-interest bearing	2,356.30	–	–	*1,231.52
Trade payable	1,442.31	–	–	–
Redeemable Non Convertible Debentures (Including interest accrued)	2,037.72	10,468.51	–	–
Total	**5,836.33**	**10,468.51**	**–**	**1,231.52**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2024

All amounts are in Lakhs unless otherwise stated

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 years
31-Mar-23				
Non-interest bearing	1,577.89	–	–	*1,098.75
Trade payable	1,348.04	–	–	–
Redeemable Non Convertible Debentures (Including interest accrued)	1,604.47	11,541.41	–	–
Total	**4,530.40**	**11,541.41**	**–**	**1,098.75**

* Security deposit payable on August 17, 2105

Note No. 39 Expenditure on Corporate Social Responsibility (CSR)

Gross Amount required to be spent by the company for the year ended 31st March, 2024 (as certified by the Company) : Rs. 256.00 Lakhs (Previous year Rs. 170.40 lakhs).

Note No. 40 Proposed Dividend

In respect of the current year, the Board at its meeting held on April 15, 2024 has recommended a dividend of Rs. 4.70 per share on equity shares of Rs. 10 each subject to approval by shareholders at the ensuing Annual General Meeting.

Note No. 41 Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to conform to current year's grouping / classification..

In terms of our report of even date

For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 15, 2024

For and on behalf of Board of the Directors

Amit Kumar Sinha
Director
DIN: 09127387

Karkala Rajaram Pai
Director
DIN: 07553119

Anuj Bindal
Chief Executive Officer

Keshav Singhal
Chief Financial Officer

Bijal Parmar
Company Secretary
Membership No. 32339

Place: Jaipur
Date: April 15, 2024

INDEPENDENT AUDITORS' REPORT

To the members of Mahindra Bloomdale Developers Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Bloomdale Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of Material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 30 to the Financial Statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

(vi) As proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 relating to Audit trail feature of company accounting software is applicable to the company with effect from financial year beginning April 1, 2023.

(vii) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782

UDIN: 24215782BKFGCR4520

Place: Chennai
Date: April 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Mahindra Bloomdale Developers Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCR4520

Place: Chennai
Date: April 15, 2024

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(a) (B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Five crore rupees, in aggregate, from HDFC bank on the basis of security of stocks and book debts – pari pasu charge on current assets during the year. The stock and book debts statements filed by the Company with HDFC Bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms or any other parties.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, dues in respect of service tax as at 31 March 2024, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
GST	ITC Credit Claimed	42,00,648	FY 2010-11	Joint Commissioner (Appeals)
GST	GST is demanded on retention of contractors	17,08,633	2017-2020	Principal Commissioner
GST	Excess transitional ITC	46,92,295	Transitional Credit	First Appellate authority

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us and based on our examination, the company is not required to have an internal Audit system as per the provisions of the act.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 160.70 lakhs during the current financial year and Rs. 1265.94 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No. 215782
UDIN: 24215782BKFGCR4520

Place: Chennai
Date: April 15, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
			Rs. In Lakhs
I ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	**21.93**	117.73
(b) Financial Assets	5	**251.83**	246.98
(c) Deferred Tax Assets (Net)	6	**1,243.83**	–
(d) Other Non-Current Asset		**232.24**	168.09
Total Non-Current Assets (A)		**1,749.83**	532.80
Current Assets			
(a) Inventories	7	**14,978.87**	25,014.51
(b) Financial Assets			
(i) Trade Receivables	8	**1,987.90**	1,817.06
(ii) Cash and Cash Equivalents	9	**155.24**	105.74
(iii) Bank Balances other than (ii) above	9	**165.55**	285.60
(iv) Other Financial Assets	10	**5.61**	3.35
(c) Other Current Assets	11	**1,035.28**	766.34
Total Current Assets (B)		**18,328.45**	27,992.60
TOTAL ASSETS (A+B)		**20,078.28**	28,525.40
II EQUITY AND LIABILITIES			
Equity	12		
(a) Equity Share Capital		**5.00**	5.00
(b) Other Equity		**(2,346.62)**	(3,326.39)
Total Equity (A)		**(2,341.62)**	(3,321.39)
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	13	**5,817.00**	7,111.53
(b) Provisions	14	**4.90**	20.25
Total Non-Current Liabilities (B)		**5,821.90**	7,131.78
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	**479.27**	1,948.62
(ii) Trade Payables	16		
– Total outstanding dues of Micro Enterprises and Small Enterprises		**45.32**	–
– Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		**1,908.62**	1,754.25
(iii) Other Financial Liabilities	17	**1,344.63**	1,074.61
(b) Other Current Liabilities	18	**12,722.61**	19,839.03
(c) Provisions	14	**97.54**	98.50
Total Current Liabilities (C)		**16,598.00**	24,715.01
TOTAL EQUITY & LIABILITIES (A+B+C)		**20,078.28**	28,525.40
Summary of material accounting policies	2		

The accompanying notes 1 to 39 are an integral part of these financial statements

As per our report of even date
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited

Karthik Srinivasan
Partner
Membership No.: 215782
Place : Chennai
Date : 15th April 2024

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 15th April 2024

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 15th April 2024

CIN: U45203MH2008PLC183107

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In Lakhs

Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I INCOME			
(a) Revenue from operations	19	**17,089.27**	5,250.48
(b) Other Income	20	**168.71**	138.93
Total Income (a + b)		**17,257.98**	5,389.41
II EXPENSES			
(a) Cost of Sales			
– Cost of Projects	21	**16,509.30**	5,287.17
– Operating Expenses	21	**125.69**	34.78
(b) Employee benefit expense	22	**13.44**	49.60
(c) Finance Cost	23	**213.32**	231.12
(d) Depreciation expense	4	**103.27**	220.92
(e) Other expenses	24	**556.93**	1,053.64
Total Expenses (a+b+c+d+e)		**17,521.95**	6,877.23
III Loss before tax (I-II)		**(263.97)**	(1,487.82)
IV Tax Expense			
(a) Current tax		**–**	–
(b) Deferred tax	6	**(1,243.83)**	–
Total tax expense (a+b)		**(1,243.83)**	–
V Profit/(loss) after tax (III-IV)		**979.86**	(1,487.82)
VI Other Comprehensive Income			
(i) Items that will not be recycled to profit or loss			
(a) Changes in revaluation surplus		**–**	–
(b) Remeasurements of the defined benefit liabilities / (asset) (Net of taxes)		**0.09**	0.95
(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
Total Comprehensive Loss for the period (V+VI)		**979.77**	(1,488.77)
VIII Earnings per equity share			
Basic and diluted	25	**1,959.72**	(2,975.64)
Summary of material accounting policies	2		

The accompanying notes 1 to 39 are an integral part of these financial statements

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For B.K.Khare & Co
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Karthik Srinivasan
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Place : Mumbai
Date : 15th April 2024

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 15th April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. In Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash flows from operating activities		
Loss before tax for the year	**(263.97)**	(1,487.82)
Adjustments for:		
Finance costs recognised in profit or loss	**213.32**	231.12
Loss on disposal of property, plant and equipment	**2.01**	–
Bad debt write off	**95.76**	–
Liability written back	**(96.64)**	–
Depreciation and amortisation of non-current assets	**103.27**	220.92
Interest Income	**(5.03)**	(69.55)
Gain on redemption of mutual fund	**(9.82)**	(13.20)
Operating Profit/(Loss) before working capital changes	**38.90**	**(1,118.53)**
Movements in working capital:		
Increase in trade and other receivables	**(444.03)**	(1,639.82)
(Increase)/decrease in inventories	**10,446.18**	(2,204.69)
Increase/(decrease) in trade and other payables	**(6,932.84)**	6,949.76
Cash generated from operations	**3,108.21**	**1,986.72**
Income taxes paid	**(64.15)**	(67.18)
Net cash generated by operating activities (A)	**3,044.06**	**1,919.54**
Cash flows from investing activities		
Payment on purchase of current investments	**(1,399.94)**	(2,999.91)
Proceeds on sale of current investments	**1,409.76**	3,013.11
Interest received	**2.77**	67.24
Amounts advanced to related parties	**–**	(2,300.00)
Repayments by related parties	**–**	2,300.00
Payments for property, plant and equipment	**(14.45)**	(273.56)
Proceeds from disposal of property, plant and equipment	**4.97**	–
Changes in earmarked balances and margin accounts with banks	**11.49**	(69.00)
Bank deposits (net)	**108.56**	(121.64)
Net cash generated by/(used in) investing activities (B)	**123.16**	**(383.76)**
Cash flows from financing activities		
Proceeds from borrowings	**–**	800.00
Repayment of borrowings	**(2,763.88)**	(2,247.79)
Interest paid	**(353.84)**	(436.55)
Net cash used in financing activities (C)	**(3,117.72)**	**(1,884.34)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**49.50**	(348.56)
Cash and cash equivalents at the beginning of the year	**105.74**	454.30
Cash and cash equivalents at the end of the year	**155.24**	**105.74**

Summary of material accounting policies (refer note 2)

Notes:

(a) The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

(b) Also refer note 9- Cash and cash equivalents

The accompanying notes 1 to 39 are an integral part of these financial statements

As per our report of even date
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
Place : Chennai
Date : 15th April 2024

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 15th April 2024

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 15th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

Rs. In Lakhs

Particulars	Total
As at 1st April 2022	5.00
Changes in equity share capital during the year	–
As at 31st March 2023	**5.00**
Changes in equity share capital during the year	–
As at 31st March 2024	**5.00**

B. Other Equity

Rs. In Lakhs

Particulars	Retained Earnings	Other Comprehensive Income- Actuarial Gain / (Loss)	Total
As at 31st March 2022	**(1,842.24)**	4.62	(1,837.62)
Profit / (Loss) for the period	(1,487.82)	–	(1,487.82)
Other Comprehensive Income / (Loss)*	–	(0.95)	(0.95)
As at 31st March 2023	**(3,330.06)**	**3.67**	**(3,326.39)**
Profit / (Loss) for the period	979.86	–	979.86
Other Comprehensive Income / (Loss)*	–	(0.09)	(0.09)
As at 31st March 2024	**(2,350.20)**	**3.58**	**(2,346.62)**

* Remeasurement gains/ (losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

Summary of material accounting policies (refer note 2)

The accompanying notes 1 to 39 are an integral part of these financial statements

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For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
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Place : Chennai
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For and on behalf of the Board of Directors of
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Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 15th April 2024

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 15th April 2024

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

1. General Information

Mahindra Bloomdale Developers Limited, a wholly own subsidiary of Mahindra Lifespace Developers Limited.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activity of the Company is development of residential complexes in MIHAN Nagpur.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts (“Contract costs”) relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Earning per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the Company for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the Company for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

3. Significant accounting judgements, estimates and assumptions

3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

4 - PROPERTY, PLANT AND EQUIPMENT

Rs. In Lakhs

Description of Assets	**Buildings**	**Office Equipment**	**Furniture and Fixtures**	**Computers**	**Total**
I. Gross Carrying Amount					
Balance as at 1st April, 2023	380.91	59.00	194.97	38.51	673.39
Additions	–	0.48	6.57	7.40	14.45
Deletions	(89.33)	(19.65)	(53.02)	–	(162.00)
Balance as at 31st March, 2024	**291.58**	**39.83**	**148.52**	**45.91**	**525.84**
II. Accumulated depreciation and impairment					
Balance as at 1st April, 2023	356.15	41.71	130.67	27.13	555.66
Depreciation expense for the year	24.76	13.52	59.87	5.12	103.27
Accumulated depreciation on deletion of assets	(89.33)	(17.08)	(48.61)	–	(155.02)
Balance as at 31st March, 2024	**291.58**	**38.15**	**141.93**	**32.25**	**503.91**
III. Net carrying amount (I-II)	**–**	**1.68**	**6.59**	**13.66**	**21.93**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Rs. In Lakhs

Description of Assets	Buildings	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2022	255.23	19.00	41.13	43.32	358.68
Additions	125.68	40.00	153.84	9.60	329.12
Deletion	–	–	–	(14.41)	(14.41)
Balance as at 31st March, 2023	**380.91**	**59.00**	**194.97**	**38.51**	**673.39**
II. Accumulated depreciation and impairment					
Balance as at 1st April, 2022	255.23	18.83	36.34	38.74	349.14
Depreciation expense for the year	100.92	22.88	94.33	2.80	220.93
Accumulated depreciation on deletion of assets	–	–	–	(14.41)	(14.41)
Balance as at 31st March, 2023	**356.15**	**41.71**	**130.67**	**27.13**	**555.66**
III. Net carrying amount (I-II)	**24.76**	**17.29**	**64.30**	**11.38**	**117.73**

Impairment losses recognised in the year:

During the reporting period Company has not recognised any impairment loss on PPE.

Method of Depreciation:

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower. Sales office & the sample flat/show unit (Leasehold Building) cost, its furniture and office equipments are amortised upto a period of 5 years.

5 - Non-Current Financial Assets

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Loans & Advances		
Unsecured, considered good		
Security Deposits	**251.83**	246.98
Total	**251.83**	246.98

6 - Income Taxes

(a) Income Tax recognised in profit or loss

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(1,243.83)**	–
Total income tax expense on continuing operations	**(1,243.83)**	–

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. In Lakhs

Particulars	As at 31st March 2024	Year ended 31st March 2023
Loss before tax from continuing operations	**(263.97)**	(1,487.82)
Income tax expense calculated at 25.17% (Previous Year @25.17%)	**(66.44)**	–
	(66.44)	–
DTA created on previously unrecognised tax losses	**(1,177.39)**	–
Income tax expense recognised in profit or loss from continuing operations	**(1,243.83)**	–

The tax rate used for the 31st March 2024 reconciliations above is the corporate tax rate of 22% (Addition Surcharge 10% and addition Health & Education Cess 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Deferred Tax (Net)

Movement in deferred tax balances

Rs. In Lakhs

Particulars	As at 31st March, 2024 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax assets	**–**	**1,243.83**	1,243.83
Net Tax Asset /(Liabilities)	**–**	**1,243.83**	1,243.83

Rs. In Lakhs

Particulars	As at 31st March, 2023 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax assets	–	–	–
Net Tax Asset /(Liabilities)	–	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

7 - Inventories

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Raw Material	909.96	418.68
Construction Work in progress*	14,010.35	24,537.27
Finished Goods	58.56	58.56
Total Inventories (at lower of cost and net realisable value)	**14,978.87**	25,014.51

* Construction Work in Progress represents materials at site and unbilled costs on the projects.

Notes:

1. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.
2. The Company has availed cash credit facilities and short term loans, which are secured by hypothecation of inventories.

8 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Trade receivables		
(a) Unsecured-Undisputed considered good	1,969.91	1,799.07
(b) Unsecured-Disputed considered good	17.99	17.99
Total	**1,987.90**	1,817.06
Of the above, trade receivables from:		
- Related Parties*	–	–
- Others	1,987.90	1,817.06
Total	**1,987.90**	1,817.06

* No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8a - Ageing for trade receivables from the due date of payment for each of the category is as follows:

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**0.37**	1,513.98
0 moths - 6 months	**1,826.88**	237.63
6 months -1 year	**134.55**	47.46
More than 1 years	**8.11**	–
Disputed Trade Receivables-		
6 months -1 year	**–**	3.24
More than 3 years	**17.99**	14.75
Total	**1,987.90**	1,817.06

9 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents		
Balances with banks	**155.24**	105.74
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**155.24**	105.74
Other Bank Balances		
Balances with Banks:		
(i) On Margin Accounts	**155.55**	108.56
(ii) Fixed Deposits with maturity greater than 3 months	**10.00**	177.04
Total Other Bank Balances	**165.55**	285.60

10 - Other Current Financial Assets

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Financial assets at amortised cost		
Interest Accrued on Fixed Deposits	**5.61**	3.35
Total	**5.61**	3.35

11 - Other Current Assets

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Advance to vendors	**513.32**	295.61
(ii) Balances with government authorities (other than income taxes)	**20.08**	–
(iii) Prepaid Expenses	**501.88**	470.73
Total	**1,035.28**	766.34

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

12 Equity

(a) Equity Share Capital

Rs. In Lakhs

Particulars	As at 31st March 2024 No. of shares	As at 31st March 2024 Amount	As at 31st March 2023 No. of shares	As at 31st March 2023 Amount
Authorised:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Rs. In Lakhs

Particulars	Opening Balance	Fresh Issue	Bonus	Closing Balance
Equity Shares with Voting rights				
Year Ended 31st March 2024				
No. of Shares	50,000	–	–	50,000
Amount	5.00	–	–	5.00
Year Ended 31st March 2023				
No. of Shares	50,000	–	–	50,000
Amount	5.00	–	–	5.00

(ii) Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2024	
Mahindra Lifespace Developers Limited, the Holding Company	50,000
As at 31st March 2023	
Mahindra Lifespace Developers Limited, the Holding Company	50,000

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March 2024 Number of shares held	As at 31st March 2024 % holding	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding	% change during the period
Equity shares with voting rights					
Mahindra Lifespace Developers Limited	**50,000**	**100.00%**	50,000	100.00%	0.00%

(b) Other Equity

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Retained earnings	**(2,346.62)**	(3,326.39)
Total	**(2,346.62)**	(3,326.39)

Description of the nature and purpose of other equity

Retained Earnings: This reserve represents cumulative losses of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

13 - Non-Current Borrowings

Rs. In Lakhs

Particulars	Rate of Interest	As at 31st March 2024	As at 31st March 2023
Unsecured Borrowings - at amortised Cost			
Loans from related parties			
- Mahindra Lifespaces Developers Limited	8.50%	4,200.00	5,494.53
- Mahindra Infrastructure Developers Limited	9.50%	1,617.00	1,617.00
Total		5,817.00	7,111.53

14 - Provisions

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
(a) Provision for employee benefits	**4.54**	**4.90**	5.50	20.25
(b) Other Provisions				
-Defect Liability provision	**93.00**	**–**	93.00	–
	97.54	**4.90**	98.50	20.25

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date when control over the property has been transferred to the customer.

15 - Current Borrowings

Rs. In Lakhs

Particulars	Rate of Interest	As at 31st March 2024	As at 31st March 2023
A. Secured Borrowings			
– From Banks- Overdraft*	**9.80%**	**479.27**	193.62
Total Secured Borrowings		**479.27**	193.62
B. Unsecured Borrowings			
From Related Parties			
– Mahindra Industrial Park Private Limited	8.30%	–	1,755.00
Total Unsecured Borrowings		**–**	1,755.00
Total		**479.27**	1,948.62

*The overdraft facility from bank Rs. 479.27 Lakhs (Previous Year Rs. 193.62 Lakhs) is secured by First pari passu charge on current asset (Stocks and book debts)

16 - Trade Payables

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Trade payable - Micro and small enterprises*	**45.32**	–
Trade payable - Other than micro and small enterprises	**1,908.63**	1,754.25
Total	**1,953.95**	1,754.25

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
*This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company dues outstanding in respect to Micro, Small and Medium Enterprises as of Balance Sheet Date are shown as above.

Micro Small and Medium Enterprises Development Act, 2006
The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31st March 2024 are as under:

Disclosures required under Section-22 of the Micro Small and Medium Enterprises Development Act, 2006

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	**45.32**	–
- Principal amount due to micro and small enterprises	**–**	–
- Interest due on above	**–**	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**–**	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

16 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**20.64**	
Not Due	**12.22**	–
0 months - 1 year	**12.46**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed dues of creditors other than micro enterprises and small enterprises	**–**	–
Unbilled	**384.00**	-
Not Due	**1,470.18**	721.40
0 months - 1 year	**38.13**	583.38
1-2 Years	**9.72**	92.53
2-3 years	**0.77**	25.00
More than 3 years	**5.83**	331.94
Total	**1,953.95**	1,754.25

17 - Other Financial Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Current	**Current**	Current
Interest accrued on borrowings	**1,344.63**	1,074.61
Total	**1,344.63**	1,074.61

18 - Other Current Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Advances received from customers	**12,679.91**	19,789.15
(b) Statutory dues		
- Tax Deducted at sources	**42.69**	40.44
- Family Pension & Provident Fund Payable	**–**	0.75
- Professional Tax Payable	**0.01**	0.03
- GST Payable	**–**	8.66
Total	**12,722.61**	19,839.03

19 - Revenue from Operations

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from Projects	**17,089.27**	5,250.48
Total	**17,089.27**	5,250.48

(1) Contract Balances

a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as “Advances received from Customers” in Note-18. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in Note No.8.

b) During the year, the Company recognised Revenue of Rs. 14,975.65 lakhs from opening contract liability of Rs 19,789.15 lakhs and during previous year company recognised revenue of Rs. 1,346.10 Lakhs from opening contract liability of Rs. 12,193.41 Lakhs.

c) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

d) Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

e) Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

f) The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024 is Rs. 23,567.58 lakhs (Previous Year Rs. 17,109.96 lakhs). Out of this, the Company expects to recognize revenue of around 1% within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

(2) Reconciliation of revenue recognized with the contracted price is as follows:

Rs. Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Contracted price	**17,089.27**	5,473.21
Input Tax Credit	**–**	222.73
Revenue recognised as per Statement of Profit & Loss	**17,089.27**	5,250.48

(3) Contract Costs

Rs. Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Costs to obtain contracts	**501.88**	**470.73**

a) The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 11 - Other Current Assets and amortises it upon completion of the related property sale contract.

b) For the year ended 31st March 2024, amortisation amounting to Rs 230.60 lakhs (Previous Year Rs. 393.46 Lakhs) was recognised as Subvention Interest, Compensation to Customers and Brokerage cost in note no. 21 - Operating Expneses and note no. 24 - Other Expenses. There were no impairment loss in relation to the costs capitalised.

20 - Other Income

Rs. In Lakhs

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
(a) Interest Income		
- On Bank Deposits	**5.03**	9.46
- On Inter Corporate Deposits	**–**	60.09
- On Customer delay payment	**36.29**	29.74
(b) Miscellaneous Income	**127.39**	39.64
Total	**168.71**	138.93

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

21 - Cost of Sales

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Cost of materials consumed	**16,509.30**	5,287.17
Operating Expenses	**125.69**	34.78
Total	**16,634.99**	**5,321.95**

22 - Employee Benefits Expense

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries and wages, including bonus	**42.67**	149.02
Contribution to provident and other funds	**4.78**	6.06
Staff welfare expenses	**2.59**	7.11
Less : Allocated to projects	**(36.60)**	(112.59)
Total	**13.44**	**49.60**

23 - Finance Cost

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest on Loan from related parties	**596.91**	808.22
Interest on Overdraft	**26.95**	15.77
Less: Allocated to Projects	**(410.54)**	(592.87)
Total	**213.32**	231.12

24 - Other Expenses

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Advertisement and Marketing Expenses	**176.72**	585.90
Legal and Professional Fee	**47.96**	47.14
Repairs and Maintenance	**31.28**	32.65
Rates and taxes	**31.95**	0.74
Compensation to customers	**104.91**	287.83
Bad Debts written off	**95.76**	–
Remuneration to auditors:		
For Statutory Audit Fees	**6.49**	6.49
For Tax Audit Fees	**0.97**	0.97
For Other Services	**3.29**	6.08
Miscellaneous Expenses	**57.60**	85.84
Total	**556.93**	1,053.64

25 - Earnings Per Share

Basic and Diluted Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Rs. In Lakhs

	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit/(loss) for the year attributable to owners of the Company	**979.86**	(1,487.82)
Weighted average number of equity shares (nos.)	**50,000**	50,000
Earnings per share - Basic and Diluted	**1,959.72**	(2,975.64)

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening No. of Equity Shares	**50,000**	50,000
Additions	**–**	–
Closing No. of Equity Shares	**50,000**	50,000
Weighted average number of equity shares used in the calculation of Basic and diluted EPS	**50,000**	**50,000**

26 - Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital.

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Debt (A)	**6,296.27**	9,060.15
Equity (B)	**(2,341.62)**	(3,321.39)
Debt Ratio (A / B)	**(2.69)**	(2.73)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

Rs. In Lakhs

As at 31st March, 2024

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans & Advances	**251.83**	**–**	**–**	**251.83**
Current Assets				
Trade Receivables	**1,987.90**	**–**	**–**	**1,987.90**
Other Bank Balances	**165.55**	**–**	**–**	**165.55**
Other Financial Assets				
- Non Derivative Financial Assets	**5.61**	**–**	**–**	**5.61**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Rs. In Lakhs

As at 31st March, 2024

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings	**5,817.00**	**–**	**–**	**5,817.00**
Current Liabilities				
Borrowings	**479.27**	**–**	**–**	**479.27**
Trade Payables	**1,953.95**	**–**	**–**	**1,953.95**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**1,344.63**	**–**	**–**	**1,344.63**

Rs. In Lakhs

As at 31st March, 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans & Advances	246.98	–	–	246.98
Current Assets				
Trade Receivables	1,817.06	–	–	1,817.06
Other Bank Balances	285.60	–	–	285.60
Other Financial Assets				–
- Non Derivative Financial Assets	3.35	–	–	3.35
Non-current Liabilities				
Borrowings	7,111.53	–	–	7,111.53
Current Liabilities				
Borrowings	1,948.62	–	–	1,948.62
Trade Payables	1,754.25	–	–	1,754.25
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,074.61	–	–	1,074.61

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

Credit Risk

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Trade Receivables:

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

Liquidity Risk

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. In Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years
31st March, 2024			
Non-current Liabilities			
Borrowings	–	5,817.00	–
Current Liabilities			
Borrowings	479.27	–	–
Trade Payables	1,953.95	–	–
Other Financial Liabilities			
- Non Derivative Financial Liabilities	1,344.63	–	–
Total	**3,777.85**	**5,817.00**	**–**
31st March, 2023			
Non-current Liabilities			
Non-current Liabilities			
Borrowings	–	7,111.53	–
Current Liabilities			
Borrowings	1,948.62	–	–
Trade Payables	1,754.25	–	–
Other Financial Liabilities			
- Non Derivative Financial Liabilities	1,074.61	–	–
Total	**4,777.48**	**7,111.53**	**–**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured Cash Credit facility		
- Expiring within one year	**520.73**	806.38
Total	**520.73**	806.38

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Rs. In Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years
31st March 2024			
Non-current Assets			
Loans & Advances	–	251.83	–
Current Assets			
Trade Receivables	1,987.90	–	–
Other Bank Balances	165.55	–	–
Other Financial Assets			
- Non Derivative Financial Assets	5.61	–	–
Total	**2,159.06**	**251.83**	**–**
31st March 2023			
Non-current Assets			
Loans & Advances	–	246.98	–
Current Assets			
Trade Receivables	1,817.06	–	–
Other Bank Balances	285.60	–	–
Other Financial Assets			
- Non Derivative Financial Assets	3.35	–	–
Total	**2,106.01**	**246.98**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

27 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Rs. In Lakhs

Particulars	As at 31st March, 2024 Carrying amount	Fair value	As at 31st March, 2023 Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- Loans & Advances (Non-Current)	**251.83**	**251.83**	246.98	246.98
- Trade Receivables	**1,987.90**	**1,987.90**	1,817.06	1,817.06
- Cash and Cash Equivalents	**155.24**	**155.24**	105.74	105.74
- Other Bank Balances	**165.55**	**165.55**	285.60	285.60
- Other Financial Assets	**5.61**	**5.61**	3.35	3.35
Total	**2,566.13**	**2,566.13**	2,458.73	2,458.73

Rs. In Lakhs

Particulars	As at 31st March, 2024 Carrying amount	Fair value	As at 31st March, 2023 Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
- Non-Current Borrowings	**5,817.00**	**5,817.00**	7,111.53	7,111.53
- Borrowings	**479.27**	**479.27**	1,948.62	1,948.62
- Trade Payables	**1,953.95**	**1,953.95**	1,754.25	1,754.25
- Other Financial Liabilities	**1,344.63**	**1,344.63**	1,074.61	1,074.61
Total	**9,594.85**	**9,594.85**	11,889.01	11,889.01

Fair value hierarchy as at 31st March 2024

Rs. In Lakhs

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets carried at Amortised Cost			
- Loans & Advances (Non-Current)	–	251.83	–
- Trade Receivables	–	1,987.90	–
- Cash and Cash Equivalents	–	155.24	–
- Other Bank Balances	–	165.55	–
- Other Financial Assets	–	5.61	–
Total	**–**	**2,566.13**	**–**
Financial liabilities			
Financial liabilities held at amortised cost			
- Non-Current Borrowings	–	5,817.00	–
- Borrowings	–	479.27	–
- Trade Payables	–	1,953.95	–
- Other Financial Liabilities	–	1,344.63	–
Total	**–**	**9,594.85**	**–**

Rs. In Lakhs

Fair value hierarchy as at 31st March 2023

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets carried at Amortised Cost			
- Loans & Advances (Non-Current)	–	246.98	–
- Trade Receivables	–	1,817.06	–
- Cash and Cash Equivalents	–	105.74	–
- Other Bank Balances	–	285.60	–
- Other Financial Assets	–	3.35	–
Total	**–**	**2,458.73**	**–**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Financial liabilities			
Financial liabilities held at amortised cost			
- Non-Current Borrowings	–	7,111.53	–
- Borrowings	–	1,948.62	–
- Trade Payables	–	1,754.25	–
- Other Financial Liabilities	–	1,074.61	–
Total	**–**	**11,889.01**	**–**

28 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 3.24 lakhs (previous year Rs. 6.23 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Principal Actuarial Assumptions

Particulars	**For the Year ended 31st March 2024**	For the yYear ended 31st March 2023
Discount rate	**7.18%**	7.31%
Retirement age	**60 years**	60 years
Average Mortality	**IALM (2012-14) Urban**	IALM (2012-14) Urban
Salary escalation	**10.00%**	10.00%

Reconciliation of Benefit Obligation

Rs. In Lakhs

Change in defined benefit obligations (DBO)	**For the year ended 31st March 2024**	For the year ended 31st March 2023
Present value of DBO at beginning of the year	**10.54**	12.86
Current service cost	**0.76**	1.40
Transfer In/ (Out)	**(4.52)**	(2.85)
Interest cost	**0.77**	0.85
Actuarial (gains) / losses	**0.09**	0.95
Past Service Cost	**–**	–
Benefits paid	**–**	(2.67)
Present value of DBO at the end of the year	**7.64**	10.54

Expenses recognised in the statement of profit and loss

Rs. In Lakhs

Components of employee benefit expenses	**For the year ended 31st March 2024**	For the year ended 31st March 2023
Current service cost	**0.76**	1.40
Past Service Cost	**–**	–
Interest cost	**0.77**	0.85
Total expense recognised in the statement of profit and loss	**1.53**	2.25

Rs. In Lakhs

Components of other comprehensive income	**For the year ended 31st March 2024**	For the year ended 31st March 2023
Actuarial (Gain)/Loss on obligation	**0.09**	0.95
Components of defined benefit costs recognised in other comprehensive income	**0.09**	0.95

Rs. In Lakhs

Net Asset/(Liability) recognised in the Balance Sheet	**For the year ended 31st March 2024**	For the year ended 31st March 2023
Present value of defined benefit obligation as at 31st March	**7.65**	10.54
Fair value of plan assets as at 31st March	**–**	–
Surplus/(Deficit)	**(7.65)**	(10.54)
Current portion of the above	**(3.23)**	(2.05)
Non current portion of the above	**(4.42)**	(8.49)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. In Lakhs

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation** PO as on Valuation date on account of increase in assumption	PO as on Valuation date on account of decrease in assumption
Discount rate	2024	1.00%	7.48	7.82
	2023	1.00%	10.16	10.96
Salary growth rate	2024	1.00%	7.82	7.49
	2023	1.00%	10.94	10.17

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

29 - Related Party Disclosures

(a) Related Parties where control exists

(i) Ultimate Holding Company

Mahindra & Mahindra Limited

(ii) Holding Company

Mahindra Lifespace Developers Limited (wholly owned subsidiary w.e.f. 29th May 2018)

(b) Other Parties with whom transaction have taken place during the year

(i) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited

Mahindra Infrastructure Developers Limited

Mahindra Residential Developers Limited (merged with Mahindra World City Developers Limited w.e.f. 30th December, 2022)

(ii) Joint Ventures

Mahindra World City Developers Limited

Mahindra Industrial Park Private Limited

Mahindra Industrial Park Chennai Limited

Mahindra World City (Jaipur) Limited

Details of related party transactions and balances outstanding as at 31st March, 2024

Rs in Lakhs

Nature of transactions	Mahindra & Mahindra Limited		Mahindra Lifespace Developers Limited		Mahindra Integrated Business Solutions Private Limited		Mahindra Industrial Park Private Limited		Mahindra Infrastructure Developers Limited		Mahindra Industrial Park Chennai Limited		Mahindra Residential Developers Limited		Mahindra World City Developers Limited		Mahindra World City (Jaipur) Limited	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Transactions for the year ended																		
(Income)/ Expenses																		
Availment of services	1.53	0.01	–	–	16.08	19.57	–	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods	–	–	40.34	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposit taken	–	–	–	800.00	–	–			–	–	–	–	–	–	–	–	–	–
Interest on ICD Expense	–	–	406.57	536.43	–	–	35.71	140.38	153.93	130.98	–	–	–	–	–	–	–	–
Inter corporate deposit repaid to Related Party	–	–	1,294.53	1,850.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposit Given	–	–	–	–	–	–	–	–	–	–	–	1,800.00	–	500.00	–	–	–	–
Inter corporate deposit repaid by Related Party	–	–	–	–	–	–	1,755.00	–	–	–	–	1,800.00	–	–	–	500.00	–	–
Sale of Fixed Assets	–	–	9.08	–														
Interest on ICD Income	–	–	–	–	–	–	–	–	–	–	–	44.86	–	4.32	–	10.91	–	–
Reimbursement made to parties	14.55	16.19	42.82	116.16	–	–	–	–	–	–	–	–	–	–	–	–	4.39	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Rs in Lakhs

Nature of transactions	Mahindra & Mahindra Limited		Mahindra Lifespace Developers Limited		Mahindra Integrated Business Solutions Private Limited		Mahindra Industrial Park Private Limited		Mahindra Infrastructure Developers Limited		Mahindra Industrial Park Chennai Limited		Mahindra Residential Developers Limited		Mahindra World City Developers Limited		Mahindra World City (Jaipur) Limited	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Outstandings as on Balance Sheet date																		
Liabilty/(Asset)																		
Payable Towards ICD Interest	–	–	897.22	692.21	–	–	–	73.52	447.41	308.87	–	–	–	–	–	–	–	–
Payable Towards Purchase of services	0.61	5.99	22.24	54.10	0.62	5.87	–	–	–	–	–	–	–	–	–	–	4.39	–
Payable Towards ICD	–	–	4200	5,494.53	–	–	–	1,755.00	1617	1617	–	–	–	–	–	–	–	–
Receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Note: Related parties have been identified by the Management.

30 - Contingent Liabilities

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
		Rs in Lakhs
(i) Income Tax Matter under appeal		
In respect of certain business incomes re-classified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the appropriate appellate authorities	–	43.20
(ii) Indirect Tax Matters under appeal		
VAT, Service Tax and Entry Tax claims disputed by the Company relating to issues of applicability and interest on demand. The Company is pursuing the matter with the appropriate Appellate Authorities.	**106.02**	106.02

31 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-“Operating Segment”. The operation of company comprises a single geographical segment, India.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

32 - Financial Ratios

Rs. In Lakhs

Sr. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	% Variance	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liabilities	1.10	1.13	-2.50%	Variance is within limit
b)	Debt Equity Ratio	Net Debt	Equity	(2.69)	(2.73)	-1.43%	Variance is within limit
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	0.01	(0.10)	-107.26%	Improvement in ration due to below reasons. - Repayment of ICD Rs. 28 Crs. - Reduction in Loss by Rs. 12 Crs as compared to Mar-23
d)	Return of Equity	PAT	Average Networth	(0.35)	0.58	-159.94%	Varinace is due to creation of DTA Rs. 12 Crs and reduction of Loss Rs. 12 Crs in FY24
e)	Inventory Turnover ratio	Turnover	Average Inventory	0.85	0.27	221.85%	Increased due to increase in Turnover by Rs. 118 crs. as compared to FY23
f)	Trade Receivables turnover ratio	Turnover	Average Trade Receivables	8.98	4.65	93.27%	Increased due to increase in Turnover by Rs. 118 crs. as compared to FY23
g)	Trade Payable turnover ratio	COGS	Average Trade payable	9.05	2.58	250.53%	Increased due to increase in COGS by Rs. 113 crs. as compared to FY23 for Bloomdale Project
h)	Net capital turnover ratio,	Turnover	Average Working Capital	6.82	1.14	498.78%	Increased due to increase in Turnover by Rs. 118 crs. and repayment of Short term ICD of MIPPL 17 Crs. in FY24
i)	Net profit ratio	PAT	Revenue	0.06	(0.28)	-120.23%	Increased in PAT due creation of DTA Rs.12 Crs. in FY24
j)	Return on Capital employed	PAT	Borrowing	(0.07)	(0.26)	-74.25%	Improvement in ratio due to below reasons. - Repayment of ICD Rs. 28 Crs. - Reduction in Loss by Rs. 12 Crs as compared to Mar-23

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year.

33 Disclosure Of Struck Off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

34 Discrepancies between books of accounts & quarterly statements submitted to banks

The company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions as required by bank time to time.

35 Unhedged Foreign Currency Exposure

The Company has no foreign currency exposure during the current year and previous year.

36 Additional regulatory information

a) Details of benami property held

The company do not have any benami property and no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

c) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

e) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

f) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

37 Leases

The company does not have any leasing arrangement during the year ended March 31, 2024.

38 Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

39 Previous Year Figures

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

As per our report of even date
For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Karthik Srinivasan
Partner
Membership No.: 215782
Place : Chennai
Date : 15th April 2024

For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director
DIN No. 07296320
Place : Mumbai
Date : 15th April 2024

Vimalendra Singh
Director
DIN No. 09128114
Place : Mumbai
Date : 15th April 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Industrial Park Chennai Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Industrial Park Chennai Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the financial statements, and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- Based on the work we have performed, We conclude that we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification/s relating to the maintenance of accounts and other matters connected therewith, is/are as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid/provided by the Company to its directors during the year.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 35 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a) in respect of an accounting software, audit trail was not enabled at the database level to log any direct changes, and

b) in respect of another software, since the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months, we are unable to comment whether the audit trail feature was enabled and operating for the period the audit trail log is not available.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating and the log was maintained. (Refer note 35 to the financial statements)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: 24207704BKFUHU7683

Place: Chennai
Date: 26 April 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Industrial Park Chennai Limited ("the Company") as at March 31, 2024 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: 24207704BKFUHU7683

Place: Chennai
Date: 26 April 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress

(a) (B) As the Company does not hold any intangible assets, reporting under clause (i)(a)(B) of the Order is not applicable.

(b) The Property, Plant and Equipment and capital work-in-progress was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancy was noticed on such verification.

(c) According to the information and explanation given to us, immovable properties of land, whose title deeds have been mortgaged as security for loans are held in the name of the Company based on the confirmation directly received by us from the custodian.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees’ State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 31 2024.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or joint venture or associate during the year and hence reporting on clause (ix)(f) of the Order relating to loans raised during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit report issued to the Company covering the period January 2023 to November 2023 and the internal audit report was issued in March 2024.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one Core Investment Company as part of the group. There are four Core Investment Companies forming part of the group.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: 24207704BKFUHU7683

Place: Chennai
Date: 26 April 2024

BALANCE SHEET AS AT MARCH 31, 2024

(Rs. In Lakhs)

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4a	**2,429.27**	2,518.19
(b) Capital Work in Progress	4b	**13.91**	–
(c) Financial Assets			
(i) Other Financial Assets	5	**44.57**	24.57
(d) Deferred Tax Asset	6	**–**	25.35
		2,487.75	2,568.11
Current assets			
(a) Inventories	7	**15,868.82**	18,718.60
(b) Financial assets			
(i) Investments	9b	**2,463.37**	–
(ii) Trade Receivables	8	**8.70**	10,192.14
(iii) Cash and Cash Equivalents	9a	**482.63**	104.02
(iv) Other Financial Assets	5	**–**	0.41
(c) Other current assets	10	**95.56**	560.63
		18,919.08	29,575.80
Total Assets		**21,406.83**	32,143.91
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	**17,000.00**	17,000.00
(b) Other Equity			
(i) Securities Premium	12	**900.00**	900.00
(ii) Retained Earnings	12	**941.97**	(529.04)
Total Equity		**18,841.97**	17,370.96
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	**–**	6,538.08
(ii) Other Financial Liabilities	14A	**0.04**	0.02
(b) Other Liabilities	14B	**112.22**	49.11
(c) Provisions	15	**22.14**	16.35
(d) Deferred Tax Liability	6	**69.12**	–
		203.52	6,603.56
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payable			
Total outstanding dues of micro enterprises and small enterprises	16	**121.91**	57.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	**975.04**	1,351.49
(ii) Other Financial Liabilities	14A	**1,184.99**	4,299.86
(b) Provisions	15	**5.08**	4.07
(c) Other Current Liabilities	17	**74.32**	2,456.45
		2,361.34	8,169.39
Total Equity and Liabilities		**21,406.83**	32,143.91
Summary of Material Accounting Policies	2 & 3		

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 26 April, 2024

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Parveen Prakash Mahtani
Director
DIN:05189797

Amit Kumar Sinha
Director
DIN:09127387

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
ACS 47990

Place: Chennai
Date: 22 April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Income			
Revenue from Operations	18A	**9,239.96**	20,552.54
Other Income	18B	**104.42**	9.70
Total income		**9,344.38**	20,562.24
Expenses			
Cost of Sales	19	**5,744.87**	16,155.80
Operation & Maintenance	20	**206.37**	152.51
Employee Benefits Expense	21	**537.23**	466.05
Depreciation Expenses	4	**108.08**	104.32
Finance Cost	22	**251.41**	1,499.73
Other expenses	23	**691.59**	1,160.52
Total Expense		**7,539.55**	19,538.93
Profit before tax		**1,804.83**	1,023.31
Tax expenses			
Current tax		**239.35**	–
Deferred tax		**94.47**	330.11
Total tax expenses		**333.82**	330.11
Profit for the year (A)		**1,471.01**	693.20
Other Comprehensive Income		**–**	–
Other Comprehensive Income for the year (B)		**–**	–
Total Comprehensive Income for the year (A+B)		**1,471.01**	693.20
Earnings per equity share	24		
Basic & Diluted			
Earnings per equity share (face value of Rs. 10/- each)		**0.87**	0.41
Summary of Material Accounting Policies	2 & 3		

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 26 April, 2024

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Parveen Prakash Mahtani
Director
DIN:05189797

Amit Kumar Sinha
Director
DIN:09127387

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
ACS 47990

Place: Chennai
Date: 22 April, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Cash flow from operating activities		
Profit for the year	**1,804.83**	1,023.31
Non-cash adjustment to reconcile profit before tax to net cash flows:		–
Depreciation	**108.08**	104.32
Interest Expense	**251.41**	1,499.73
Operating Profit before working capital changes	**2,164.32**	2,627.36
Working Capital changes and other adjustments:		
(Decrease)/Increase in Trade payables	**(312.06)**	1,338.61
(Decrease)/Increase in Other Current Liabilities	**(2,382.13)**	2,439.97
(Decrease)/Increase in Other Financial Liabilities- Current	**(2,371.23)**	2,348.30
Increase/(Decrease) in Other Financial Liabilities- Non Current	**0.02**	(0.01)
Increase/(Decrease) in Provisions	**6.80**	12.53
(Increase)/Decrease in Trade receivables	**10,183.44**	(10,145.37)
Decrease in Inventories	**2,849.78**	9,440.39
Increase in Other Financial assets	**(19.59)**	(16.18)
Decrease in Other Liabilities	**63.11**	13.23
Decrease/(Increase) in Other Current Assets	**183.36**	(168.83)
Cash generated from operations	**10,365.82**	7,890.00
Direct taxes paid (net of refunds)	**42.35**	(251.85)
Net cash from Operating activities (A)	**10,408.17**	7,638.15
Cash flows from Investing activities		
Payments for acquistion of property, plant and equipment	**(62.18)**	(19.17)
Investment in Mutual Funds	**(2,463.36)**	–
Net cash used in Investing activities (B)	**(2,525.54)**	(19.17)
Cash flows from Financing activities		
Proceeds from Inter Corporate Deposit	**–**	1,800.00
Repayment of Inter Corporate Deposit	**–**	(1,800.00)
Proceeds from Borrowings	**–**	635.00
Repayment of Borrowings	**(6,576.49)**	(8,864.72)
Interest Paid	**(927.51)**	(1,212.35)
Net cash (used in)/ from Financing activities (C)	**(7,504.00)**	(9,442.07)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**378.63**	(1,823.09)
Cash and cash equivalents at the beginning of the year	**104.02**	1,927.11
Cash and cash equivalents at the end of the year	**482.65**	104.02
Components of cash and cash equivalents		
Balance with banks		
– on current account	**7.63**	4.02
– Deposit with original maturity of less than three months	**475.00**	100.00
Total cash and cash equivalents	**482.63**	104.02

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’ under Section 133 of Companies Act 2013

Summary of Material Accounting Policies (refer note 2 & 3)

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
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Chief Financial Officer

Aman Desai
Company Secretary
ACS 47990

Place: Chennai
Date: 22 April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital

Particulars	No. of Shares	Amount in Lakhs
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2022	17,00,00,000	17,000.00
Issued during the year	–	–
At 31 March, 2023	**17,00,00,000**	**17,000.00**
Issued during the year	–	–
As at 31 March, 2024	**17,00,00,000**	**17,000.00**

B. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus		
	Securities Premium	Retained earnings	Total
As at 1 April, 2022	900.00	(1,222.24)	(322.24)
Profit for the year	–	693.20	693.20
As at 31 March, 2023	**900.00**	**(529.04)**	**370.96**
Profit for the year	–	1,471.01	1,471.01
As at 31 March, 2024	**900.00**	**941.97**	**1,841.97**

Summary of Material Accounting Policies (refer note 2 & 3)

The accompanying notes 1 to 40 are an integral part of these financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
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Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
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Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
ACS 47990

Place: Chennai
Date: 22 April, 2024

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. General Information

Mahindra Industrial Park Chennai Limited ("the Company") was incorporated on December 22, 2014. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company is developing a 307-acre Industrial Park in North Chennai on NH 15.

The Company is a joint venture between Mahindra World City Developers Limited and Sumitomo Corporation SC of Japan.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (to the extent notified and applicable). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from Sub- Lease of Land

The agreement to long term sub-lease of land, including development and provision of infrastructure facilities/services, where substantial risk & rewards are conveyed to the sub-lessee, is considered as sale of land. The Land lease premium is recognised as income upon creation of leasehold rights in favour of the sub-lessee or upon an agreement to create leasehold rights with handing over the possession.

2.3.3 Income from sale of land

Revenue from sale is recognized upon transfer of title to the acquirer.

2.3.4 Income from Operation & Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.5 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the financial year.

2.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Goods and Services Tax (GST)

GST credit on materials purchased/services availed for construction / Input services are taken into account at the time of purchase. GST input credit is accounted for in the books in the period in which the underlying service / goods received is accounted and when there is no uncertainty in availing/ utilising the credits. GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST credits so taken are utilised for payment of GST on lease of land. The unutilised GST credit is carried forward in the books.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.9 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the Statement of profit and loss.

2.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.14.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.14.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.14.3 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.14.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.15.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.15.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.15.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in the retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

4 a. Property, Plant and Equipment
Current Year 2023-24:

(Rs. In Lakhs)

Description of Assets	Land*	Buildings	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Vehicles	Total
I. Gross Carrying Amount								
Balance as at 1 April, 2023	862.86	476.47	1,293.70	30.26	5.58	14.34	–	2,683.21
Additions	–	–	–	2.07	2.32	3.70	11.05	19.14
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March, 2024	**862.86**	**476.47**	**1,293.70**	**32.33**	**7.90**	**18.04**	**11.05**	**2,702.35**
II. Accumulated depreciation and impairment								
Balance as at 1 April, 2023	–	22.61	116.08	12.52	5.58	8.21	–	165.00
Depreciation expense for the year	–	15.09	83.46	4.99	0.08	3.54	0.92	108.08
Eliminated on disposal of assets	–		–	–	–	–		–
Balance as at 31 March, 2024	**–**	**37.70**	**199.54**	**17.51**	**5.66**	**11.75**	**0.92**	**273.08**
III. Net carrying amount (I-II)								
Balance as at 31 March, 2024	**862.86**	**438.77**	**1,094.16**	**14.82**	**2.24**	**6.29**	**10.13**	**2,429.27**

Previous Year 2022-23:

Description of Assets	Land*	Buildings	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Vehicles	Total
I. Gross Carrying Amount								
Balance as at 1 April, 2022	862.86	476.47	1,238.26	29.48	5.58	8.21	–	2,620.85
Additions	–	–	55.44	0.78	–	6.13	–	62.35
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March, 2023	**862.86**	**476.47**	**1,293.70**	**30.26**	**5.58**	**14.34**	**–**	**2,683.20**
II. Accumulated depreciation and impairment								
Balance as at 1 April, 2022	–	7.52	33.66	7.80	5.58	6.12	–	60.69
Depreciation expense for the year	–	15.09	82.42	4.72	–	2.09	–	104.32
Eliminated on disposal of assets	–		–	–	–	–	–	–
Balance as at 31 March, 2023	**–**	**22.61**	**116.08**	**12.52**	**5.58**	**8.21**	**–**	**165.01**
III. Net carrying amount (I-II)								
Balance as at 31 March, 2023	**862.86**	**453.86**	**1,177.62**	**17.74**	**–**	**6.13**	**–**	**2,518.19**

Refer notes on accounts for Company's policy on recognition and measurement of Property Plant, Equipment and Depreciation Methods used.
* Refer note no. 13A (ii)

4 b. Capital work in progress
Movement of Capital work in progress

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	**–**	41.71
Additions	**13.91**	12.37
Subtotal	**13.91**	54.08
Capitalised during the year	**–**	(54.08)
Closing Balance	**13.91**	**–**

4.2 Capital Work-in-Progress

(Rs. In Lakhs)

Description of Assets	Borewells and connected works As at March 31, 2024	As at March 31, 2023
Capital Work-in-Progress	**13.91**	–
Borewells and connected works		
Less than 1 year*	**13.91**	–
Total	**13.91**	–
Total	**13.91**	–

* Capital work in progress as at 31 March 2024 represents cost of borewells and connected works

There are no items under capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

5. Other Financial assets

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Security Deposits	**44.57**	24.57
Current		
Interest accrued on Fixed Deposit	**–**	0.41
Total Other Financial assets	**44.57**	24.98

6. Income Tax

(a) Income Tax recognised in profit or loss

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Current Tax:		
In respect of current year	**239.35**	–
Deferred Tax:	**94.47**	330.11
Total income tax expense on income from operations	**333.82**	330.11

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Profit before tax	**1,804.83**	1,023.31
Applicable Income tax rate	**25.17%**	25.17%
Expected Income tax expense	**454.24**	257.55
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of other permanent differences	**0.53**	0.26
Others (Including c/f losses)	**(120.95)**	72.30
Reported income tax expense	**333.82**	330.11

(c) Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	For the Year ended 31 March, 2024 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
Total Deferred Tax Liability	**–**	**–**	**–**	**–**
Tax effect of items constituting deferred tax assets				
On Expenses allowed on payment basis	**5.14**	**1.71**	**–**	**6.85**
Carry Forward of Losses	**75.97**	**(75.97)**	**–**	**–**
Property, Plant and Equipment	**(55.76)**	**(23.28)**	**–**	**(79.04)**
FV Gain on Investments	**–**	**3.07**	**–**	**3.07**
Total Deferred Tax Asset/ (Liability)	**25.35**	**(94.47)**	**–**	**(69.12)**
Net Deferred Tax Asset/ (Liability)	**25.35**	**(94.47)**	**–**	**(69.12)**

(Rs. In Lakhs)

Particulars	For the Year ended 31 March, 2023 Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
Total Deferred Tax Liability	**–**	**–**	**–**	**–**
Tax effect of items constituting deferred tax assets				
On Expenses allowed on payment basis	**1.99**	**3.15**	**–**	**5.14**
Carry Forward of Losses	**370.31**	**(294.34)**	**–**	**75.97**
Property, Plant and Equipment	**(16.83)**	**(38.93)**	**–**	**(55.76)**
Total Deferred Tax Asset	**355.47**	**(330.12)**	**–**	**25.35**

The Company has carried out necessary adjustments to the deferred tax balances as at 31 March 2024 based on applicable tax laws.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

7. Inventories

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Work in progress (representing cost of land and development expenditure including borrowing costs)	**15,859.03**	18,678.56
Materials in stock	**9.79**	40.04
Total Inventories	**15,868.82**	18,718.60

7.1 Inventories are stated at the lower of cost and net realisable value.

7.2 The Cost of projects charged to Statement of Profit and Loss in respect of lands given on lease during the year is Rs. 5,744.87 Lakhs (Previous Year: Rs. 16,155.80 Lakhs).

8. Trade Receivables

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Receivables:		
Unsecured Considered Good	8.70	10,192.14
Total Trade Receivables	**8.70**	10,192.14

8a Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Undisputed Trade Receivables - Considered good - unsecured		
Not Due		
0 months - 6 months	8.70	10,180.28
6 months - 1 year	–	11.86
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Trade Receivables - Credit impaired		
Not Due	–	–
0 months - 6 months	–	–
6 months - 1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Total	**8.70**	10,192.14

9 (A). Cash and bank balances

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents		
Balances with banks:		
- On current account	**7.63**	4.02
- Deposits with original maturity of less than three months	**475.00**	100.00
Total Cash and cash equivalents	**482.63**	104.02

9 (B). Investments

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investments carried at Fair Value through Profit & Loss		
Investments in Mutual Funds (Quoted)		–
Kotak Savings Fund - Direct Plan - Growth - 7,33,741.315 Units of Rs. 40.91 each (PY: NIL)	**300.17**	–
Kotak Liquid Fund - Direct Plan Growth- 44,336.616 Units of Rs. 4,879.037 each (PY:NIL)	**2,163.20**	–
Total Quoted Investments	**2,463.37**	–

10. Other current assets

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances to suppliers		
Unsecured considered good	**83.19**	262.61
	83.19	262.61
Others		
Prepaid expenses	**10.86**	14.41
Income tax balances	**–**	281.71
Other Receivables	**1.51**	1.90
	12.37	298.02
Total Other current Assets	**95.56**	560.63

11. Share capital

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Authorized shares		
17,00,00,000 Ordinary Equity Shares of INR10 each	**17,000.00**	17,000.00
	17,000.00	17,000.00
Issued, subscribed and fully paid-up shares		
17,00,00,000 Ordinary Equity Shares of INR10 each	**17,000.00**	17,000.00
Total issued, subscribed and fully paid-up share capital	**17,000.00**	17,000.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Rs. In Lakhs)

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity Shares			
Year Ended March 31, 2023			
No. of Shares	17,00,00,000	–	17,00,00,000
Amount	17,000	–	17,000
Year Ended March 31, 2024			
No. of Shares	**17,00,00,000**	**–**	**17,00,00,000**
Amount	**17,000**	**–**	**17,000**

(ii) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2024 Number of shares held	% holding	As at 31st March, 2023 Number of shares held	% holding	% change during the period
Equity shares with voting rights					
Mahindra World City Developers Limited	**10,20,00,000**	**60.00%**	10,20,00,000	60.00%	0.00%
Sumitomo Corporation	**6,80,00,000**	**40.00%**	6,80,00,000	40.00%	0.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(a) Terms/ rights attached to equity shares

The Company has only one class of Equity Shares having a par value of INR 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends if any proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting.

Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March, 2024 No.	As at 31 March, 2024 % holding in the class	As at 31 March, 2023 No.	As at 31 March, 2023 % holding in the class
Equity shares with voting rights				
Mahindra World City Developers Limited................	**10,20,00,000**	**60%**	10,20,00,000	60%
Sumitomo Corporation, Japan	**6,80,00,000**	**40%**	6,80,00,000	40%
(The above Enterprises have joint control over the Company)				

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

12. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained earnings	Total
As at 1 April, 2022..........................	900.00	(1,222.24)	(322.24)
(Loss) for the year...........................	–	693.20	693.20
As at 31 March, 2023	900.00	(529.04)	370.96
Profit for the year	–	1,471.01	1,471.01
As at 31 March, 2024	**900.00**	**941.97**	**1,841.97**

Description of the nature and purpose of Other Equity:

Security premium : Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilisation in accordance with the Provisions of the Companies Act, 2013.

Retained earnings : The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

13A. Non current borrowings

Details of Long term Borrowings of the Company:

(Rs. In Lakhs)

Description of the instrument	Currency of Loan	Effective Interest Rate used for Discounting Cashflows	Coupon Rate	Repayment Bullet (or) Instalment	Number of Instalments	Amortised cost as at 31 March, 2024	Amortised cost as at 31 March, 2023
A. Secured Borrowings:							
a) Term Loans							
From HDFC Bank Limited	INR	9.59%	9.90%	Quarterly Instalment	16	**–**	6,538.08
Total Secured Borrowings						**–**	6,538.08

Term Loan from HDFC Bank Limited

(i) The Company was sanctioned a term loan of Rs. 150 Crores in the FY-2017-18 which has been fully repaid in the current financial year.

(ii) The Term loan was secured by equitable Mortgage by deposit of title deeds of 229.115 acres of land at Origins, Gummidipoondi taluk. Lands Mortgaged of 229.115 acres has been discharged. The company is on the process of retriving the title deeds from the custodian.

(iii) There are no defaults in case of payment of interest or principal repayments in respect of the above borrowings.

(iv) There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

(v) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(vi) Term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

14 A. Other Financial liabilities

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non Current		
Security advances from lessees	**0.04**	0.02
	0.04	0.02
Current		
Capital Creditors*	**46.48**	75.60
Interest accrued but not due- Refer Note 13(i)	**–**	714.52
Accrued expenses	**1,138.51**	3,509.74
	1,184.99	4,299.86
Total Other Financial Liabilities	**1,184.99**	4,299.86

* Capital creditors include payables to vendors registered under MSMED Act is INR 18.44 Lakhs for the current year (Previous year INR 18.97 Lakhs) and majorly represents the retention money payable to the vendors.

14 B. Other Liabilities

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unearned Income*	**108.92**	42.82
Other Deposits	**3.30**	6.04
Advances received from customers	**–**	0.25
Total Other Financial Liabilities	**112.22**	49.11

* Represents IND AS adjustment for secutity advances received from lessees.

15. Provisions

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non Current		
Provision for Gratuity	**13.75**	10.04
Provision for Compensated Absences	**8.39**	6.31
Total Non Current Provisions	**22.14**	16.35
Current		
Provision for Gratuity	**2.42**	2.16
Provision for Compensated Absences	**2.66**	1.91
Total Current Provisions	**5.08**	4.07

16. Trade Payables

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade payable - Micro and small enterprises (Refer Note 30)	**121.91**	57.52
Trade payable - Other than micro and small enterprises	**975.04**	1,351.49
	1,096.95	1,409.01

16 b Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Undisputed dues of micro enterprises and small enterprises		
Not Due	121.91	57.52
Less than 1 year	–	0.01
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Not Due	975.04	1,351.49
Less than 1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Total	**1,096.95**	1,409.01

17. Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory dues payable	67.91	2,456.45
Provision for Income tax	6.41	–
Total Other Current Liabilities	**74.32**	2,456.45

18A. Revenue from Operations

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Land Lease Premium	9,045.10	20,452.64
Operations & Maintenance income	194.86	99.90
Total Revenue from Operations	**9,239.96**	20,552.54

18B. Other Income

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest on income tax refund	10.48	1.02
Track Rental	0.86	0.49
Misc. Income	8.41	8.19
Interest on Fixed Deposits	71.30	–
FV Gain on Mutual Fund	13.37	–
Total Other Income	**104.42**	9.70

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

19. Cost of Sales

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening Stock		
Materials in stock	**40.04**	45.14
Work-in-progress*	**18,678.57**	28,113.85
Total Opening Stock	**18,718.61**	28,158.99
Add: Expenses incurred during the year		
Land & Construction Costs	**2,895.08**	5,767.88
Borrowing cost inventorised	**–**	947.54
Total Expenses incurred during the year	**2,895.08**	6,715.42
Closing Stock		
Materials in stock	**9.79**	40.04
Work-in-progress*	**15,859.03**	18,678.57
Total Closing Stock	**15,868.82**	18,718.61
Total Cost of Sales	**5,744.87**	16,155.80

* Work-in-progress includes cost of land, development expenditure and borrowing costs inventorised.

20. Operation and Maintenance Expenses

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Repairs & Maintenance	**31.58**	12.39
Security	**50.84**	48.99
Electrical & Mechanical Maintenance	**35.06**	16.99
Housekeeping	**29.36**	22.77
Power & Fuel	**35.78**	26.01
Landscaping maintenance	**13.58**	12.63
Other Expenses	**10.17**	12.73
Total Operation and Maintenance Expenses	**206.37**	152.51

21. Employee Benefits Expense

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salaries & Wages	**503.66**	449.75
Contribution to provident and other funds	**11.56**	9.40
Staff welfare expenses	**22.01**	6.90
Total Employee Benefits Expense	**537.23**	466.05

22. Finance Costs

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest on Term Loan	**251.41**	1,454.87
Interest on ICD	**–**	44.86
Total Finance Cost*	**251.41**	1,499.73
* Of the above, interest cost added to Work in progress inventory	**–**	947.54
Interest earned out of temporary parking of borrowed funds and netted off against this expense:	**–**	33.19

Analysis of Interest Expenses by Category

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest Expenses		
On Financial Liability at Amortised Cost	**251.41**	1,499.73

23. Other expenses

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Rent*	**9.41**	10.70
Legal and professional fees	**76.75**	40.71
Payment to auditor (Refer details below)	**15.15**	10.15
Commission	**407.03**	920.36
Foreign Exchange Loss	**20.53**	–
Advertisement, Marketing & Business Development	**68.91**	119.55
Travelling & Conveyance	**26.65**	20.83
Directors Sitting fees	**0.80**	0.80
Printing & Stationery	**1.62**	1.85
Rates & Taxes incl. ROC filing fees	**1.23**	0.83
Repairs & Maintenance	**30.68**	16.37
Communication and network expenses	**30.53**	16.53
Donations	**–**	1.05
Bank Charges	**0.20**	0.04
Miscellaneous Expenses	**–**	0.75
CSR Expenses (Refer Note 23A)	**2.10**	–
Total Other expenses	**691.59**	1,160.52

* towards operating lease of premises occupied by the company, cancellable at the option of both the parties to the lease.

(Rs. In Lakhs)

Payment to auditor (excluding taxes)	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Audit Fees	**8.00**	8.00
Limited Review	**2.00**	2.00
Group Reporting & Other Services	**5.00**	–
Out of Pocket Expenses	**0.15**	0.15
	15.15	10.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

23A. Expense on Corporate Social Responsibility

(Rs. In Lakhs)

(i)	Particulars	For the year ended 31 March, 2024 Per Share	For the year ended 31 March, 2023 Per Share
(a)	Amount required to be spent by the Company during the year	**2.10**	–
(b)	Amount of expenditure incurred	**2.10**	–
(c)	(Excess) / Shortfall at the end of the year	**–**	–
(d)	Total of previous years shortfall	**–**	–
(e)	Reason for shortfall	**–**	–

Amount spent during the year on		
Contribution to Nanhi Kali foundation	**1.05**	–
Supporting Educational infrastructure in a Anganwadi	**0.85**	–
Organizing District Level Cycle Race for Govt School Students	**0.20**	–
	2.10	–

(ii) Amount spent by the Company during the year on:

(Rs. In Lakhs)

Particulars for the year ended 31 March 2024	Mode of Payment	Amount Paid	Yet to be paid	Total
i) Construction / Acquisition of any asset	Cheque / Electronic Fund Transfer	**–**	**–**	**–**
	Cash	**–**	**–**	**–**
ii) On purposes other than (i) above	Cheque / Electronic Fund Transfer	**2.10**	**–**	**2.10**
	Cash	**–**	**–**	**–**
Total		**2.10**	**–**	**2.10**

(iii) Nature of CSR activities

(Rs. In Lakhs)

CSR Activities Classification for the year ended 31 March 2024	Sector in which the activity is covered in Schedule VII	Amount accrued as expense in current year	Amount Paid	Amount remaining unpaid
Empowering girl children with education	Schedule VII (iii)	**1.05**	**1.05**	**–**
Promoting education	Schedule VII (ii)	**0.85**	**0.85**	**–**
Training to promote nationally recognised sports	Schedule VII (vii)	**0.20**	**0.20**	**–**

24. Earnings per share (EPS)

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2024 Per Share	For the year ended 31 March, 2023 Per Share
Basic/Diluted Earnings per share		
From continuing operations (INR) per share	**0.87**	0.41
Total basic/diluted earnings per share	**0.87**	0.41

Basic / Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic / diluted earnings per share are as follows:

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Profit for the year attributable to owners of the Company	**1,471.01**	693.20
Weighted average number of equity shares	**17,00,00,000**	17,00,00,000
Earnings per share from continuing operations - Basic / Diluted	**0.87**	0.41

25. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 11,56,420 (Previous Year : INR 9,39,818) for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 21 Employee benefits expense. The details of actuarial valuation are given below:

(Rs. In Lakhs)

		Gratuity (Un-Funded)	
		2023-24	2022-23
i.	**Net Asset/ (Liability) recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**16.17**	12.21
	Fair Value of Plan assets	**–**	–
	Liability (Asset) recognised in the balance sheet	**16.17**	12.21
ii.	**Expense recognized in the Statement of Profit & Loss**		
	Past service cost	**–**	–
	Current Service cost	**2.04**	0.55
	Interest cost	**0.89**	0.28
	Expected return on plan assets	**–**	–
	Actuarial (gains) / Losses	**1.03**	0.39
	Total expenses	**3.96**	1.22
iii.	**Amounts recognized in other comprehensive income**	**–**	–
iv.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**12.21**	4.57
	Past service cost	**–**	–
	Current Service cost	**2.04**	0.55
	Interest Cost	**0.89**	0.28
	Liability transferred in	**–**	7.47
	Actuarial (Gains) /Losses	**1.03**	0.39
	Benefits Paid	**–**	(1.05)
	Present value of the obligation as at the end of the year	**16.17**	12.21

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. In Lakhs)

	Gratuity (Un-Funded)	
	2023-24	2022-23
v. Principal actuarial assumptions		
Discount Rate	**7.18%**	7.31%
Salary Growth Rate	**10.00%**	10.00%
Attrition rate	**21.21%**	21.21%

vi. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

			Impact on defined benefit obligation	
	Year	Change in Assumption	Increase in assumption	Decrease in assumption
Discount Rate **	**2024**	**1.00%**	**15.56**	**16.83**
	2023	1.00%	11.77	12.68
Salary Growth Rate	**2024**	**1.00%**	**16.81**	**15.57**
	2023	1.00%	12.66	11.78

Maturity profile of defined benefit obligation:

	2023-24	2022-23
Year 1	**2.42**	2.16
Year 2	**2.09**	1.87
Year 3	**1.92**	1.61
Year 4	**2.42**	1.43
Year 5	**2.18**	1.54
Next 5 Years	**8.38**	6.08

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Discount rate**	**7.18%**	7.31%
Salary Growth rate	**10.00%**	10.00%
Attrition rate	**21.21%**	21.21%

** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

26. Related party disclosures

Names of related parties and related party relationship

Enterprises having joint control over the Company:	Mahindra World City Developers Limited Sumitomo Corporation, Japan	
Ultimate Holding Company	Mahindra & Mahindra Limited	
Holding Company	Mahindra Lifespace Developers Limited	
Fellow Subsidiary	Mahindra Logistics Limited	
Fellow Subsidiary	Mahindra Consulting Engineers Limited (Upto 16th March, 2023)	
Fellow Subsidiary	Mahindra Bloomdale Developers Limited	
Fellow Subsidiary	Mahindra Integrated Business Solutions Private Limited	
Key managerial persons:	Chief Financial Officer	Mr. Bhaskar Pulipati has been appointed as CFO w.e.f 18th April, 2023 and he is on the rolls of the Mahindra World City Developers Limited.
	Company Secretary	Mr. Antaryami Sahoo was appointed as Company Secretary w.e.f 18th April, 2023 and he was on the rolls of the Mahindra World City Developers Limited.
		Mr. Antaryami Sahoo resigned on 29th September, 2023 and Mr. Aman Desai has been appointed as Company Secretary on 18th January, 2024 and he is on the rolls of Mahindra Lifespaces Developers Limited.
	Chief Executive officer	Mr. Karkala Rajaram Pai has been appointed as Chief Executive Officer w.e.f 20th April, 2022 and he is on the rolls of the Mahindra Lifespace Developers Limited.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Related party transactions **(Previous year figures in brackets)**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. In Lakhs)

Nature of transactions with Related Parties	For the year ended	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	Mahindra Consulting Engineers Limited (Refer Note-A)	Mahindra Bloomdale Developers Limited (Refer Note-B)	Mahindra Lifespace Developers Limited (Refer Note-C)	Mahindra Logistics Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra & Mahindra Limited	KMP
Purchase of Land	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	(673.40)	–	–	–	–	–	–	–	–
Purchase of Leasehold land	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	(1,960.45)	–	–	–	–	–	–	–	–
Project Management expense charged	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	(920.40)	–	(201.22)	–	–	–	–	–	–
Professional services received by the Company	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	(33.73)	–	(49.05)	–	–	–	–	–	–
Commission	**31-Mar-24**	**482.60**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	(184.79)	(735.57)	–	–	–	–	–	–	–
Professional services charged by the Company	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–	–	–	–
Others Services received	**31-Mar-24**	**–**	**–**	**–**	**–**	**22.17**	**–**	**0.98**	**33.01**	**–**
	31-Mar-23	–	–	–	–	(14.33)	(3.15)	(3.45)	(27.93)	–
Interest Paid	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	(44.86)	–	–	–	–	–
ICD Loan Taken	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	(1,800.00)	–	–	–	–	–
ICD loan Repaid	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	(1,800.00)	–	–	–	–	–
Remuneration to Key managerial persons										
- Business Head (Chief Executive Officer)	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–	–	–	–
- Company Secretary	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–	–	–	(8.03)
- Chief Financial Officer	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–	–	–	–
- Director Sitting fees	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.80**
	31-Mar-23	–	–	–	–	–	–	–	–	(1.00)

The following table provides the balances with related parties as on the relevant date:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Nature of Balances with Related Parties	Balance as on	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	Mahindra Consulting Engineers Limited (Refer Note-A)	Mahindra Bloomdale Developers Limited (Refer Note-B)	Mahindra Lifespace Developers Limited (Refer Note-C)	Mahindra Logistics Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra & Mahindra Limited	KMP
Payable	**31-Mar-24**	**201.38**	**–**	**–**	**–**	**–**	**–**	**0.14**	**–**	**–**
	31-Mar-23	(562.09)	(662.01)	–	–	(13.25)	–	(0.52)	(8.64)	–

(A) Mahindra & Mahindra entered into a Share Purchase Agreement with Artelia Holding SAS (Artelia) for sale of its entire stake in Mahindra Consulting Engineers, a subsidiary of the Company (MCEL) i.e. 60.88% of the Paid-Up Equity Share Capital of MCEL comprising of 11,51,000 Equity Shares of Rs. 10 each to Artelia, at a price of Rs. 89.66 per share for an aggregate consideration of Rs. 10,31,98,660. The relationship ceases between MIPCL and MCEL on 16th March, 2023.

(B) During the Previous year an Intercorporate deposit (ICD) has been obtained from Mahindra Bloomdale Developers Limited for an amount of 18 Crores. The ICD was disbursed on 30th September, 2022 with an interest rate carrying 8.00% p.a. and repayable after 3 months from the date of disbursement. As on 29th December, 2022 the Balance ICD payable of 13 Crores was rolled over for another 6 months and rate of interest was revised to 8.95% p.a. The ICD repaid along the interest on 7th February, 2023. The ICD was utilised by MIPCL for working capital purpose including purchase of land (Inventory).

(C) The 'Other services rendered" by Mahindra Lifespace Developers Limited for the FY-23-24 includes Rs. 1.48 Lakhs of KMP remuneration cross-charged to MIPCL.

27. Fair Values

The following tables show the carrying amount and fair values of financial assets and financial liabilities by categories:

(Rs. In Lakhs)

Particulars	Carrying Value 31-Mar-24	Carrying Value 31-Mar-23	Fair value as at 31-Mar-24	Fair value as at 31-Mar-23
Financial assets				
Cash and Cash Equivalents	**482.63**	104.02	**482.63**	104.02
Investments	**2,463.37**	–	**2,463.37**	–
Other Financial Assets	**44.57**	24.98	**44.57**	24.98
Trade Receivables	**8.70**	10,192.14	**8.70**	10,192.14
Total financial assets	**2,999.27**	10,321.14	**2,999.27**	10,321.14
Financial liabilities				
Borrowings	**–**	6,538.08	**–**	6,538.08
Short Term Loans	**–**	–	**–**	–
Trade Payables	**1,096.95**	1,409.01	**1,096.95**	1,409.01
Other Financial Liabilities	**1,185.03**	4,299.88	**1,185.03**	4,299.88
Total financial liabilities	**2,281.98**	12,246.97	**2,281.98**	12,246.97

The management assessed that the fair value of cash and cash equivalents, investments, trade receivables, other financial assets and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow analysis.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

28. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

Estimates

Taxes

The Company has carried out necessary adjustments to the deferred tax balances as at 31 March 2024 based on applicable tax laws. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for taxation for the current year has been determined by the Management based on the tax position to be considered for tax filing and its assessment of the probability of acceptance of the same by the taxation authorities.

Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under development is assessed with reference to the market prices at the reporting date less estimated costs to complete the development and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the development are estimated by management.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

29. Ratios

(Rs. In lakhs)

	Particulars	Numerator	Denominator	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	8.01	3.62	121.31%	Increase in the Current Ratio is due to decrease in current liability. Current Liability has decreased because of repayment of interest accured and also because of COC Reverals.
b)	Debt Equity Ratio	Debt	Equity	–	0.42	–	Decrease in Debt equity ratio is mainly on account of repayment of borrowings during the year.
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Serviced	0.24	0.13	82.33%	Improvement in DSCR is mainly on account of higher PAT as compared to previous year and repayment of borrowings during the year.
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	8.12%	4.07%	99.52%	Increase in PAT as compared to previous year.
e)	Inventory Turnover ratio	Cost of Sales	Average Inventory	0.33	0.73	(54.48%)	Decrease in Operating Revenue leading to decrease in cost of sales as compared to previous year.
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	1.81	4.01	(54.87%)	Decrease in Operating Revenue & Decrease in Trade receivables as compared to previous year.
g)	Trade Payable turnover ratio	Purchases	Average Trade payable	3.46	11.48	(69.91%)	Decrease in cost of sales as compared to previous year
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital	179.20%	104.15%	72.05%	Decrease in Operating Revenue & Decrease in Working Capital as compared to previous year.
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	15.92%	3.37%	372.01%	Increase in PAT as compared to previous year.
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	10.91%	10.55%	3.42%	No Material Variance.
k)	Return on investment						Not applicable as the Company does not have any investments.

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

Particulars	As at 31 March, 2024	As at 31 March, 2023
Dues remaining unpaid		
Principal	121.91	57.52
Interest	–	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	–	–
Interest paid in terms of Section 16 of the MSMED Act	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at 31 March, 2024	As at 31 March, 2023
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Amount of interest accrued and remaining unpaid	–	–

31. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the weighted cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

The company is not subject to any externally imposed capital requirements.

Debt-to-equity ratio as of 31 March, 2024 and 31 March, 2023 is as follows:

(Rs. In Lakhs)

	31-Mar-2023	31-Mar-2022
Debt (A)	**–**	7,252.60
Equity (B)	**18,841.97**	17,370.96
Debt Equity Ratio (A/B)	**–**	0.42

Categories of financial assets and financial liabilities

(Rs. In Lakhs)

	As at 31st March, 2024			
	Amortised Costs	FVTPL	FVOCI	Total
Non-Current Assets				
Other financial assets	**44.57**	**–**	**–**	**44.57**
Current Assets				
Trade Receivables	**8.70**	**–**	**–**	**8.70**
Investments	**2,463.37**			**2,463.37**
Cash and Cash equivalents	**482.63**	**–**	**–**	**482.63**
Other financial assets	**–**	**–**	**–**	**–**
	2,999.27	**–**	**–**	**2,999.27**

(Rs. In Lakhs)

	As at 31st March, 2024			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings	**–**	**–**	**–**	**–**
Other financial liabilities	**0.04**	**–**	**–**	**0.04**
Current Liabilities				
Trade Payables	**1,096.95**	**–**	**–**	**1,096.95**
Other financial liabilities	**1,184.99**	**–**	**–**	**1,184.99**
	2,281.98	**–**	**–**	**2,281.98**

(Rs. In Lakhs)

	As at 31st March, 2023			
	Amortised Costs	FVTPL	FVOCI	Total
Other financial assets	24.57	–	–	24.57
Current Assets				–
Trade Receivables	10,192.14	–	–	10,192.14
Cash and Cash equivalents	104.02	–	–	104.02
Other financial assets	0.41	–	–	0.41
	10,321.14	–	–	10,321.14
Non-current Liabilities				
Borrowings	6,538.08	–	–	6,538.08
Other financial liabilities	0.02	–	–	0.02
Current Liabilities		–	–	–
Trade Payables	1,409.01	–	–	1,409.01
Other financial liabilities	4,299.86	–	–	4,299.86
	12,246.97	–	–	12,246.97

32. Financial Risk Management Framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are directly derived out of equity.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The Company has not created any Investments of surplus funds in any other instruments as of date and hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-24				
Trade and other payables..................	**1,096.95**	**–**	**–**	**–**
Variable interest rate instruments.......	**–**	**–**	**–**	**–**
Total	**1,096.95**	**–**	**–**	**–**

(Rs. In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
31-Mar-23				
Trade and other payables.................	1,409.01	–	–	–
Variable interest rate instruments.......	–	951.00	5,625.00	–
Total	**1,409.01**	**951.00**	**5,625.00**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company undertakes transactions denominated in foreign currencies only for Marketing commission payments to the Joint Venturer Sumitomo Corporation, Japan.

The company had not hedged its foreign currency risk by way of Forward Covers and other derivative instruments.

The Company had an unhedged foreign exchange exposure as at 31 March 2023 is as follows and it has been fully settled as on 31 March 2024:

(Figures In lakhs)

Particulars	Currency	Amount in Foreign Currency	Amount in INR.
Trade Payable as on 31 March 2024	USD	–	–
Trade Payable as on 31 March 2023	USD	8.95	–

Currency Risk Sensitivity

The following sensitivity analysis shows the effects on profit before tax of 1% increase/decrease in exchange rates versus closing exchange rates:

(Rs. In lakhs)

Particulars	Increase / decrease in basis points	Effect on financial statements (Increase)/Decrease
31-Mar-24		
INR	+100	–
INR	-100	–
31-Mar-23		
INR	+100	(7.35)
INR	-100	7.35

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

As at 31st March, 2023 100% of borrowings are at Variable interest rate.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. In Lakhs)

	Increase/ decrease in basis points	Effect on financial statements* (Increase)/ Decrease
31-Mar-24		
INR	**+50**	–
INR	**-50**	–
31-Mar-23		
INR	+50	(33)
INR	-50	33

33. Capital & other Commitments

There are no contracts remaining to be executed towards construction of capital assets as at March 31, 2024 (As at March 31, 2023- NIL).

34. Segment information

Based on the internal reporting provided to the Chief Operating Decision Maker (CODM), business of acquiring, development and maintenance of industrial parks is the only reportable segment of the Company. Accordingly, the amounts appearing in these financial statements relate to this operating segment. Further the company does not have any separate geographic segment other than India.

35. Additional Regulatory Information

1) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

3) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

4) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

5) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

6) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

7) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

8) Whistle Blower-

During the year ended March 31, 2024 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

9) Discrepancies between books of accounts & quarterly statements submitted to banks-

The Company had availed term loan from HDFC towards project development activities which is secured by way of equitable mortgage by deposit of title deeds and accordingly no quarterly statements are to be submitted by the Company to HDFC. Also, the company has not availed any working capital facility during the year.

10) Audit Trail-

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting software's for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. However, in respect of an accounting software, audit trail was not enabled at the database level and in respect of another software the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months. The company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective.

36. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

37. Other Notes

i. The Company does not have any pending litigations which will impact its financial position as at March 31, 2024

ii. The Company did not have material foreseeable losses in respect of long-term contracts and the Company did not have any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has not made any donations to Political parties during the year

38. Events after the Reporting period

No material events have occurred after the Balance sheet date and up to the approval of Financial statements.

39. Regrouping and Reclassification

Previous period / year figures have been regrouped / reclassified where found necessary, to conform to current period / year classification.

40. Approval of financial statements

The financial statements were approved for issue by the Board of directors in their meeting held on April 22, 2024.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

P Usha Parvathy
Partner
Membership No. 207704

Place: Chennai
Date: 26 April, 2024

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Parveen Prakash Mahtani
Director
DIN:05189797

Amit Kumar Sinha
Director
DIN:09127387

Karkala Rajaram Pai
Chief Executive Officer

Pulipati Bhaskar
Chief Financial Officer

Aman Desai
Company Secretary
ACS 47990

Place: Chennai
Date: 22 April, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA HOMES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Homes Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report (hereinafter referred to as "other information"), but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for matters stated in paragraph (i)(vi) below.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The modification relating to maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided any managerial remuneration during the year, hence compliance with provisions of Section 197, read with Schedule V of the Act are not applicable to the Company.

   i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note- 35 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 38(c) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 38(c) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a) in respect of an accounting software, audit trail was not enabled at the database level to log any direct changes, and

b) in respect of another software, since the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months, we are unable to comment whether the audit trail feature was enabled and operating for the period the audit trail log is not available.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating and log was maintained (refer note 38(g) to the financial statements.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 24100459BKFARJ8945

Place: Mumbai
Date: April 18, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Homes Private Limited ("the Company") as at 31st March, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 24100459BKFARJ8945

Place: Mumbai
Date: April 18, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Homes Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) As the Company does not hold any Intangible Assets, reporting under clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than administrative block and project facilities, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause 3(i)(c) of the Order is not applicable.

(i) (d) The Company has not revalued any of its Property, Plant and Equipment during the year. The Company does not have any Intangible Assets.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification is conducted by the management at reasonable intervals, by way of site visits and certification of extent of work completed by competent persons. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of certain current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising quarterly financial results, quarterly cash flow statements, Unhedged Foreign Currency Exposure certificates filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2023, September 30, 2023 and December 31, 2023 and no material discrepancies have been observed. The Company is yet to submit the above mentioned statements for the quarter ended March 31, 2024 with the bank.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

(b) Details of Statutory Dues referred to in sub clause (a) above which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Finance Act, 1994	Service Tax	153.76	FY 2015-16 to FY 2017-18	Joint Commissioner
Finance Act, 1994	Service Tax	74.58	FY 2014-15 to FY 2017-18	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	51.20	FY 2014-15 to FY 2017-18	Additional Commissioner
Finance Act, 1994	Service Tax	1,885.00	FY 2013-14 to FY 2017-18	Principal Commissioner
Income Tax Act, 1961	Income Tax	30.06#	FY 2013-14	High Court
Income Tax Act, 1961	Income Tax	761.44	FY 2015-16	High Court
Income Tax Act, 1961	Income Tax	762.82^	FY 2016-17	High Court

Net of Rs. 7.51 lakhs paid under protest.

^ Net of Rs. 182.63 lakhs paid under protest.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) Loans amounting to Rs. 9,566.86 Lakhs outstanding as at 31st March 2024 are repayable on demand. According to the information and explanations given to us, such loans have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans (including loans repayable on demand) or in the payment of interest thereon to any lender during the year.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(ix) (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(ix) (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(ix) (f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(x) (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.

In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013, and hence, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). There are four CIC forming part of the group.

(xvii) The Company has incurred cash losses amounting to Rs. 686.04 lakhs in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 24100459BKFARJ8945

Place: Mumbai
Date: April 18, 2024

BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	**26.11**	28.14
(b) Financial Assets			
Other Financial Assets	10	**310.72**	310.72
(c) Deferred Tax Asset (Net)	4	**2,767.64**	2,753.15
(d) Other Non-current assets	5	**877.56**	715.68
Total Non-current Assets		**3,982.03**	3,807.69
2 Current assets			
(a) Inventories	6	**32,467.01**	28,322.95
(b) Financial assets			
(i) Investments	7	**7,522.84**	304.03
(ii) Trade Receivables	8	**6,401.41**	3,462.71
(iii) Cash and Cash Equivalents	9	**2,046.50**	676.09
(iv) Bank Balances other than (iii) above	9	**14,339.28**	3,312.54
(v) Other Financial Assets	10	**250.53**	45.56
(c) Other current assets	5	**6,419.71**	4,413.35
Total Current Assets		**69,447.28**	40,537.23
TOTAL ASSETS (1+2)		**73,429.31**	44,344.92
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	11	**86.85**	87.95
(b) Other Equity	12	**21,748.75**	21,804.59
Total Equity		**21,835.60**	21,892.54
Liabilities			
2 Non-current liabilities			
(a) Provisions	16	**27.27**	24.11
Total Non-Current Liabilities		**27.27**	24.11
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	**9,566.86**	4,877.36
(ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises and	14	**6.60**	74.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	**1,562.69**	1,626.27
(iii) Other financial liabilities	15	**1,177.23**	1,105.47
(b) Other Current Liabilities	17	**39,010.16**	14,374.15
(c) Provisions	16	**242.90**	370.67
Total Current Liabilities		**51,566.44**	22,428.27
TOTAL EQUITY & LIABILITIES (1+2+3)		**73,429.31**	44,344.92
Summary of Material Accounting Policies	2		

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora

Membership No - 100459
Partner

Place: Mumbai
Date: April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Amit Kumar Sinha
Director
DIN No. 09127387

Place: Mumbai
Date: April 18, 2024

Vimal Agarwal
Director
DIN No. 07296320

Place: Mumbai
Date: April 18, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakh)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	(a) Revenue from operations	18	**656.13**	880.85
	(b) Other income	19	**1,075.90**	729.46
	Total income (a+b)		**1,732.03**	1,610.31
II	**Expenses**			
	(a) Construction Expenses incurred	20	**(1,225.05)**	2,487.17
	(b) Changes in inventories of work-in-progress and finished goods	21	**(4,340.76)**	(1,985.62)
	(c) Employee Benefits Expense	24	**160.60**	206.31
	(d) Finance Costs	23	**705.62**	279.20
	(e) Depreciation Expense	3	**12.66**	10.33
	(f) Other expenses	22	**865.68**	589.81
	Total Expenses (a+b+c+d+e+f)		**(3,821.25)**	1,587.20
III	**Profit Before Tax (I-II)**		**5,553.28**	23.11
IV	**Tax expense / (credit)**			
	(a) Current tax	4	**153.99**	–
	(b) Adjustment of Tax Expense relating to earlier period	4	**–**	0.24
	(c) Deferred tax	4	**(14.49)**	(2,753.15)
	Total tax expense / (credit) (a+b)		**139.50**	(2,752.91)
V	**Profit for the year (III-IV)**		**5,413.78**	2,776.02
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities (net of taxes)		**(1.47)**	4.57
	Total Other Comprehensive (Loss) / Income for the year		**(1.47)**	4.57
	Total Comprehensive Income for the year (V+VI)		**5,412.31**	2,780.59
VII	**Earnings per equity share (Face value: Rs 10/share)**			
	Basic			
	(a) Class B Equity Shares (In Rs.)	25	**10,774.12**	3,392.67
	(b) Class C Equity Shares (In Rs.)	25	**10,774.12**	3,392.67
	Diluted			
	(a) Class B Equity Shares (In Rs.)	25	**10,773.91**	3,392.63
	(b) Class C Equity Shares (In Rs.)	25	**10,773.91**	3,392.63
	Summary of Material Accounting Policies	2		

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora

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Partner

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Director
DIN No. 09127387

Place: Mumbai
Date: April 18, 2024

Vimal Agarwal
Director
DIN No. 07296320

Place: Mumbai
Date: April 18, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit Before Tax	**5,553.28**	23.11
Adjustments for:		
Depreciation Expense	**12.66**	10.33
Loss on disposal of Property Plant & Equipment (net)	**0.06**	0.24
Finance Costs	**705.62**	279.20
Interest Income	**(551.31)**	(361.36)
Profit on sale of current investments	**(117.03)**	(158.52)
Net (gain) arising on Investment measured at Fair Value through Profit and Loss	**(200.12)**	(4.04)
Operating Profit before working capital changes	**5,403.16**	(211.04)
Changes in working capital:		
Decrease in Trade payables	**(131.33)**	(828.29)
Increase in other current liabilities	**24,707.77**	12,909.11
Decrease in Provisions	**(126.08)**	(527.54)
Increase in trade and other receivables	**(4,945.04)**	(3,518.86)
Increase in inventories	**(4,117.99)**	(1,985.62)
Cash generated from operations	**20,790.49**	5,837.76
Income taxes paid (net)	**(315.88)**	(136.03)
Net cash generated from operating activities (A)	**20,474.61**	5,701.73
B Cash flows from Investing activities		
Payment to acquire property, plant and equipment	**(10.68)**	(17.50)
Interest received	**346.33**	473.91
Changes in earmarked balances and margin accounts with banks	**(114.06)**	463.54
Bank deposits (net)	**(10,912.68)**	14,431.01
Payment towards investment in mutual funds	**(6,901.66)**	(141.47)
Net cash (used in) /generated from Investing activities (B)	**(17,592.75)**	15,209.49
C Cash flows from Financing activities		
Proceeds from Short Term Borrowings (Net)	**4,689.49**	3,826.86
Inter-corporate deposit received	**3,200.00**	–
Inter-corporate deposit repaid	**(3,200.00)**	–
Buy Back of Equity Shares	**(5,469.26)**	–
Payment towards capital reduction of equity shares	–	(14,185.48)
Interest Paid	**(731.68)**	(10,164.22)
Net cash flow used in Financing activities (C)	**(1,511.45)**	(20,522.84)
Net increase in cash and cash equivalents (A + B + C)	**1,370.41**	388.38
Cash and cash equivalents at the beginning of the year	**676.09**	287.71
Cash and cash equivalents at the end of the year	**2,046.50**	676.09

Summary of Material Accounting Policies (Refer note 2)

The accompanying notes 1 to 41 are an integral part of these financial statements.

Notes

1 The above cash flow statement has been prepared under the ‘Indirect method’ as set out in “Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows”.

2 Also refer Note no. 9 - Cash and Cash Equivalents

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora

Membership No - 100459
Partner

Place: Mumbai
Date: April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Amit Kumar Sinha
Director
DIN No. 09127387

Place: Mumbai
Date: April 18, 2024

Vimal Agarwal
Director
DIN No. 07296320

Place: Mumbai
Date: April 18, 2024

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2024

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the Beginning of the year	**87.95**	91.35
Less: Changes in Equity Share Capital (Refer note 11)	**(1.10)**	(3.40)
Balance at the end of the year	**86.85**	87.95

B. Other Equity

(Rs. in Lakh)

Particulars	Equity component of compound financial instruments*	Reserves & Surplus			
		Securities Premium	Retained earnings	Capital Redemption Reserve	Total
As at March 31, 2022	**0.00**	**53,205.39**	**(20,003.09)**	**3.78**	**33,206.08**
Profit for the year	–	–	2,776.02	–	2,776.02
Other Comprehensive Income (net of taxes)	–	–	4.57	–	4.57
Utilised for Buyback of Equity Shares	–	–	–	–	–
Utilised for Capital reduction (Refer Note 32)	–	(14,182.08)	–	–	(14,182.08)
Transfer to Capital Redemption Reserve	–	–	–	–	–
As at March 31, 2023	**0.00**	**39,023.31**	**(17,222.50)**	3.78	**21,804.59**
Profit for the year	–	–	5,413.78	–	5,413.78
Other Comprehensive Loss (net of taxes)	–	–	(1.47)	–	(1.47)
Utilised for Buyback of Equity Shares (Refer Note 31)	–	(5,468.15)	–	–	(5,468.15)
Utilised for Capital reduction (Refer Note 32)	–	–	–	–	–
Transfer to Capital Redemption Reserve	–	(1.10)	–	1.10	–
As at March 31, 2024	**0.00**	**33,554.06**	**(11,810.19)**	**4.88**	**21,748.75**

Summary of Material Accounting Policies (refer note 2)

The accompanying notes 1 to 41 are an integral part of these financial statements.

* **Equity component of compound financial instruments:** This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL (Refer Note no. 11). The equity component is Rs 20/- (Previous year Rs 20/-)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora

Membership No - 100459
Partner

Place: Mumbai
Date: April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Amit Kumar Sinha
Director
DIN No. 09127387

Place: Mumbai
Date: April 18, 2024

Vimal Agarwal
Director
DIN No. 07296320

Place: Mumbai
Date: April 18, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. **General Information**

Mahindra Homes Private Limited is a private company domiciled in India and was incorporated on June 2, 2010 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The Company is currently engaged in the development of residential projects in Gurugram and Bengaluru.

2. **Material accounting policies**

2.1 Statement of compliance and basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the act.

These aforesaid financial statements were approved by Company's Board of Directors and authorised for issue in the meeting held on April 18, 2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Measurement of Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

- The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate unit to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate unit sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.
- The Company invoices the customers for construction contracts based on achieving performance-related milestones.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.
- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

  Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

2.4.2 Dividend and Interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Foreign exchange transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.7 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

<u>Company as a lessee</u>

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant, and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.8 Employee Benefits

2.8.1 Defined contribution plans

The Company's contribution paid/payable during the year to Superannuation Fund and Provident fund is recognised in profit or loss.

2.8.2 Defined benefit plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

2.8.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long-term benefits are recognised in profit or loss.

2.8.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.9 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

Current tax payable is determined as the amount of tax payable in respect of taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Property, plant, and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets is provided on pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below

	Useful lives estimated by the management (years)
Computers	3 to 6
Furniture	5
Building - Office/Commercial constructed at site	5

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.11 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis. Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs.

2.13 Cost of Construction / Development:

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties.

2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'.

Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.16 Provisions and Contingent Liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.2 Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events when no reliable estimate is possible.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.17.1 Classification and subsequent movement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as – measured at:

– Amortised cost; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All Financial assets are not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial Assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment loss. Interest income

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

and impairment loss are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

2.17.2 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the party does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.17.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised

2.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.18.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of directly attributable transaction costs.

2.18.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.18.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

2.20 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been from April 01, 2024.

2A. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements.

A. Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under construction is assessed with reference to the market prices at the reporting date less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the construction are estimated by management.

B. Useful lives of Depreciable/amortisable assets

The Company reviews the useful life of depreciable/ amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

C. Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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D. **Determining the timing of revenue recognition on the sale of completed and under development property**

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

E. **Determination of performance obligations**

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

F. **Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

3. Property, Plant and Equipment

(Rs. in Lakh)

Description of Assets	Building	Office Equipments	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at April 1, 2023	452.18	97.02	240.20	70.25	859.65
Additions during the year	–	–	–	10.68	10.68
Deductions/adjustments during the year	–	0.43	–	1.36	1.79
Balance as at March 31, 2024	**452.18**	**96.59**	**240.20**	**79.57**	**868.54**
II. Accumulated depreciation					
Balance as at April 1, 2023	452.18	96.58	238.89	43.86	831.51
Depreciation expense for the year	–	0.13	0.39	12.14	12.66
Deductions/adjustments during the year	–	0.43	–	1.31	1.74
Balance as at March 31, 2024	**452.18**	**96.28**	**239.28**	**54.69**	**842.43**
III. Net carrying amount (I-II)					
Balance as at March 31, 2024	–	**0.31**	**0.92**	**24.88**	**26.11**
Balance as at March 31, 2023	–	**0.44**	**1.31**	**26.39**	**28.14**

(Rs. in Lakh)

Description of Assets	Building	Office equipments	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at April 1, 2022	452.19	115.40	240.37	73.30	881.26
Additions during the year	–	–	–	17.50	17.50
Deductions during the year	0.01	18.38	0.17	20.55	39.11
Balance as at March 31, 2023	**452.18**	**97.02**	**240.20**	**70.25**	**859.65**
II. Accumulated depreciation					
Balance as at April 1, 2022	452.18	110.84	238.60	58.39	860.01
Depreciation expense for the year	–	0.55	0.46	9.32	10.33
Deductions/adjustments during the year	–	14.81	0.17	23.85	38.83
Balance as at March 31, 2023	**452.18**	**96.58**	**238.89**	**43.86**	**831.51**
III. Net carrying amount (I-II)					
Balance as at March 31, 2023	–	**0.44**	**1.31**	**26.39**	**28.14**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Tax Expense

(a) Income tax expense recognised in Statement of Profit & Loss

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax:		
In respect of current year	**153.99**	–
In respect of prior year	**–**	0.24
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(14.49)**	(2,753.15)
Total income tax expense	**139.50**	(2,752.91)

b) Deferred Tax Assets

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax Asset recognised		
Disallowance u/s 43(B) of the Income tax Act, 1961	**65.83**	91.83
Fiscal allowance on Property, Plant and Equipment	**89.72**	100.21
Provision for Employee Benefits	**8.46**	7.54
Brought Forward Unused Tax losses	**2,655.02**	2,553.57
Other Temporary differences	**(51.39)**	–
Total	**2,767.64**	2,753.15
Deferred tax Asset not recognised		
Brought Forward Unused Tax losses	**1,526.24**	2,708.85
Total	**1,526.24**	2,708.85

i) During the year ended March 31, 2024, the Company has recognised deferred tax assets of Rs 14.49 lakhs for deductible temporary differences (including brought forward unused tax losses). During the year ended March 31, 2023, the Company had recognised deferred tax assets of Rs 2,753.15 lakhs for deductible temporary differences (including brought forward unused tax losses) to the extent of probable future taxable profits that will be available against which such deductible temporary differences can be utilised.

(c) Movement in Deferred Tax (Net) in relation to:

(Rs. in Lakh)

Particulars	Opening Balance as at April 01, 2023	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2024
Deferred Tax Liabilities:				
Other Temporary differences	–	(51.39)	–	(51.39)
Deferred Tax Liabilities	**–**	**(51.39)**	**–**	**(51.39)**
Deferred Tax Assets:				
Disallowance u/s 43(B) of the Income tax Act, 1961	91.83	(26.00)	–	65.83
Fiscal allowance on Property, Plant and Equipment	100.21	(10.49)	–	89.72
Provision for Employee Benefits	7.54	0.92	–	8.46
Brought Forward Unused Tax losses	2,553.57	101.45	–	2,655.02
Deferred Tax Assets	**2,753.15**	**65.88**	**–**	**2,819.03**
Deferred Tax Assets / Liabilities (Net)	**2,753.15**	**14.49**	**–**	**2,767.64**

(Rs. in Lakh)

Particulars	Opening Balance as at April 01, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2023
Deferred Tax Assets:				
Disallowance u/s 43(B) of the Income tax Act, 1961	–	91.83	–	91.83
Fiscal allowance on Property, Plant and Equipment	–	100.21	–	100.21
Provision for Employee Benefits	–	7.54	–	7.54
Brought Forward Unused Tax losses	–	2,553.57	–	2,553.57
Deferred Tax Assets	**–**	**2,753.15**	**–**	**2,753.15**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(d) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	**5,553.28**	23.11
Income tax expense calculated at the statutory income tax rate of 25.17% (25.17% for the previous year)	**1,397.76**	5.82
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	0.24
Provision for tax of current year	**153.99**	–
Non recognition of deferred tax asset on losses	**(1,397.76)**	(5.82)
Recognition of Deferred tax asset on Carry Forward Unused Tax losses and deductible temporary differences	**(14.49)**	(2,753.15)
Income tax expense recognised in statement of profit & loss	**139.50**	(2,752.91)

5. Other assets

(Rs. in Lakh)

Particulars	As at March 31, 2024 Non-current	As at March 31, 2024 Current	As at March 31, 2023 Non-current	As at March 31, 2023 Current
Advances other than capital advances				
Balances with government authorities (other than income taxes)	**–**	**37.37**	–	42.02
Prepaid Expenses	**–**	**2,090.68**	–	1,437.77
Income Tax Assets (Net)	**877.56**	**–**	715.68	–
Collaboration Advance	**–**	**3,581.48**	–	1,907.91
Other Advances #	**–**	**710.18**	–	1,025.65
Total	**877.56**	**6,419.71**	715.68	4,413.35

\# Other Advances comprises of Project Advances given to vendors.

6. Inventories (at lower of cost and net realisable value)

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	**213.83**	410.53
Work-in-progress*	**32,253.18**	27,580.30
Finished Goods	**–**	332.12
Total	**32,467.01**	28,322.95

* Work-in-Progress represents materials at site and construction cost incurred for the projects.

In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

The Company has availed overdraft / cash credit facilities which are secured by hypothecation of inventories.

7. Investments

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Designated at Fair Value Through Profit and Loss		
Quoted Investments		
Investment in Mutual Funds	**7,522.84**	304.03
Total	**7,522.84**	304.03
Other disclosures		
Aggregate carrying value of quoted investments	**7,522.84**	304.03
Market value of quoted investments	**7,522.84**	304.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Trade Receivables

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good- unsecured	**6,401.41**	3,462.71
Credit Impaired	**25.00**	25.00
	6,426.41	3,487.71
Less: Loss allowance	**(25.00)**	(25.00)
Total	**6,401.41**	3,462.71

8a. Movement in the allowance for credit losses

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	**25.00**	25.00
Addition during the year	**–**	–
Total	**25.00**	25.00

Refer Note 28 for disclosures related to credit risk, impairment risk of trade receivables under expected credit loss model and related financial instrument disclosures.

8b. Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed Trade Receivable - Considered good - unsecured	**6,401.41**	3,462.71
Not Due	**5,683.53**	3,331.14
Less than 6 months	**697.79**	62.92
6 months -1 year	**11.01**	63.86
1-2 Years	**5.23**	3.43
2-3 years	**3.17**	1.36
More than 3 years	**0.68**	–
Undisputed Trade Receivable - Credit impaired	**25.00**	25.00
Not Due	**–**	–
Less than 6 months	**–**	–
6 months -1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**25.00**	25.00
Disputed Trade Receivables- which have significant increase in credit risk	**–**	–
Disputed Trade Receivables- credit impaired	**–**	–
Total	**6,426.41**	3,487.71

9. Cash & Cash Equivalents and Bank Balances

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks:		
– On current accounts	**177.50**	87.09
– Fixed deposits with original maturity of less than three months	**1,869.00**	589.00
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**2,046.50**	676.09
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
– Earmarked Balances	**984.72**	882.59
– Towards margin money	**558.95**	547.02
– Fixed deposits with original maturity greater than 3 months	**12,795.61**	1,882.93
Total Other Bank balances	**14,339.28**	3,312.54

10. Other Financial assets

(Rs. in Lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
Measured at amortised cost	**Non-current**	**Current**	Non-current	Current
Unsecured, considered good unless stated otherwise				
Interest accrued	**–**	**250.53**	–	45.56
Security Deposit	**310.72**	**–**	310.72	–
Total	**310.72**	**250.53**	310.72	45.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Equity Share capital

(Rs. in Lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**Amount**	No. of shares	Amount
Authorised				
Ordinary Equity Shares of Rs.10 each	**100,000**	**10.00**	100,000	10.00
Class A Equity Shares of Rs.10 each	**1,550,000**	**155.00**	1,550,000	155.00
Class B Equity Shares of Rs.10 each	**116,500**	**11.65**	116,500	11.65
Class C Equity Shares of Rs.10 each	**116,500**	**11.65**	116,500	11.65
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	**250**	**0.03**	250	0.03
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each	**250**	**0.02**	250	0.02
Series B 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	**116,500**	**11.65**	116,500	11.65
	2,000,000	**200.00**	2,000,000	200.00
Issued, subscribed and fully paid-up shares				
Class A Equity Shares of Rs. 10 each	**822,507**	**82.25**	822,507	82.25
Class B Equity Shares of Rs. 10 each	**23,043**	**2.30**	28,523	2.85
Class C Equity Shares of Rs. 10 each	**23,043**	**2.30**	28,523	2.85
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each*	**1**	**0.00**	1	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each*	**1**	**0.00**	1	0.00
Total	**868,595**	**86.85**	879,555	87.95

* Represents Rs 20/- (As at March 31, 2023 Rs 20/-)

(i) Reconciliation of the number of shares and outstanding amount

(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Shares extinguished on buy back	Shares extinguished on capital reduction	Closing Balance
(a) Equity Shares without Voting rights					
Class B equity shares					
Year Ended 31 March 2024					
No. of Shares	**28,523**	**–**	**5,480**	**–**	**23,043**
Amount	**2.85**	**–**	**0.55**	**–**	**2.30**
Year Ended 31 March 2023					
No. of Shares	45,523	–	–	17,000	28,523
Amount	4.55	–	–	1.70	2.85
Class C equity shares					
Year Ended 31 March 2024					
No. of Shares	**28,523**	**–**	**5,480**	**–**	**23,043**
Amount	**2.85**	**–**	**0.55**	**–**	**2.30**
Year Ended 31 March 2023					
No. of Shares	45,523	–	–	17,000	28,523
Amount	4.55	–	–	1.70	2.85
(b) Equity Shares with Voting rights					
Class A equity shares					
Year Ended 31 March 2024					
No. of Shares	**822,507**	**–**	**–**	**–**	**822,507**
Amount	**82.25**	**–**	**–**	**–**	**82.25**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Shares extinguished on buy back	Shares extinguished on capital reduction	Closing Balance
Year Ended 31 March 2023					
No. of Shares	822,507	–	–	–	822,507
Amount	82.25	–	–	–	82.25
(c) Preference Shares					
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)					
Year Ended 31 March 2024					
No. of Shares	**1**	**–**	**–**	**–**	**1**
Amount*	**0.00**	**–**	**–**	**–**	**0.00**
Year Ended 31 March 2023					
No. of Shares	1	–	–	–	1
Amount*	0.00	–	–	–	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS)					
Year Ended 31 March 2024					
No. of Shares	**1**	**–**	**–**	**–**	**1**
Amount*	**0.00**	**–**	**–**	**–**	**0.00**
Year Ended 31 March 2023					
No. of Shares	1	–	–	–	1
Amount*	0.00	–	–	–	0.00

This Note covers the equity component of the issued convertible preference shares

* Represents Rs 20/- (As at March 31, 2023 Rs 20/-)

(a) Terms/ rights attached to equity shares

The Company has three classes of equity shares. The details are as follows :-

Each holder of Class A Equity Share is entitled to one vote per share, shall not carry any dividend and shall not carry any economic rights. The Series A Equity Shares shall rank subordinate to the Compulsorily Convertible Preference Shares, the Series A OCRPS, the Series B OCRPS, the Series B Equity Shares and the Series C Equity Shares with respect to distribution rights and rights on liquidation, dissolution and winding up of the affairs of the Company.

Each holder of Class B Equity Share shall be non voting and entitled to dividend. The economic rights on Series B Equity Shares shall be for the entire Series B as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series B shareholder has achieved a 17% Internal Rate of Return (IRR) on the Investment Subscription Amount. On achieving 17% IRR by the Series B shareholder, the Series B Equity Shares to carry 35% share of the total economic rights of the Shareholders of the Company.

Each holder of Class C Equity Share shall be non voting and entitled to dividend. The economic rights on Series C Equity Shares shall be for the entire Series C as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series C shareholder has achieved a 17% IRR on the Investment Subscription Amount. On achieving 17% IRR by Series C shareholder, the Series C Equity Shares to carry 65% share of the total economic rights of the Shareholders of the Company.

(b) Terms of conversion/ redemption of Optionally Convertible Redeemable Preference Shares (OCRPS)

The Series A OCRPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum ("Fixed Dividends"). The Series A OCRPS shall be non-cumulative and not carry any voting rights. One Series A OCRPS shall convert to one Series A Equity Share at the conversion Ratio at the option of the holder of the Series A OCRPS. The Series A OCRPS shall be optionally redeemable at par. In the event of liquidation of the Company, Series A OCRPS shall be deemed to have been converted into Series A Equity Shares.

(c) Terms of conversion/ redemption of Compulsorily Convertible Preference Shares (CCPS)

CCPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum (Fixed Dividend). The CCPS shall be non-cumulative and shall not carry any voting rights. One CCPS Share shall convert to one Series B Equity Share. The CCPS shall be deemed to have automatically and mandatorily converted to Series B Equity Shares at the Conversion Ratio at the expiry of 12 years from the date of allotment. CCPS can be voluntarily converted to Series B Equity Shares at the option of the holder. In the event of liquidation of the Company, the CCPS shall be deemed to have been converted into Series B Equity Shares.

(d) Aggregate number of equity shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Aggregate Number of Shares	
	As at March 31, 2024	As at March 31, 2023
<u>**Series B and Series C Equity Shares**</u>		
Fully paid up pursuant to contract(s) without payment being received in cash		
Fully Paid Series C Equity Shares by way of conversion of Optionally Convertible Debentures (OCD)	**64,034**	64,034
Fully Paid Series B Equity Shares by way of conversion of Compulsory Convertible Debentures (CCD)	**64,034**	64,034
Shares extinguished on buy back		
Fully Paid Series C Equity Shares	**24,380**	18,900
Fully Paid Series B Equity Shares	**24,380**	18,900

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Details of shares held by the holding company, the ultimate holding company and its subsidiaries

Particulars	Class A Equity shares with voting rights	Class C Equity shares without voting rights	Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)
As at March 31, 2024			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	**616,879**	**23,043**	**1**
As at March 31, 2023			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	616,879	28,523	1

(iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No.	**% holding in the class**	No.	% holding in the class
Equity shares without voting rights:-				
Class C equity Shares	**23,043**	**100%**	28,523	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class B equity Shares	**23,043**	**100%**	28,523	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Equity shares with voting rights				
Class A equity Shares	**616,879**	**75%**	616,879	75%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class A equity Shares	**205,628**	**25%**	205,628	25%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Preference Shares				
0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	**1**	**100%**	1	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
0.01% Compulsorily Convertible Preference Shares (CCPS)- Series B	**1**	**100%**	1	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				

(iv) Shares reserved for issue under options

For details of shares reserved for issue on conversion of OCRPS and CCPS, please refer note 11 (b) and 11 (c) respectively regarding terms of conversion/redemption of preference shares.

(v) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at March 31, 2024		As at March 31, 2023		Change during the period	% change during the period
	Number of shares held	**% holding**	Number of shares held	% holding		
Mahindra Lifespace Developers Limited						
Equity shares with voting rights						
Class A equity Share	**616,879**	**75.00%**	616,879	75.00%	–	0.00%
Equity shares without voting rights						
Class C equity Shares	**23,043**	**100.00%**	28,523	100.00%	–	0.00%
0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	**1**	**100.00%**	1	100.00%	–	0.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. Other Equity

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	**33,554.06**	39,023.31
Retained earnings	**(11,810.19)**	(17,222.50)
Capital Redemption Reserve	**4.88**	3.78
Equity component of compound financial instruments	**0.00**	0.00
Other Equity Total	**21,748.75**	21,804.59

Description of the nature and purpose of Other Equity:

Securities Premium: The Securities Premium Reserve is created on issue of shares at a premium. During the year ended March 31, 2024, Securities Premium account is utilised for buy back of equity shares.

Retained earnings: This reserve represents cumulative profits/losses of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Capital Redemption Reserve: Capital Redemption Reserve is created by transferring funds from securities premium account being face value of shares bought back during the year ended March 31, 2024 in accordance with the provisions of Companies Act, 2013.

Equity component of compound financial instruments: This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL. The equity component is Rs 20/- (March 31, 2023 - Rs 20/-).

13. Borrowings

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Borrowings		
Secured Borrowings at amortised cost		
Loans repayable on demand		
From banks	**9,566.86**	4,877.36
Total current borrowings	**9,566.86**	4,877.36

1. Loans repayable on demand from banks (Secured)

a. Axis Bank Ltd

Cash Credit Facility from Axis Bank Ltd carries interest rate in the range of 9.10% to 9.60% p.a (March 31, 2023- 7.70% to 9.10% p.a). The facility is secured by first ranking pari passu charge by way of hypothecation (pari passu only with the security interest created / to be created to secure the working capital facilities availed by the Company) over the land admeasuring 6.8 acres and building of borrower of its Luminare Project, First charge on development rights under the Collaboration agreement, receivables (present & future) of its Luminare and Windchimes Project, Rights/Claims/Demands/Approvals/Permits relating to Luminare Project. All insurance contracts in relation to Luminare Project

b. HDFC Bank Ltd

Overdraft facility from HDFC Bank carries interest rate of 8.85% to 9.45% p.a (March 31, 2023- 8.10% to 8.85% p.a). The facility is secured by first pari passu charge (pari passu along with other lenders for current facility) on receivables to the extent of Borrower's share (75% of receivables) pertaining to Gurgaon project and receivable of Bengaluru project, present and future.

14. Trade Payables

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable - micro and small enterprises*	**6.60**	74.35
Trade payable - Other than micro and small enterprises	**1,562.69**	1,626.27
Total	**1,569.29**	1,700.62

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

* This information has been determined to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

14a. Disclosures required under Section 22 or the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**6.60**	74.35
b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
Total	**6.60**	74.35

14b. Ageing for trade payable from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**2.41**	1.82
Not Due	**1.07**	72.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year	**3.12**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**860.51**	770.27
Not Due	**381.46**	600.88
Less than 1 year	**155.95**	138.51
1-2 Years	**130.14**	65.51
2-3 years	**5.44**	17.32
More than 3 years	**29.19**	33.78
Disputed Dues- micro enterprises and small enterprises	**–**	–
Disputed Dues- Others	**–**	–
Total	**1,569.29**	1,700.62

15. Other Financial liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Carried at Amortised Cost		
Advance towards Society Maintenance	**1,177.23**	1,105.47
Total	**1,177.23**	1,105.47

16. Provisions

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for Employee Benefits		
Gratuity	**16.56**	14.25
Leave Encashment	**10.71**	9.86
Total	**27.27**	24.11
Current		
Provision for Employee Benefits		
Gratuity	**3.10**	2.88
Leave Encashment	**3.26**	2.95
Other Current Provisions		
Provision for Defect Liabilities	**236.54**	364.84
Total	**242.90**	370.67

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 year from the date when control over the property has been transferred to the customer.

The movement in provision for defect liabilities is as follows:

(Rs. in Lakh)

Particulars	Provision for Defect Liability
Balance at March 31, 2022	**888.23**
Additional provisions recognised	–
Amounts utilised / reversed during the year	523.39
Balance at March 31, 2023	**364.84**
Additional provisions recognised	–
Amounts utilised / reversed during the year	128.30
Balance at March 31, 2024	**236.54**

17. Other Current liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received from customers	**38,670.57**	14,140.68
Statutory dues payable*	**339.59**	233.47
Total	**39,010.16**	14,374.15

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

18. Revenue from Operations

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Contracts with Customers		
Revenue from Projects	**656.13**	880.85
Total	**656.13**	880.85

Revenue from operations for the year ended March 31, 2024 is net of Rs NIL Lakhs (March 31, 2023 -Rs 7.98 Lakhs) towards input tax credit benefits passed on to the customers as per the provisions of section 171 on Anti-Profiteering of CGST Act, 2017. The treatment is as per the prevailing Indian Accounting Standards.

Notes:

a) **Contract Balances**

i) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in note 17- Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note 8- Trade Receivables.

ii) During the year, the Company recognised Revenue of Rs. NIL lakhs from opening contract liability (after Ind AS 115 adoption) of Rs 14,140.68 lakhs (recognised in previous year- Rs. 658.91 lakhs out of Rs 868.40 lakhs).

iii) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing, sales cancellations and revenue recognition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iv) Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

v) Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

vi) There are no contract assets outstanding at the end of the year.

vii) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2024, is Rs. 58,839.99 lakhs (March 31, 2023- Rs. 37,704.18 lakhs). Out of this, the Company does not expect, based on current projections, to recognize revenue within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

b) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted price	**656.13**	888.83
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	**–**	(7.98)
Revenue recognised as per Statement of Profit & Loss	**656.13**	880.85

c) Contract Costs

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract costs included in Prepaid expenses in Note 5- Other Assets	**2,090.68**	1,437.77

The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 5 - Other Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2024, amortisation amounting to Rs. 268.56 lakhs (Previous Year - Rs. 50.23 lakhs) was recognised as brokerage cost in note 22- Other expenses. There was no impairment loss in relation to the costs capitalised.

19. Other Income

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income on Bank Deposits	**551.31**	361.36
Gain on sale of current investments	**117.03**	158.52
Net Gain arising on Investments measured at Fair Value through Profit and Loss	**200.12**	4.04
Miscellaneous Income	**207.44**	205.54
Total Other Income	**1,075.90**	729.46

20. Construction Expenses Incurred

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses incurred during the year		
Civil, Electricals, Contracting, etc.	**4,354.35**	2,064.64
Legal & Professional Fees	**22.19**	159.13
Interest costs allocated	**26.06**	–
Manpower Cost	**269.62**	243.13
Provision reversal (refer note below)	**(5,897.93)**	–
Other Project Administration Cost	**0.66**	20.27
Construction Expenses incurred during the year (a)	**(1,225.05)**	2,487.17
Provision for Defect Liability (b)	**–**	–
Total Construction Expenses incurred (a+b)	**(1,225.05)**	2,487.17

The Company is executing residential projects at NCR. The Tower B project of Luminare had a successful launch and approx. 98% of the units are booked for sale as on March 31, 2024. During the year ended March 31, 2024 there were increased bookings and an increase in average sale price per sq.ft. Consequently, while valuing its inventory as per its accounting policies, the Company has reversed the NRV provision of Rs.5,897.93 lakhs.

21. Changes in inventories of work-in-progress and finished goods

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock		
Work-in-progress *	**27,580.30**	25,150.68
Finished Goods	**332.12**	776.12
Total Opening Stock	**27,912.42**	25,926.80
Closing Stock		
Work-in-progress	**32,253.18**	27,580.30
Finished Goods	**–**	332.12
Total Closing Stock	**32,253.18**	27,912.42
Changes in inventories of work-in-progress and finished goods	**(4,340.76)**	(1,985.62)

* Work-in-progress includes raw materials for the year ended March 31, 2023

22. Other expenses

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement, Marketing & Business Development	**167.74**	200.13
Commission & Brokerage	**268.56**	50.23
Legal and other professional fees	**238.23**	135.28
Insurance	**0.39**	–
Payment to auditors #	**42.23**	43.11

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(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs & Maintenance	**83.49**	54.07
Loss on disposal of Property Plant & Equipment	**0.06**	0.24
Rates & Taxes	**1.26**	41.89
Travelling & Conveyance	**10.15**	4.33
Printing & Stationery	**1.11**	1.26
Power & Fuel	**1.12**	0.85
Miscellaneous Expenses	**51.34**	58.42
Total	**865.68**	589.81

(Rs. in Lakh)

#Payment to auditors	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) To Statutory Auditors		
For Audit	**17.27**	23.85
For Tax Audit	**7.27**	7.27
For Other Services	**16.26**	10.47
Reimbursement of expenses	**0.42**	0.31
(b) To Cost Auditors for cost audit	**1.01**	1.21
	42.23	43.11

23. Finance Costs

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest Costs		
Interest expense for financial liabilities at amortised cost	**730.74**	277.77
b) Other Borrowing Cost	**0.94**	1.43
Less: Allocated to Projects	**(26.06)**	–
Total	**705.62**	279.20

24. Employee Benefits Expense

(Rs. in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages including Bonus	**401.67**	413.93
Contributions to provident and other funds	**20.45**	23.33
Staff welfare expenses	**8.10**	12.18
Less: Allocated to Projects	**(269.62)**	(243.13)
Total	**160.60**	206.31

25. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company (after adjusting for dividend on preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax for the year (in Rs Lakh)	**5,413.78**	2,776.02
Weighted average number of Class A equity shares in calculating EPS*	**822,507**	822,507
Weighted average number of Class B equity shares in calculating EPS	**25,124**	40,912
Weighted average number of Class C equity shares in calculating EPS	**25,124**	40,912
Conversion of Compulsory Convertible Preference Shares	**1**	1
Conversion of Optionally Convertible Redeemable Preference Shares	**1**	1
Face Value of Class B Equity Shares	**10**	10
Face Value of Class C Equity Shares	**10**	10
Earnings per Class B Equity share - Basic (in Rs.)	**10,774.12**	3,392.67
Earnings per Class C Equity share - Basic (in Rs.)	**10,774.12**	3,392.67
Earnings per Class B Equity share - Diluted (in Rs.)	**10,773.91**	3,392.63
Earnings per Class C Equity share - Diluted (in Rs.)	**10,773.91**	3,392.63

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit for the year, used in the calculation of basic earning per share (in Rs Lakh)	**5,413.78**	2,776.02
Profit for the year used in the calculation of diluted earnings per share (in Rs. Lakh)	**5,413.78**	2,776.02
Weighted average number of equity shares used in calculating basic EPS	**50,248**	81,824
Effect of dilution:		
Convertible Preference Share (in nos.)	**2**	2
Weighted average number of equity shares in the calculation of diluted EPS	**50,250**	81,826

* As Class A Equity Shares does not carry any dividend and economic rights, therefore the same has not been considered in calculation of Basic & Diluted EPS.

26. Leases

The company did not have any leasing arrangement during the year ended March 31, 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company	Mahindra Lifespace Developers Limited
	Actis Mahi Holdings (Singapore) Private Limited (Formerly known as SCM Real Estate (Singapore) Pvt. Limited)
Other Related parties with whom transactions have taken place	
Holding company of enterprise having joint control over the Company	Mahindra & Mahindra Limited
Subsidiary of Holding company of enterprise having joint control over the Company	Mahindra Integrated Business Solutions Private Limited
	Meru Mobility Tech Private Limited
	Mahindra Defence Systems Limited
Fellow subsidiaries	Mahindra World City (Jaipur) Limited

Related party transactions

The following table provides the basic value of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in Lakh)

Nature of transactions with Related Parties	For the year ended	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra World City (Jaipur) Limited.	Meru Mobility Tech Private Limited	Mahindra Integrated Business Solutions Private Limited
Re-imbursement from Parties	**31–Mar–24**	**16.18**	**–**	**–**	**2.97**	**–**	**–**
	31–Mar–23	4.00	–	–	–	–	–
Receiving of Services	**31–Mar–24**	**128.92**	**–**	**15.03**	**–**	**–**	**28.52**
	31–Mar–23	96.87	–	10.44	–	0.27	5.91
Re-imbursement to Parties	**31–Mar–24**	**7.69**	**–**	**–**	**–**	**–**	**–**
	31–Mar–23	1.14	–	–	–	–	–
Payment towards Capital Reduction	**31–Mar–24**	**–**	**–**	**–**	**–**	**–**	**–**
	31–Mar–23	7,092.74	7,092.74	–	–	–	–
Payment for Buy Back of Class B and Class C Equity Shares	**31–Mar–24**	**2,734.63**	**2,734.63**	**–**	**–**	**–**	**–**
	31–Mar–23	–	–	–	–	–	–
Interest expense	**31–Mar–24**	**34.72**	**–**	**–**	**–**	**–**	**–**
	31–Mar–23	–	–	–	–	–	–
Intercorporate deposit received	**31–Mar–24**	**3,200.00**	**–**	**–**	**–**	**–**	**–**
	31–Mar–23	–	–	–	–	–	–
Intercorporate deposit repaid	**31–Mar–24**	**3,200.00**	**–**	**–**	**–**	**–**	**–**
	31–Mar–23	–	–	–	–	–	–

The following table provides the balances with related parties as on the relevant date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as on	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra World City (Jaipur) Limited.	Meru Mobility Tech Private Limited	Mahindra Integrated Business Solutions Private Limited
Payables	**31–Mar–24**	**259.60**	**–**	**1.60**	**2.97**	**–**	**9.80**
	31–Mar–23	133.92	–	9.58	–	–	3.56
Receivables	**31–Mar–24**	**–**	**–**	**–**	**–**	**–**	**–**
	31–Mar–23	4.00	–	–	–	–	–

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Debt	**9,566.86**	4,877.36
Current Investments	**(7,522.84)**	(304.03)
Cash and bank balances excluding margin monies and earmarked balances	**(14,842.11)**	(2,559.02)
Net Debt (A)	**(12,798.09)**	2,014.31
Equity (B)	**21,835.60**	21,892.54
Net Debt Equity Ratio (A / B)	**(0.59)**	0.09

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

(Rs. in Lakh)

Particulars	Amortised Costs	
	As at March 31, 2024	As at March 31, 2023
Financial assets		
Non-Current Assets		
Other Financial Assets-Non Derivative Financial Assets	**310.72**	310.72
Current Assets		
Investments	**7,522.84**	304.03
Trade Receivables	**6,401.41**	3,462.71
Cash and Cash Equivalents	**2,046.50**	676.09
Other Bank Balances	**14,339.28**	3,312.54
Other Financial Assets-Non Derivative Financial Assets	**250.53**	45.56
Total financial assets	**30,871.28**	8,111.65
Financial liabilities		
Current liabilities		
Borrowings	**9,566.86**	4,877.36
Trade Payables	**1,569.29**	1,700.62
Other financial liabilities-Non Derivative Financial Liabilities	**1,177.23**	1,105.47
Total financial liabilities	**12,313.38**	7,683.45

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in Lakh)

Particulars	Less than 1 Year	1-3 Years	3-5 Years
Non-derivative financial liabilities			
As at March 31, 2024			
Borrowings	**9,566.86**	–	–
Trade Payables	**1,569.29**	–	–
Other financial liabilities	**1,177.23**	–	–
Total	**12,313.38**	**–**	**–**
As at March 31, 2023			
Borrowings	4,877.36	–	–
Trade Payables	1,700.62	–	–
Other financial liabilities	1,105.47	–	–
Total	7,683.45	–	–

Market Risk

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company has not undertaken any transaction in foreign currency during the year ended March 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's financial statements are affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakh)

Particulars	Increase/ decrease in basis points	Effect on financial statements*
As at March 31, 2024		
INR	**+100**	**(95.67)**
INR	**-100**	**95.67**
As at March 31, 2023		
INR	+100	(48.77)
INR	-100	48.77

* The effect as mentioned above will have impact on Profit/(Loss) Before Tax

29 Fair Value Measurement

Fair Valuation Techniques and Inputs used

(Rs. in Lakh)

Financial assets measured at Fair value	Fair value as at		Fair value hierarchy	Valuation Technique(s)	Applicable for Level 2 and Level 3 hierarchy Key input(s)
	March 31, 2024	March 31, 2023			
Financial assets					
Investment in Mutual Funds	**7,522.84**	304.03	Level 1	Net Asset Value	Not applicable as Level 1 hierarchy
Total	**7,522.84**	304.03			

30. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 17.01 lakhs (31st March, 2023- 16.81 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2024.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate(s)	**7.16%**	7.31%
Expected rate(s) of salary increase	**10.00%**	10.00%
Attrition Rate	**21.21% p.a. for all service groups.**	21.21% p.a. for all service groups.
Mortality	**Indian Assured Lives Mortality 2012-14 (Urban)**	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age of the employees is assumed to be 60 years.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Defined benefit plans – as per actuarial valuation on March 31, 2024

(Rs. in Lakh)

Particulars	Un-funded Gratuity Plan For the year ended March 31, 2024	For the year ended March 31, 2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**3.11**	5.00
Past service cost and (gains)/losses	**–**	0.02
Net interest expense	**1.25**	1.51
Components of defined benefit costs recognised in profit or loss	**4.36**	6.53
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from demographic assumptions	**–**	(0.27)
Actuarial (gains)/loss arising from changes in financial assumptions	**0.11**	(1.01)
Actuarial (gains)/loss arising from experience adjustments	**1.36**	(3.29)
Components of defined benefit costs recognised in other comprehensive income	**1.47**	(4.57)
Total	**5.83**	1.96
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**19.66**	17.13
2. Fair value of plan assets	**–**	–
3. Surplus/(Deficit)	**(19.66)**	(17.13)
4. Current portion of the above	**(3.10)**	(2.88)
5. Non current portion of the above	**(16.56)**	(14.25)
II. Movements in the present value of the defined benefit obligation are as follows.		
1. Present value of defined benefit obligation at the beginning of the year	**17.13**	25.79
2. Transfer in liability	**0.94**	–
3. Transfer out liability	**(4.24)**	–
3. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**3.11**	5.00
– Past Service Cost	**–**	0.02
– Interest Cost	**1.25**	1.51
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	(0.27)
ii. Financial Assumptions	**0.11**	(1.01)
iii. Experience Adjustments	**1.36**	(3.29)
5. Benefit payments	**–**	(10.62)
6. Present value of defined benefit obligation at the end of the year	**19.66**	17.13

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in Lakh)

Principal Assumptions		Changes in assumption (%)	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	**Mar-24**	**1.00%**	**(0.70)**	**0.76**
	Mar-23	1.00%	(0.62)	0.68
Salary growth rate	**Mar-24**	**1.00%**	**0.73**	**(0.69)**
	Mar-23	1.00%	0.65	(0.61)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Maturity profile of defined benefit obligation:

(Rs. in Lakh)

Particulars	31st March, 2024	31st March, 2023
Within 1 year	**3.10**	2.88
1 - 2 year	**2.77**	2.74
2 - 3 year	**3.68**	2.43
3 - 4 year	**2.43**	2.22
4 - 5 year	**2.99**	2.06
Above 5 years	**11.89**	11.53

The weighted average age considered for considered for defined benefit obligation as at March 31, 2024 is 39.19 years (March 31, 2023 - 36.69 years)

The average expected future service considered for defined benefit obligation as at March 31, 2024 is 3 years (March 31, 2003 - 4 years)

31. Buy Back of Shares

The proposal of buyback of Equity Shares recommended by the Board of Directors in its meeting held on July 18, 2023 was approved by the shareholders at their Extraordinary General meeting held on July 31, 2023. The buyback of equity shares was completed on August 17, 2023 and the Company bought back and extinguished a total of 10,960 equity shares on

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

August 24, 2023 from the shareholders at buyback price of Rs 49,902/- per equity share comprising 1.25% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of Rs 5,469.26 lakhs. The Company funded the buyback from its free reserves including Securities Premium as per Section 68 of the Companies Act, 2013. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of Rs 1.10 lakhs equal to the nominal value of the shares bought back as an appropriation from Securities Premium.

32. Capital Reduction

The Board of Directors and shareholders of the Company in its meeting dated September 9, 2023 and September 11, 2023 respectively has approved reduction of the issued, subscribed and paid up equity share capital of the company from Rs. 86,85,930/- to Rs. 84,45,930 by cancelling and extinguishing 12,000 equity shares of Series B held by Actis Mahi Holdings (Singapore) Private Limited and 12,000 equity shares of Series C held by the Mahindra Lifespace Developers Limited. Each of the equity shareholder of Series B and Series C will be paid a sum of Rs. 5,998.80 lakhs (including premium) for the extinguishment of equity shares held by them. The valuation has been arrived based on an independent registered valuer's valuation report. The above is subject to the approval of National Company Law Tribunal (NCLT), Mumbai and other competent authorities based on application filed by the company with National Company Law Tribunal, Mumbai dated September 13, 2023.

The Board of Directors and Shareholders of the Company at its meeting held on May 13, 2022 and May 19, 2022 respectively had approved reduction of the issued, subscribed and paid up equity share capital of the Company from Rs. 91,35,530/- to Rs. 87,95,530 by cancelling 17,000 equity shares of Series B held by Actis Mahi Holdings (Singapore) Private Limited and 17,000 equity shares of Series C held by the Mahindra Lifespace Developers Limited ("Capital Reduction"). Consequent thereto, as per the petition filed by the Company in this respect on May 20, 2022 with Hon'ble National Company Law Tribunal (NCLT), order was pronounced by NCLT on November 30, 2022 approving the said Capital Reduction and subsequently after receipt of Certified Copy of the said Order on December 21, 2022, it was filed with Registrar of Companies on December 22, 2022. Thereafter, on December 28, 2022 each of the equity shareholder of Series B and Series C were paid a sum of Rs. 7,092.74 lakhs (including premium) to the extent of reduction of equity shares held by them.

33. Capital & other Commitments

At March 31, 2024, the company has commitments of Rs. 4,679 lakhs (Previous year Rs. 4,700 lakhs) relating to further security deposit payable towards Joint Development Agreement.

34. Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

No single customer contributed 10% or more to the company's sales for year ended March 31, 2024 and year ended March 31, 2023

35. Contingent Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the company not acknowledged against as debts-		
i) Claims received from parties not acknowledged as debts		
Represent cases filed by parties in the Consumer forum including RERA and Civil Courts disputed by the Company as advised by advocates. In the opinion of the management the claims are not sustainable..	**378.90**	401.34
ii) Income Tax matters under dispute		
Demand raised by Assessing Officer in respect of certain expenses disallowed. The company is pursuing the matter with Income Tax Appellate Tribunal		
- AY 2014-15	**37.57**	–
- AY 2016-17	**761.44**	–
- AY 2017-18	**945.44**	945.44
iii) Indirect Tax matters under dispute		
Demand raised by Service Tax Authorities claiming construction service provided by the Company under Collaboration agreement. The Company is pursuing the matter with the appropriate appellate authorities	**1,885.00**	1,885.00
Input Service Tax claims disallowed by the Service Tax Department for FY 2013-14 to FY 2016-17. The Company is pursuing the matter with the appropriate appellate authorities	**279.54**	279.54

Note:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

36. Financial Ratios

							(Rs. in Lakh)
Sr No	**Particulars**	**Numerator**	**Denominator**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**% Variance**	**Reasons for Variance**
a)	Current Ratio	Current Assets	Current Liabilities	**1.35**	1.81	-25.49%	Increase in advance received from customers
b)	Debt Equity Ratio	Borrowings	Equity	**0.44**	0.22	96.66%	Increase in utilisation of working capital facility.
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (1)	Debt Service (2)	**0.61**	0.02	2827.68%	Increase in utilisation of working capital facility and decrease in payment of interest
d)	Return on Equity	Profit/(Loss) After Tax	Average Equity	**24.76%**	10.06%	146.14%	Increase in PAT and reduction of average net worth during current year due to buy back

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

							(Rs. in Lakh)
Sr No	**Particulars**	**Numerator**	**Denominator**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**% Variance**	**Reasons for Variance**
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	**0.02**	0.03	-33.34%	Decrease in revenue recognised during current year and increase in average inventory
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	**0.13**	0.46	-71.05%	Decrease in revenue recognised during current year and increase in trade receivables
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	**(3.40)**	0.24	-1535.39%	Decrease in cost of sales due to impairment provision reversal
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital (3)	**0.04**	0.03	4.61%	
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	**825.11%**	315.15%	161.81%	Increase in PAT during the year
j)	Return on Capital employed	Earning before interest & taxes (4)	Capital employed (5)	**19.93%**	1.13%	1664.95%	Increase in PBIT during the year and increase in borrowings
k)	Return on investment	Income generated from Investment (6)	Average investments (Gross)	**7.07%**	6.06%	16.67%	

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, abovementioned ratios may not be strictly comparable

Formula used for calculation of Ratios and Financial Indicators are as below :

1) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

2) Debt Service = Borrowing + Interest Payment + Lease Liability Payment

3) Working Capital = Current Asset - Current Liabilities

4) Earning before interest & taxes = Profit/(loss) before Tax + Finance Cost

5) Capital Employed = Equity + Borrowing - Intangible Assets

6) Income generated from Investment = Profit on sale of investment + Net Gain/(loss) arising on Financial Assets measured at Fair Value through Profit and Loss

37. Expenditure on Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

38. Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

d) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

e) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

f) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

g) Audit trail

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. However, in respect of an accounting software, audit trail was not enabled at the database level and in respect of another software the audit trail log for direct data changes at database level in the software is

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

being maintained at any given point in time only for a period of six months. The company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective.

39. Discrepancies between books of accounts & quarterly statements submitted to banks

The company is required to submit quarterly unaudited financial results and unhedged foreign currency exposures. Further as part of additional covenants, the Company is required to submit various other requirements on annual basis. The Company has duly complied with all the requirements of providing data/certificates in relation to various covenants with the banks and the information provided is in agreement with the books of accounts for the quarter ended June 30, 2023, September 30, 2023 and December 31, 2023. The company is yet to submit the details for the quarter ended March 31, 2024 to the bank as the same is not due.

40. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

41. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's classification.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora

Membership No - 100459
Partner

Place: Mumbai
Date: April 18, 2024

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Amit Kumar Sinha
Director
DIN No. 09127387

Place: Mumbai
Date: April 18, 2024

Vimal Agarwal
Director
DIN No. 07296320

Place: Mumbai
Date: April 18, 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Happinest Developers Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Happinest Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report (hereinafter referred to as "other information"), but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for matters stated in paragraph (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided any managerial remuneration during the year, hence compliance with provisions of Section 197, read with Schedule V of the Act are not applicable to the Company.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 34(d) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 34(d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a) in respect of an accounting software, audit trail was not enabled at the database level to log any direct changes, and

b) in respect of another software, since the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months, we are unable to comment whether the audit trail feature was enabled and operating for the period the audit trail log is not available.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating and log was maintained (refer note 34(h) to the financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 24100459BKFARS2040)

Place: Mumbai
Date: April 19, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Happinest Developers Limited ("the Company") as at 31st March, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
(Membership No. 100459)
(UDIN: 24100459BKFARS2040)

Place: Mumbai
Date: April 19, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Happinest Developers Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(i) (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than administrative block and project facilities, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause 3(i)(c) of the Order is not applicable.

(i) (d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from bank or financial institution on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising raw material, construction work in progress, finished goods, debtors and creditors filed by the Company with such bank or financial institution are in agreement with the unaudited books of account of the Company of the respective quarters ended 30th June, 2023, 30th September, 2023 and 31st December, 2023 and no material discrepancies have been observed. The Company is yet to submit the statement for the quarter ended 31st March, 2024 with the bank.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to (a) above which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Central Goods and Service Tax Act 2017, Integrated Goods and Service Tax Act 2017 and Maharashtra State Goods and Service Tax Act 2017	Goods and Service Tax	10.27	FY 2020-21	Deputy Commissioner of State Taxes

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(ix) (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(ix) (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(ix) (f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(x) (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.

In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company is not required to and does not have an internal audit system as per provisions of the Companies Act, 2013.

(xiv) (b) The Company has established an internal audit system for the period under audit. As informed to us by the management, the internal audit is in progress and no reports have been issued. Hence, we have not been able to review any reports.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). There are four CIC forming part of the group.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 1,420.30 lakhs in the immediately preceeding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
(Membership No. 100459)
(UDIN : 24100459BKFARS2040)

Place: Mumbai
Date: April 19, 2024

BALANCE SHEET AS AT 31st MARCH, 2024

(Rs. in Lakh)

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
	ASSETS			
I	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	**32.01**	69.65
	(b) Intangible Assets	4	**–**	1.90
	(c) Financial Assets			
	Other Financial Assets	5	**3.42**	2.42
	(d) Deferred Tax Assets (Net)	6	**864.67**	1,012.15
	Total Non-Current Assets		**900.10**	1,086.12
II	**Current Assets**			
	(a) Inventories	7	**29,704.75**	36,882.47
	(b) Financial Assets			
	(i) Trade Receivables	8	**666.90**	1,519.40
	(ii) Cash and Cash Equivalents	9	**63.67**	57.54
	(iii) Bank Balances other than (ii) above	9	**214.00**	2.00
	(iv) Other Financial Assets	10	**162.98**	29.62
	(c) Other Current Assets	11	**1,098.90**	1,752.60
	Total Current Assets		**31,911.20**	40,243.63
	Total Assets (I+II)		**32,811.30**	41,329.75
	EQUITY AND LIABILITIES			
I	**Equity**			
	(a) Equity Share Capital	12	**10.00**	10.00
	(b) Other Equity	13	**(2,930.02)**	(3,244.28)
	Total Equity		**(2,920.02)**	(3,234.28)
	Liabilities			
II	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	**1,032.18**	1,372.07
	(b) Provisions	15	**83.50**	68.70
	Total Non-Current Liabilities		**1,115.68**	1,440.77
III	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**4,327.58**	1,676.29
	(ii) Trade Payables:	17		
	Total outstanding dues of micro enterprises and small enterprises and		**263.36**	134.75
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**3,035.46**	2,125.22
	(iii) Other Financial Liabilities	18	**358.29**	–
	(b) Other Current Liabilities	19	**26,413.68**	39,128.08
	(c) Provisions	15	**217.27**	58.92
	Total Current Liabilities		**34,615.64**	43,123.26
	Total Equity and Liabilities (I+II+III)		**32,811.30**	41,329.75
	Summary of Material Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 19th April, 2024

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Amit Kumar Sinha
Director
DIN - 09127387
Place: Mumbai
Date: 19th April, 2024

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 19th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakh)

	Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
	Income			
I	Revenue from Operations	20	**17,992.82**	595.55
II	Other Income	21	**87.04**	2,289.12
III	**Total Income (I+II)**		**18,079.86**	2,884.67
	Expenses			
	Construction Expenses Incurred	22A	**8,746.39**	6,529.09
	Changes in Inventories of Work-in-Progress and Finished Goods	22B	**6,639.53**	(5,332.09)
	Operating Expense	22C	**596.70**	11.92
	Employee Benefits Expense	23	**707.78**	328.44
	Finance Costs	24	**11.34**	1.11
	Depreciation and Amortisation Expense	3 & 4	**55.07**	103.81
	Other Expenses	25	**861.67**	559.76
IV	**Total Expenses**		**17,618.48**	2,202.05
V	**Profit Before Tax (III- IV)**		**461.38**	682.62
	Tax Expense			
	Current Tax	26	**–**	–
	Deferred Tax	26	**141.76**	101.69
VI	**Total Tax Expense**		**141.76**	101.69
VII	**Profit for the year (V- VI)**		**319.62**	580.93
	Other Comprehensive Income/(Loss)			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the net defined benefit liabilities	30	**(7.16)**	(2.16)
	Income tax relating to Items that will not be reclassified to profit or loss	26	**1.80**	0.63
VIII	**Total Other Comprehensive loss for the year**		**(5.36)**	(1.53)
IX	**Total Comprehensive Income for the year**		**314.26**	579.40
X	**Earnings per Equity Share [Face value of Rs 10 each]**	27		
	Basic (in Rs.)		**319.62**	580.93
	Diluted (in Rs.)		**319.62**	580.93
	Summary of Material Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 19th April, 2024

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Amit Kumar Sinha
Director
DIN - 09127387
Place: Mumbai
Date: 19th April, 2024

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 19th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash Flows from Operating Activities		
Profit Before Tax	**461.38**	682.62
Adjustments for:		
Provision for Defect Liabilities		
Depreciation and Amortisation Expense	**55.07**	103.81
Finance Costs	**11.34**	4.92
Loss on Sale of Property, Plant and Equipment	**–**	0.39
Interest Income	**(0.95)**	(28.89)
Provision for Inventory (NRV) (Refer Note-7)	**380.80**	793.18
Net Gain arising on Financial Liabilities designated at Fair Value through Profit or Loss (FVTPL)	**(29.55)**	(2,206.73)
Operating (Loss)/Profit Before Working Capital changes	**878.09**	(650.70)
Changes in:		
Increase/(Decrease) in Trade and Other payables	**(11,143.58)**	5,342.45
Decrease in Trade and Other receivables	**1,397.05**	460.41
Decrease/(Increase) in Inventories	**7,034.82**	(5,929.48)
Cash used in Operations	**(1,833.62)**	(777.32)
Income Taxes Paid (net of refund)	**(24.21)**	0.05
Net cash used in Operating Activities (A)	**(1,857.83)**	(777.27)
Cash flows from Investing Activities		
Payment to acquire Property, Plant and Equipment	**(15.53)**	(11.98)
Proceeds from disposal of Property, Plant and Equipment	**–**	8.12
Changes in earmarked balances and margin accounts with banks	**(213.00)**	189.80
Interest received	**0.78**	73.04
Bank Deposit (net)	**–**	0.20
Net cash (used in)/generated from Investing Activities (B)	**(227.75)**	259.18
Cash flows from Financing Activities		
Proceeds from Borrowings	**2,500.00**	1,676.29
Repayment of Borrowings	**(159.05)**	(5,000.00)
Interest Paid	**(249.24)**	(196.90)
Net cash flow generated from/(used in) Financing Activities (C)	**2,091.71**	(3,520.61)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2024 (CONT.)

(Rs. in Lakh)

Particulars	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	**6.13**	(4,038.70)
Cash and cash equivalents at the beginning of the year	**57.54**	4,096.24
Cash and Cash Equivalents at the end of the year	**63.67**	57.54

Summary of Material Accounting Policies (Refer note 2)

Notes:
1. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
2. Also refer note 9- Cash and cash equivalents

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 19th April, 2024

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Amit Kumar Sinha
Director
DIN - 09127387
Place: Mumbai
Date: 19th April, 2024

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 19th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	**10.00**	10.00
Add: Issue of equity shares	**–**	–
Balance at the end of the year	**10.00**	10.00

B. Other Equity

(Rs. in Lakh)

Particulars	Retained Earnings	Total
As at 31st March, 2022	**(3,823.68)**	(3,823.68)
Loss for the year	**580.93**	580.93
Other Comprehensive Income net of taxes*	**(1.53)**	(1.53)
Total Comprehensive Loss for the year	**579.40**	579.40
As at 31st March, 2023	**(3,244.28)**	**(3,244.28)**
Profit for the year	**319.62**	319.62
Other Comprehensive Loss net of taxes*	**(5.36)**	(5.36)
Total Comprehensive Profit for the year	**314.26**	314.26
As at 31st March, 2024	**(2,930.02)**	**(2,930.02)**

* Remeasurement gains/(loss), net of taxes on defined benefit plans during the year is recognised as part of retained earnings

Summary of Material Accounting Policies (Refer note 2)

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 19th April, 2024

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Amit Kumar Sinha
Director
DIN - 09127387
Place: Mumbai
Date: 19th April, 2024

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 19th April, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

Mahindra Happinest Developers Limited ("The Company") (Formerly known as Mahindra Happinest Developers Private Limited) was incorporated on 6th September, 2017 under the provisions of the Companies Act,2013. It was converted to a public limited company on 26th September, 2017.

The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The company is currently engaged in development of residential projects in Palghar and Kalyan near Mumbai.

2. Material Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 19th April, 2024. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from contracts with customers

2.4.1 Revenue from Projects

i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate unit to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate unit sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.2 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

– Expected to be realised or intended to be sold or consumed in normal operating cycle

– Held primarily for the purpose of trading

– Expected to be realised within twelve months after the reporting period, or

– Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All other assets are classified as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle

– It is held primarily for the purpose of trading

– It is due to be settled within twelve months after the reporting period, or

– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax asset and liabilities are classified as non-current asset and liabilities.

Borrowings and investment are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.6.1 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.7 Employee Benefits

2.7.1 Defined Contribution Plan

The Company's contribution paid/payable during the year to Provident Fund and Superannuation Fund is recognised in profit or loss.

2.7.2 Defined Benefit Plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

2.7.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.7.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.11.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantially enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/estimated period of lease.

Vehicles used by employees are depreciated over the period of 4 years considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.13 Intangible Assets

2.13.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.13.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.13.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Software 3 years

2.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Inventories

Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost includes land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs.

2.16 Cost of Construction / Development:

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed.

2.17 Provisions and contingent liabilities

2.17.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.17.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.17.3 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

2.18 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

2.18.1 Classification and subsequent measurement

2.18.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

– Amortised cost; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.18.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.18.1.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.18.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.18.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.18.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

2.19 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2024

2A. Use estimates and judgement

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of depreciable/amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the over time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time, when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. Property, Plant and Equipment

(Rs. in Lakh)

Description of Assets	Office equipments	Furniture and fixtures	Computers	Building	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2023	76.25	185.63	82.99	227.06	571.93
Additions during the year	5.68	3.68	6.17	–	15.53
Deductions during the year	–	–	–	–	–
Balance as at 31st March, 2024	**81.93**	**189.31**	**89.16**	**227.06**	**587.46**
II. Accumulated depreciation					
Balance as at 1st April, 2023	59.39	155.87	60.57	226.45	502.28
Depreciation expense for the year	14.33	28.13	10.11	0.60	53.17
Deductions during the year	–	–	–	–	–
Balance as at 31st March, 2024	**73.72**	**184.00**	**70.68**	**227.05**	**555.45**
III. Net carrying amount (I-II)	**8.21**	**5.31**	**18.48**	**0.01**	**32.01**

(Rs. in Lakh)

Description of Assets	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1st April, 2022	76.46	186.71	72.08	227.06	22.74	585.05
Additions during the year	1.07	–	10.91	–	–	11.98
Deductions during the year	(1.28)	(1.08)	–	–	(22.74)	(25.10)
Balance as at 31st March, 2023	**76.25**	**185.63**	**82.99**	**227.06**	**–**	**571.93**
II. Accumulated depreciation						
Balance as at 1st April, 2022	43.64	111.67	46.37	210.07	14.13	425.88
Depreciation expense for the year	16.91	45.03	14.20	16.38	0.47	92.99
Deductions during the year	(1.16)	(0.83)	–	–	(14.60)	(16.59)
Balance as at 31st March, 2023	**59.39**	**155.87**	**60.57**	**226.45**	**–**	**502.28**
III. Net carrying amount (I-II)	**16.86**	**29.76**	**22.42**	**0.61**	**–**	**69.65**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Intangible Assets

(Rs. in Lakh)

Description of Assets		Software	
		As at 31st March, 2024	As at 31st March, 2023
I.	**Gross Carrying Amount**		
	Balance as at 1st April	**32.45**	32.45
	Additions during the year	**–**	–
	Deductions during the year	**–**	–
	Balance as at 31st March	**32.45**	32.45
II.	**Accumulated depreciation**		
	Balance as at 1st April	**30.55**	19.73
	Amortisation expense for the year	**1.90**	10.82
	Deductions during the year	**–**	–
	Balance as at 31st March	**32.45**	30.55
III.	**Net carrying amount (I-II)**	**–**	1.90

5. Other Non-Current Financial assets

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial Assets at amortised cost		
Bank deposit towards margin money	**3.42**	2.42
Total	**3.42**	2.42

6. Deferred Tax Assets (Net)

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Assets	**864.67**	1,012.15
Total	**864.67**	1,012.15

Deferred Tax assets/(liabilities) in relation to:

(Rs. in Lakh)

Particulars	Opening Balance as at 1st April, 2023	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2024
Fiscal allowance on Property, Plant and Equipment and Intangible Assets	101.47	(7.42)	–	**94.05**
Provision for Employee Benefits	21.20	2.95	1.80	**25.95**
Disallowance u/s 43(B) of the Income tax Act, 1961	36.44	21.05	–	**57.49**
Other Temporary differences	–	44.54	–	**44.54**
Business Loss	853.04	(210.40)	–	**642.64**
Total	**1,012.15**	**(141.76)**	**1.80**	**864.67**

(Rs. in Lakh)

Particulars	Opening Balance as at 1st April, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2023
Fiscal allowance on Property, Plant and Equipment and Intangible Assets	63.71	37.76	–	**101.47**
Provision for Employee Benefits	6.54	14.03	0.63	**21.20**
Disallowance u/s 43(B) of the Income tax Act, 1961	23.34	11.10	–	**34.44**
Carried forward Business Loss	1,017.62	(164.58)	–	**853.04**
Other Temporary differences	–	–	–	**–**
Total	**1,113.21**	**(101.69)**	**0.63**	**1,012.15**

(Rs. in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax Asset not recognised		
Brought Forward Unused Tax losses	**804.49**	546.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Inventories (at lower of cost and net realisable value)

(Rs. in Lakh)

Particulars (Refer note (b) and (c))	As at 31st March, 2024	As at 31st March, 2023
Raw Materials	**128.89**	667.08
Work-in-progress (Refer note (a) below)	**27,492.14**	34,736.72
Finished Goods	**2,083.72**	1,478.67
Total	**29,704.75**	36,882.47

a) Construction Work in Progress represents materials at site and cost of actual work incurred on the projects.

b) Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion.

The Company is executing affordable residential projects at Palghar and Kalyan. The Happinest Palghar-2 forming part of Palghar project saw a successful launch in 2020 in a buoyant market. The market has thereafter seen muted demand. During the year the company has considered revision in the project cost estimates and velocity of sale of units. Consequently, while valuing its balance inventory as per its accounting policies, the Company has taken an impact of Rs. 380.80 lakh current year (in previous year Rs. 793.18 lakh).

c) The Company has availed overdraft facility, which is secured by hypothecation of inventories of Kalyan Project (except land).

8. Trade Receivables

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Considered Good - Unsecured	**666.90**	1,519.40
Total	**666.90**	**1,519.40**

Refer Note 32 for disclosures related to credit risk, impairment risk of trade receivables under expected credit loss model and related financial instrument disclosures.

Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**1.95**	665.10
Less than 6 months	**288.29**	653.26
6 months -1 year	**201.35**	125.03
1-2 Years	**136.25**	54.45
2-3 years	**32.51**	15.08
More than 3 years	**6.55**	6.48
Total	**666.90**	1,519.40

9. Cash and Bank Balances

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts	**63.67**	57.54
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**63.67**	57.54

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
(i) Earmarked balances	**209.00**	–
(ii) Towards margin money	**5.00**	2.00
Total Other Bank balances	**214.00**	2.00

10. Other Financial Assets - Current

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets at amortised cost		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposit	**4.27**	0.77
Security Deposits	**158.71**	28.85
Total	**162.98**	29.62

11. Other Current Assets

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances other than capital advances:		
Balances with government authorities (Other than income taxes)	**78.93**	102.01
Income Tax Assets	**50.39**	26.18
Prepaid Expenses	**848.06**	1,366.00
Other Advances#	**121.52**	258.41
Total	**1,098.90**	1,752.60

#Other Advances mainly include project advances given to vendors.

12. Equity Share capital

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised:		
100,000 Equity shares of Rs 10 each with voting rights	**10.00**	10.00
	10.00	10.00
Issued, Subscribed and Fully Paid:		
100,000 Equity shares of Rs 10 each with voting rights	**10.00**	10.00
Total	**10.00**	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Issued, Subscribed and Fully paid -				
Balance at the beginning of the year	**100,000**	**10.00**	100,000	10.00
Balance at the end of the year	**100,000**	**10.00**	100,000	10.00

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(ii) Details of shares held by the holding company and its subsidiaries (as per Companies Act 2013)

Particulars	Equity Shares with Voting rights
As at 31st March, 2024	
Mahindra Lifespace Developers Limited	**51,000**
As at 31st March, 2023	
Mahindra Lifespace Developers Limited	51,000

Other than above shares, no shares are held by any subsidiaries or associates of the Holding Company.

(iii) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2024		As at 31st March, 2023	
Name of the shareholder	**No.**	**% holding**	No.	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**51,000**	**51%**	51,000	51%
HDFC Capital Affordable Real Estate Fund I	**49,000**	**49%**	49,000	49%

(iv) Details of shareholdings by the Promoter's of the Company

	As at 31st March, 2024		As at 31st March, 2023			
Name of the shareholder	**No.**	**% holding**	No.	% holding	Change during the period	% change during the period
Equity shares with voting rights						
Mahindra Lifespace Developers Limited	**51,000**	**51%**	51,000	51%	–	0.00%

13. Other Equity

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained earnings	**(2,930.02)**	(3,244.28)
Total	**(2,930.02)**	(3,244.28)

Description of the nature and purpose of other equity

Retained Earnings: This reserve represents cumulative losses of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

14. Borrowings

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non Current Unsecured Borrowings- at Fair value:		
Preference Shares		
12,33,500 Series 1 (Previous year 12,33,500) and 25,65,044 Series 2 (Previous year 25,65,044) Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of Rs. 10/- each| (Refer Notes below)	**1,032.18**	1,372.07
Total Unsecured Borrowings	**1,032.18**	1,372.07
Total Non Current Borrowings	**1,032.18**	1,372.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. **Terms and conditions of Series 1 and Series 2 Optionally Convertible redeemable Preference Shares (OCRPS)**

Series 1 and Series 2 Preference Shares are unsecured, unlisted, redeemable, optionally convertible preference shares. The issue price of each Series 1 & Series 2 Preference Shares is Rs.100 (face value Rs.10). The Series 1 and Series 2 Preference Shares shall not be entitled to any voting rights, other than as prescribed under Applicable Law and the articles of association of the Company. Each Series 1 and Series 2 Preference Share constitutes a direct obligation of the Company and shall at all times rank pari passu inter se (without any preference or priority of one over the other or others of them).

Series 1 and Series 2 Preference Shares shall be eligible to receive Redemption Premium which shall be paid along with Redemption of Series 1 and Series 2 Preference Shares (not latter than 9 years from the date of allotment). Redemption Premium shall mean a premium not exceeding 15% per annum compounded annually from the date of subscription of the Series 1 and Series 2 Preference Shares that is being redeemed. The payment of Redemption Premium shall be subject to the Distributable Cash as determined by the Distribution Committee. The Redemption Premium shall be accrued, due and payable only on Redemption Date and proportionate to the Series 1 and Series 2 Preference Shares so being redeemed.

At the option of holder of the Series 1 and Series 2 Preference Shares, if the then outstanding Series 1 and Series 2 Preference Shares cannot be redeemed in full then, with the prior written unanimous approval of all the holders of the Series 1 and Series 2 Preference Shares, the Series 1 and Series 2 Preference Shares shall be converted into equity shares of the Company, in accordance with such formula as may be determined by the Company and the holder of the Series 1and Series 2 Preference Shares, but at a price which is not less than fair market value of the equity shares at the time of such conversion.

At the time of conversion, the holder of Preference Shares will be entitled to equity shares of the Company up to the principal amount (i.e. issue price) of the outstanding OCRPS.

2. **Gain on Fair Valuation of Optionally Convertible redeemable Preference Shares (OCRPS)**

During the year ended 31st March, 2024 the fair value of OCRPS has reduced from Rs.1,372.07 Lakh as on 31st March, 2023 to Rs. 1,342.52 Lakh (Rs. 1032.18 Lakh is classified as Non-current borrowings and Rs. 310.34 Lakh is classified as Current borrowings) as on 31st March, 2024 resulting in the FVTPL gain of Rs.29.55 Lakh (Refer Note-21) based on the independent valuation carried out by the Company with the revised cashflow estimates as on reporting date.

15. Provisions

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non Current		
Provision for employee benefits (Refer Note- 30)		
Gratuity	**40.15**	32.46
Leave Encashment	**43.35**	36.24
Total	**83.50**	68.70
Current		
Provision for employee benefits (Refer Note- 30)		
Gratuity	**4.42**	2.77
Leave Encashment	**13.15**	10.72
Other Provisions		
Provision for Defect Liabilities	**199.70**	45.43
Total	**217.27**	58.92

The movement in provision for defect liabilities is as follows:

(Rs. in Lakh)

Particulars	Provision for Defect Liability
Balance at March 31, 2022	43.64
Additional provisions recognised	1.80
Amounts utilised during the year	–
Balance at March 31, 2023	45.43
Additional provisions recognised	154.27
Amounts utilised during the year	–
Balance at March 31, 2024	**199.70**

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date when control over the property has been transferred to the customer.

16. Borrowings

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured - at amortised cost (Current)		
Loans repayable on demand from Banks (Bank Overdraft)	**1,667.24**	1,676.29
Unsecured - at amortised cost (Current)		
Loans from related parties	**2,350.00**	–
Unsecured Borrowings- at Fair value (Current)		
Preference Shares		
12,33,500 Series 1 (Previous year 12,33,500) and 25,65,044 Series 2 (Previous year 25,65,044) Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of Rs. 10/- each (Refer Notes - 14)	**310.34**	–
Total	**4,327.58**	1,676.29

Loans repayable on demand

Overdraft facility from HDFC Bank carries interest rate of 9.35% to 9.85% p.a for the year ended 31st March, 2024 (9.35% p.a for the year ended 31st March, 2023). The facility is secured by hypothecation of inventories of Kalyan Project (except land)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. Trade Payables

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises*	**263.36**	134.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	**3,035.46**	2,125.22
Total	**3,298.82**	2,259.97

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

* This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in Lakh)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**263.36**	134.75
b)	The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

Ageing for trade payble from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**36.97**	32.53
Not Due	**208.22**	102.22
Less than 1 year	**18.17**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**1,617.62**	685.68
Not Due	**1,250.53**	1,128.42
Less than 1 year	**140.10**	297.77
1-2 Years	**10.65**	7.38
Business Loss	**6.21**	5.02
More than 3 years	**10.35**	0.95
Total	**3,298.82**	2,259.97

18. Other Current liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial Liabilities carried at Amortised Cost		
Accrued Interest	**46.36**	–
Advance towards Society Maintenance	**311.93**	–
Total	**358.29**	**–**

19. Other Current liabilities

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Advances received from customers	**26,358.04**	39,077.45
Statutory dues payable*	**55.64**	50.63
Total	**26,413.68**	**39,128.08**

*There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

20. Revenue from Operations

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from Contract with Customers		
Revenue from Projects	**17,992.82**	595.55
Total	**17,992.82**	**595.55**

Refer Note 28 for IND AS 115 disclosures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. Other Income

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Income on Bank Deposits	**0.95**	28.89
Interest on Bank Subvention	**11.34**	1.11
Interest Income others*	**42.63**	42.74
Miscellaneous Income	**2.57**	9.65
Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)	**29.55**	2,206.73
Total	**87.04**	**2,289.12**

*Includes interest charged on late payment received from customers.

22A. Construction Expenses incurred

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Expenses incurred during the year:		
Civil, Electricals, Contracting, etc.	**7,019.02**	5,569.50
Legal, Consultant & Professional Fees	**492.17**	333.45
Employee Benefits Expense Allocated	**608.95**	280.64
Interest Costs Allocated	**289.72**	195.79
Power and fuel cost	**53.12**	1.14
Business Loss	**154.18**	146.78
Construction Expenses incurred during the year (A)	**8,617.16**	6,527.29
Provision for Defect Liability (B)	**129.23**	1.80
Total (A + B)	**8,746.39**	**6,529.09**

22B. Changes in inventories of raw, work-in-progress and finished goods

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Stock		
Work-in-progress*	**34,736.72**	29,002.60
Finished Goods	**1,478.67**	1,880.70
Total Opening Stock (A)	**36,215.39**	30,883.30
Closing Stock		
Work-in-progress	**27,492.14**	34,736.72
Finished Goods	**2,083.72**	1,478.67
Total Closing Stock (B)	**29,575.86**	36,215.39
Total changes in inventories of Finished Goods and work-in-progress (A - B)	**6,639.53**	(5,332.09)

* Work-in-progress includes raw materials for the year ended March 31, 2023

22C. Operating Expense

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Commission & Brokerage	**596.70**	11.92
Total	**596.70**	11.92

23. Employee Benefits Expense

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages including bonus	**1,234.88**	574.90
Contribution to provident and other funds	**76.02**	26.79
Staff welfare expenses	**5.83**	7.39
Less: Allocated to projects	**(608.95)**	(280.64)
Total	**707.78**	328.44

24. Finance Costs

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on Loan from related party	**107.00**	–
Interest on Term Loan	**–**	122.90
Interest on Bank Overdraft	**182.41**	72.89
	289.41	195.79
Less: Allocated to projects	**(289.41)**	(195.79)
	–	–
Interest on Bank Subvention	**11.34**	1.11
Total	**11.34**	1.11

Analysis of Interest Expenses by Category:

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Expenses		
On Financial Liabilities at Amortised Cost	**289.41**	195.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25. Other expenses

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Advertisement, Marketing & Business Development	**268.56**	246.80
Legal and Other Professional fees	**270.76**	174.37
Power & Fuel	**1.70**	0.23
Repairs and Maintenance	**178.47**	51.76
Rent, Rates & Taxes	**42.63**	1.45
Travelling and Conveyance Expenses	**32.75**	25.08
Printing & Stationery	**5.30**	2.45
Payment to Auditors#	**21.59**	26.29
Miscellaneous Expenses	**39.91**	30.94
Loss on discard of Property, Plant & Equipment	**–**	0.39
Total	**861.67**	559.76

(Rs. in Lakh)

# Payment to Auditors	For the year ended 31st March, 2024	For the year ended 31st March, 2023
For Audit	**13.70**	12.80
For Tax Audit	**4.31**	4.31
For Other Services	**3.31**	8.79
For Reimbursement of expenses	**0.27**	0.39
Total	**21.59**	26.29

26. Income Taxes

(a) Income tax expense recognised in statement of Profit & Loss

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax		
Current year	**–**	–
Deferred Tax		
In respect of current year origination and reversal of temporary differences	**141.76**	101.69
Total	**141.76**	101.69

(b) Income tax expense/(credit) recognised in Other Comprehensive income

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit plans	**(1.80)**	(0.63)
Total	**(1.80)**	(0.63)

(c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit & Loss is as follows:

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	**461.38**	682.62
Income tax expense calculated at 25.17% (previous) year at 29.12%	**116.12**	198.79
Effect of change in tax rate	**(137.28)**	–
Effect of tax incentives and concessions	**–**	0.26
Business Loss	**(73.12)**	(164.58)
Changes in recognised deductible temporary differences	**236.04**	67.23
Total	**141.76**	101.69

27. Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the Profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the Profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit after tax (Rs. in Lakh)	**319.62**	580.93
Weighted average number of equity shares	**100,000**	100,000
Face Value of Equity Shares (in Rs.)	**10**	10
Earnings per Equity share - Basic (in Rs.)	**319.62**	580.93
Earnings per Equity share - Diluted (in Rs.)	**319.62**	580.93

28. Disclosures as per IND AS 115

(1) Contract Balances

(a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers/Income received in Advance" in note no. 19- Other Current Liabilities amounting to Rs 26,358.04 lakhs (previous year Rs 39,077.45 lakhs). Amounts billed for development milestones achieved but not yet paid by the customer are included in the balance sheet under note no.8 - Trade Receivables amounting to Rs.669.90 lakhs (previous year Rs.1,519.40 lakhs).

(b) During the year, the Company recognised Revenue of Rs. 14,909.44 lakhs (previous year Rs. 227.25 lakhs) from opening contract liability of Rs. 39,077.45 lakhs (previous year Rs. 33,946.03 lakhs). Contract Liability of Rs 390.16 lakhs reversed due to cancellation of units sold during the year (previous year Rs 255.10 lakhs).

(c) There were no significant changes in the composition of the contract liabilities during the reporting period other than on account of periodic invoicing and one new project opened for sale.

(d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and one new project opened for sale.

(e) There are no contract assets outstanding at the end of the year.

(f) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

as at March 31, 2024, is Rs. 31,018.18 lakhs (previous year Rs. 45,115.97 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 100% (previous year 76%) within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is not expected to be material.

(g) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contracted price	**18,004.16**	596.66
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	**(11.34)**	(1.11)
Revenue recognised as per Statement of Profit & Loss	**17,992.82**	595.55

(2) Contract costs

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract costs included in Prepaid Expenses in Note no. 11- Other Current Assets	**848.06**	1366.00

The Company incurs commissions & incentives that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under Note no. 11 - Other Current Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2024, amortisation amounting to Rs. 596.70 lakhs (Previous Year Rs. 11.92 lakhs) was recognised as brokerage cost. There was no impairment loss in relation to the costs capitalised.

29. Related parties disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company	Mahindra Lifespace Developers Ltd.
	HDFC Capital Affordable Real Estate Fund I

Other Related parties with whom transactions have taken place during the year

Holding Company of Enterprise exercising joint control over the Company	Mahindra & Mahindra Ltd.
Subsidiary of Holding Company of Enterprise exercising joint control over the Company	Mahindra Integrated Business Solutions Pvt. Ltd.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

(Rs. in Lakh)

Nature of transactions with Related Parties	Year Ended	Mahindra Lifespace Developers Ltd.	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mrs. Poornima Subramanian
Sale of Goods	**31-Mar-24**	**280.47**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	2.98
Sale of Assets	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	1.64	–	–	–	–
Receiving of services	**31-Mar-24**	**64.40**	**–**	**80.52**	**104.13**	**–**
	31-Mar-23	43.16	–	58.14	37.10	–
Reimbursement made to parties	**31-Mar-24**	**6.79**	**–**	**–**	**–**	**–**
	31-Mar-23	3.06	–	–	–	–
Reimbursement received from parties	**31-Mar-24**	**3.70**	**–**	**–**	**–**	**–**
	31-Mar-23	144.50	–	–	–	–
Inter Corporate Deposit Taken	**31-Mar-24**	**2,500.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–
Inter Corporate Deposit Repaid	**31-Mar-24**	**150.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–
Interest Expense on Inter Corporate Deposit	**31-Mar-24**	**107.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following table provides the balances with related parties as on balance sheet date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as at	Mahindra Lifespace Developers Ltd.	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mrs. Poornima Subramanian
Long Term Borrowings - Series 1 & Series 2 preference Shares (OCRPs)	**31-Mar-24**	**949.66**	**2,848.88**	**–**	**–**	**–**
	31-Mar-23	949.66	2,848.88	–	–	–
Payables	**31-Mar-24**	**105.86**	**–**	**18.88**	**10.10**	**–**
	31-Mar-23	26.36	–	56.75	9.09	–
Receivables	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	143.91	–	–	–	–
Inter corporate deposit balance payable	**31-Mar-24**	**2,350.00**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

30. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 58.84 lakhs (31st March, 2023 Rs. 26.79 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2024.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk

A decrease in the bond interest rate will increase the plan liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31st March, 2024	31st March, 2023
Discount rate(s)	**7.16%**	7.31%
Expected rate(s) of salary increase	**10.00%**	10.00%
Attrition Rate	**21.21% p.a. for all service groups**	21.21% p.a. for all service groups
Mortality	**IALM (2012-14) ULT.**	IALM (2012-14) ULT.
Retirement age of the employees is assumed to be 60 years.		

Defined benefit plans – as per actuarial valuation on 31st March, 2024

(Rs. in Lakh)

Particulars	Un-funded Gratuity Plan For the year ended 31st March, 2024	For the year ended 31st March, 2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**11.14**	6.77
Past service cost	**–**	0.04
Net interest expense	**2.58**	2.16
Components of defined benefit costs recognised in profit or loss	**13.72**	8.97
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from demographic assumptions	**–**	(1.08)
Actuarial (gains)/loss arising from changes in financial assumptions	**0.29**	(2.58)

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(Rs. in Lakh)

Particulars	Un-funded Gratuity Plan For the year ended 31st March, 2024	For the year ended 31st March, 2023
Actuarial (gains)/loss arising from experience adjustments	**6.87**	5.82
Components of defined benefit costs recognised in other comprehensive income	**7.16**	2.16
Total	**20.86**	11.13
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2023		
1. Present value of defined benefit obligation at end of the year	**(44.57)**	35.23
2. Current portion of the above	**(4.42)**	(2.77)
3. Non current portion of the above	**(40.15)**	(32.46)
II. Movements in the present value of the defined benefit obligation are as follows.		
1. Present value of defined benefit obligation	**35.23**	22.43
2. Transfer In liability from Mahindra Lifespace Developers Ltd.	**0.93**	22.93
3. Transfer Out liability	**(4.24)**	–
4. Expenses Recognised in Profit and Loss Account		
- Current Service profit	**11.14**	6.77
- Past Service Cost	**–**	0.04
- Interest Cost	**2.58**	2.16
5. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain/(Loss) arising from:		
i. Demographic Assumptions	**–**	(1.08)
ii. Financial Assumptions	**0.29**	(2.58)
iii. Experience Adjustments	**6.87**	5.82
6. Benefit payments	**(8.23)**	(21.26)
7. Present value of defined benefit obligation at the end of the year	**44.57**	35.23

The actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2024 by K. A. Pandit, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in Lakh)

Principal Assumptions	Year	Changes in assumption (%)	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2024**	**1.00%**	**(1.85)**	**2.02**
	2023	1.00%	(1.58)	1.73
Salary growth rate	**2024**	**1.00%**	**1.94**	**(1.82)**
	2023	1.00%	1.67	(1.56)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

Maturity profile of defined benefit obligation:

(Rs. in Lakh)

	31st March, 2024	31st March, 2023
Within 1 year	**4.42**	2.77
1 - 2 year	**6.57**	4.23
2 - 3 year	**6.29**	5.61
3 - 4 year	**6.45**	5.22
4 - 5 year	**6.07**	5.07
Above 5 years	**34.29**	29.93

The weighted average age considered for defined benefit obligation as at 31st March 2024 is 37.50 years (Previous Year was 37.49 years)

The average expected future service considered for considered for defined benefit obligation as at March 31, 2024 is 3 years (March 31, 2023 - 4 years)

31. Financial Instruments

Capital management

The Company's capital management objectives are-

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using net debt equity ratio which is determined as the proportion of net debt to total equity.

(Rs. in Lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Debt*	**4,017.24**	1,676.29
Cash and Bank Balances	**(277.67)**	(59.54)
Net Debt (A)	**3,739.57**	1,616.75
Total Equity (B)	**(2,920.02)**	(3,234.28)
Net Debt Equity Ratio (A/B)	**(1.28)**	(0.50)

* Since Optionally Convertible Redeemable Preference shares issued by the company are subscribed by the share-holders, the Debt-equity ratio of the company is reviewed by the management based on the external debt only.

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2024

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Non- Current Assets			
Other Financial Assets - Non Derivative Financial Assets	**3.42**	**–**	**3.42**
Current Assets			
Trade Receivables	**666.90**	**–**	**666.90**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Cash and Bank Balances	**277.67**	**–**	**277.67**
Other Financial Assets - Non Derivative Financial Asset	**162.98**	**–**	**162.98**
Non-current Liabilities			
Borrowings	**–**	**1,032.18**	**1,032.18**
Current Liabilities			
Borrowings	**4,017.24**	**310.34**	**4,327.58**
Trade Payables	**3,298.82**	**–**	**3,298.82**
Other financial Liabilities	**358.29**	**–**	**358.29**

As at 31st March, 2023

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Non-Current Assets			
Other Financial Assets - Non Derivative Financial Assets	2.42	–	2.42
Other Current liabilities			
Trade Receivables	1,519.40	–	1,519.40
Cash and Bank Balances	59.54	–	59.54
Other Financial Assets - Non Derivative Financial Assets	29.62	–	29.62
Non-current Liabilities			
Borrowings	–	1,372.07	1,372.07
Current Liabilities			
Borrowings	1,676.29	–	1,676.29
Trade Payables	2,259.97	–	2,259.97

32. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and cash equivalents and other financial assets

For Cash and bank balances only highly rated banks are accepted. The Company holds cash and cash equivalents with banks which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in Lakh)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Year to 5 Years
Non-derivative financial liabilities			
As at 31st March, 2024			
Trade and other payables	**3,657.10**	**–**	**–**
Current Secured Borrowings	**4,327.58**	**–**	**–**
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPs")	**310.34**	**1,032.18**	**–**
Total	**8,295.02**	**1,032.18**	**–**

(Rs. in Lakh)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Year to 5 Years
Non-derivative financial liabilities			
As at 31st March, 2023			
Trade and other payables	2,259.96	–	–
Current Secured Borrowings	1,676.29	–	–
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPs")	–	1,372.07	–
Total	3,936.25	1,372.07	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

CURRENCY RISK

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company does not undertake any transactions in foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	(Rs. in Lakh)
As at 31st March, 2024	**INR**	**+100**	**(40.17)**
	INR	**-100**	**40.17**
As at 31st March, 2023	INR	+100	(16.76)
	INR	-100	16.76

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Fair Valuation Techniques and Inputs used - Recurring Items

(Rs. in Lakh)

Financial liabilities measured at Fair value	Fair value as at 31st March, 2024	Fair value hierarchy	Valuation Technique(s)	Key input(s) used
Borrowings				
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")	1,342.52	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	**1,342.52**			

(Rs. in Lakh)

Financial liabilities measured at Fair value	Fair value as at 31st March, 2023	Fair value hierarchy	Valuation Technique(s)	Key input(s) used
Borrowings				
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")	1,372.07	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	**1,372.07**			

Significant unobservable inputs used in level 3 fair value measurements

(Rs. in Lakh)

Financial liabilities measured at Fair value	Fair value as at 31st March, 2024	Fair value as at 31st March, 2023	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
Borrowings					
Series 1 and Series 2 Optionally Convertible Redeemable preference shares ("OCRPS")	1,342.52	1,372.07	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")

(Rs. in Lakh)

Particulars	Amount
Year Ended 31st March 2024	
Opening Balance of Fair Value	**1,372.07**
Total losses/(gains) recognised in Profit or Loss	(29.55)
Closing Balance of Fair Value	**1,342.52**
Year Ended 31st March 2023	
Opening Balance of Fair Value	**3,578.80**
Total losses/(gains) recognised in Profit or Loss	(2,206.73)
Closing Balance of Fair Value	**1,372.07**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Financial Ratios

(Rs. in Lakh)

Sr. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	% Variance	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liabilities	0.92	0.93	-1.22%	-
b)	Debt Equity Ratio	Debt (Borrowings)	Equity	(1.84)	(0.94)	94.75%	Increase in debt from last year due to borrowings taken in current year.
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (Refer note (i) below)	Debt Service (Refer note (ii) below)	0.09	(0.44)	-120.31%	Increase in ratio due to increase in current debts during the year as compared to previous year and reduction in Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).
d)	Return on Equity	Profit/(Loss) After Tax	Average Equity	-10.39%	-16.49%	-36.99%	Increase in ratio due to increase in revenue and reduction in Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.55	0.02	3042.52%	Increase in ratio due to increase in revenue recognition and reduction in inventory during the current year as compared to previous year.
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	16.46	0.31	5163.93%	Increase in ratio due to increase in revenue recognition during the current year as compared to previous year.
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payables	5.54	0.55	908.19%	Increase in ratio due to increase in cost of sales during the current year as compared to previous year.
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital (Refer note (iii) below)	(6.44)	(0.27)	2267.99%	Increase in revenue recognition during the current year and decrease in average working capital as compared last year.
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	1.78%	97.55%	-98.18%	Decrease in ratio due to increase in revenue recognition and reduction in Net Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).
j)	Return on Capital employed	Earning before interest & taxes (Refer note (iv) below)	Capital employed (Refer note (v) below)	14.00%	-121.66%	-111.51%	Increase in capital employed due to increase in debt and reduction in EBIT due to reduction in Gain arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL).

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, above mentioned ratios may not be strictly comparable.

Formula used for calculation of Ratios and Financial Indicators are as below :

(i) Earnings available for debt service = Net Profit/(loss) before taxes + Non-cash operating expenses like depreciation and other amortizations (including FVTPL loss/(gain)) + Interest Expense

(ii) Debt Service = Borrowing + Interest Payment

(iii) Working Capital = Current Asset - Current Liabilities

(iv) Earning before interest & taxes = Profit/(Loss) before Tax + Finance Cost

(v) Capital Employed = Equity + Borrowing - Intangible Assets

34. Additional regulatory information

a) Details of benami property held

The company do not have any benami property and no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

c) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

d) Utilisation of borrowed funds and securities premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Audit trail

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. However, in respect of an accounting software, audit trail was not enabled at the database level and in respect of another software the audit trail log for direct data changes at database level in the software is being maintained at any given point in time only for a period of six months. The company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective.

35. Discrepancies between books of accounts & quarterly statements submitted to bank

The company has short term borrowings secured against current assets. The quarterly statements comprising raw material, construction work in progress, finished goods, debtors and creditors filed by the Company with such bank are in agreement with the unaudited books of accounts for the quarter ended 30 June 2023, 30 September 2023 and 31 December 2023 and no material discrepancies have been observed. The company is yet to submit the statement for the quarter ended 31 March 2024 to the bank.

36. Contingent Liabilities

(Rs. in Lakh)

Particulars	**As at March 31, 2024**	As at March 31, 2023
Claims against the company not acknowledged against as debts-		
Claims received from parties not acknowledged as debts		
Represent cases filed by parties in the Consumer Forum including RERA and Civil Courts disputed by the Company as advised by advocates. In the opinion of the management the claims are not sustainable.	**858.00**	893.92
Indirect Tax matter under appeal		
Goods and Service Tax claims disputed by the Company relating to issues of ineligible Input Tax Credit and discharge of liability. The Company is pursuing the matter with the appropriate Appellate Authorities	**10.28**	–

In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof.

37. Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

38. Leases

The company does not have any leasing arrangement during the year ended March 31, 2024.

39. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the the date of approval of the financial statements.

40. Previous year figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's classification.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 19th April, 2024

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Amit Kumar Sinha
Director
DIN - 09127387
Place: Mumbai
Date: 19th April, 2024

Vimal Agarwal
Director
DIN - 07296320
Place: Mumbai
Date: 19th April, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Knowledge Park Mohali Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Mahindra Knowledge Park Mohali Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, the Statement of Changes in Equity for the year then ended and Notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. As required by Section 197(16) of the Act, based on our audit, we report that the Company has not paid remuneration to its directors for the year under audit. Hence, this clause is not applicable to the Company.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12th April, 2024
UDIN: 24049818BKBNME3314

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. **In respect of its Property, Plant and Equipment:**

As per information provided by the Company to us and examination of the books of accounts, the Company does not have Property, Plant and Equipment and Intangible assets, accordingly, the requirements under paragraph 3 (i) (a),(b), (c), (d) and (e) are not applicable to the Company.

ii. **In respect of its inventories:**

As per information and explanation provided by the Company to us and examination of the books of accounts, the Company does not have Inventories, accordingly, the requirements under paragraph 3 (i) (a),(b), (c), (d) and (e) are not applicable to the Company.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. **Loans given by Company:**

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. **Loan to Directors and investment by the Company:**

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. **Deposits:**

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. **Cost Records:**

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. **Statutory Dues:**

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. **Previously unrecorded income**

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. **Repayment of Loans:**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution and Government. The Company has also not issued any debentures as at the balance sheet date.

x. **Utilization of IPO & further public offer:**

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. **Reporting of Fraud:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. **Nidhi Company:**

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. **Related Party Transaction:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. **Internal Audit system:**

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. **Non – cash Transactions:**

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. **Register under RBI Act 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period of Rs.1.78 lakhs and in the immediately preceding financial year (FY 2022-23) Rs. 0.41 lakhs.

xviii. Resignation of statutory auditors:

During the year no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s**. **MAKK & Co**.
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Date: 12th April, 2024
UDIN: 24049818BKBNME3314

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA KNOWLEDGE PARK MOHALI LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Knowledge Park Mohali Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818

Date: 12th April, 2024
UDIN: 24049818BKBNME3314

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakh)

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I	**ASSETS**			
	Current assets			
	(a) Financial assets			
	(i) Cash and cash equivalents	4	**0.56**	0.03
	Total current assets (II)		**0.56**	0.03
	TOTAL ASSETS		**0.56**	0.03
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	5	**0.00**	0.00
	(b) Other equity	6	**(126.79)**	(125.02)
	Total equity (III)		**(126.79)**	(125.01)
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	7	**5.00**	5.00
	Total Non-current liabilities (IV)		**5.00**	5.00
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	8		
	-total outstanding dues of micro enterprises and small enterprises		**–**	–
	-total outstanding dues of trade payables other than micro enterprises and small enterprises		**122.35**	120.04
	(ii) Other Current financial liabilities	9	**0.00**	–
	Total current liabilities (V)		**122.35**	120.04
	Total equity and liabilities {(III)+(IV)+(V)}		**0.56**	0.03

Summary of Material Accounting Policies
The accompanying notes 1 to 19 are an integral part of these financial
0.00 is amount less than 500

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place : Mumbai
Date : 12th April 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 12th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars		Note No.	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
I	Revenue from operations		**–**	–
II	Other income		**–**	–
III	**Total income (I+II)**		**–**	–
IV	**Expenses**			
	(a) Other expenses	**10**	**1.78**	0.41
	Total Expenses (IV)		**1.78**	0.41
VI	**Loss before tax (III-IV)**		**(1.78)**	(0.41)
VII	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**–**	–
	Total tax expense		**–**	–
VIII	**Loss for the year (V-VI)**		**(1.78)**	(0.41)
IX	**Earnings per equity share**			
	Basic/Diluted	**11**	**(13,685.10)**	(3,126.15)

Summary of Material Accounting Policies
The accompanying notes 1 to 19 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place : Mumbai
Date : 12th April 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 12th April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Cash flows from operating activities		
Loss for the year	**(1.78)**	(0.41)
	(1.78)	(0.41)
Movements in working capital:		
(Decrease) / increase in trade and other payables	**2.31**	0.41
	2.31	0.41
Cash generated from operations		
Net cash (used in)/generated by operating activities	**0.53**	-
Net cash (used in)/generated by investing activities	**–**	–
Net cash (used in)/generated in financing activities	**–**	–
Net increase in cash and cash equivalents	**0.53**	–
Cash and cash equivalents at the beginning of the year/period	**0.03**	0.03
	0.03	0.03
Cash and cash equivalents at the end of the year	**0.56**	0.03

Summary of Material Accounting Policies
The accompanying notes 1 to 19 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place : Mumbai
Date : 12th April 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 12th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital **(₹ in lakh)**

As at 31st March, 2022	**0.00**
Changes in equity share capital during the year	–
As at 31st March, 2023	**0.00**
Changes in equity share capital during the year	–
As at 31st March, 2024	**0.00**

Note: A similar table to be inserted for any other class of capital issued

B. Other Equity

	Retained earnings / (Deficit) **(₹ in lakh)**
As at 31st March, 2022	**(124.61)**
Loss for the year	(0.41)
Other Comprehensive Loss	–
As on 31st March, 2023	**(125.02)**
Loss for the year	(1.78)
Other Comprehensive Loss	–
As at 31st March, 2024	**(126.80)**

Summary of Material Accounting Policies
The accompanying notes 1 to 19 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place : Mumbai
Date : 12th April 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 12th April 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Knowledge Park (Mohali) Limited ("the Company") is a public company incorporated in India on 11 July, 1994 (CIN: U00000PB2000PLC024091) under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, Dr G.M.Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai - 400018.

2. Material Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements were presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 12th April, 2024.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method which is based on useful life indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 4 - (a) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Balance with bank	**0.56**	0.03
Total Cash and cash equivalents	**0.56**	0.03

Note No. 5 - Equity Share Capital

Particulars	As at 31st March 2024 No. of shares	₹ in lakh	As at 31st March 2023 No. of shares	₹ in lakh
Authorised:				
Equity shares of Rs.10 each with voting rights	1,000,000.00	100.00	1,000,000.00	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**13.00**	**0.00**	13.00	0.00
Total	**13.00**	**0.00**	13.00	0.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with Voting rights*			
Year Ended 31st March, 2024			
No. of Shares	**13.00**	**–**	**13.00**
Amount	**0.00**	**–**	**0.00**
Year Ended 31st March, 2023			
No. of Shares	13.00	–	13.00
Amount	0.00	–	0.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.The Distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March 2024 Number of shares held	% holding in that class of shares	As at 31st March 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**6**	**46.15%**	6	46.15%
Mr.A Vishwanth	**1**	**7.69%**	1	**7.69%**
Mr.Rajkumar Andley	**1**	**7.69%**	1	**7.69%**
Mr.Vivek Kejriwal	**1**	**7.69%**	1	**7.69%**
Mr. Pawan Kumar	**1**	**7.69%**	1	**7.69%**
Mr. Chandra Prakash Bhatia	**1**	**7.69%**	1	**7.69%**
Mr. Neerak Saroj	**1**	**7.69%**	1	**7.69%**
Mr.Alok Kumar Mishra	**1**	**7.69%**	1	**7.69%**
Total	**13**	**100%**	13	**100%**

Note no. 6 - Other Equity

(Amount in Rs.)

Particulars	Retained earnings	Total
As at 31st March, 2022	**(124.61)**	(124.61)
Loss for the year	(0.41)	**(0.41)**
Other Comprehensive Loss	–	–
As at 31 March, 2023	**(125.02)**	(125.02)
Loss for the year	(1.78)	**(1.78)**
Other Comprehensive Loss	–	**–**
As at 31 March, 2024	**(126.80)**	**(126.80)**

Note No. 7 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023 Amount
Measured at amortised cost		
A. Secured Borrowings:	**–**	–
Total Secured Borrowings	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans		
Redeemable preference share capital	**5.00**	5.00
Total Unsecured Borrowings	**5.00**	5.00
Total Borrowings	**5.00**	5.00

Note No. 8 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
	Current	Current
Trade payable -total outstanding Dues of micro enterprises and small enterprises	**–**	–
Trade payable - Other than micro and small enterprises	**122.35**	**120.04**
Total trade payables	**122.35**	120.04

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

8 A. - Ageing for trade payable from the due date of payment for each of the category is as follows:-

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
	Current	Current
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**2.70**	**0.41**
1-2 Years	**0.23**	**3.92**
2-3 years	**3.70**	**–**
More than 3 years	**115.72**	**115.72**
Total	**122.35**	120.04

Note No. 9 - Other Current Financial Liabilities

(₹ in lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Interest Accrued But Not Due on Borrowings	**0.00**	–
Total Other Current Liabilities	**0.00**	–

Note No. 10 - Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Professional charges	**0.42**	0.20
(b) Stamp & Filing Fees	**–**	0.05
(c) Trademark	**1.18**	–
(d) Payments to auditors:		
(i) For audit	**0.15**	0.15
(e) Miscellaneous expenses	**0.03**	–
Total Other Expenses	**1.78**	0.41

Note No. 11 - Earnings per Share

(₹ in lakh)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Net loss for the year	**(1.78)**	(0.41)
(b) Nominal value per share	**10.00**	10.00
(c) Weighted average number of equity shares (No.)	**13.00**	13.00
(d) Basic/Diluted earning per share	**(13,685.10)**	**(3,126.15)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 12 - Related Party Transactions

Related party disclosures as required by IND AS 24 “Related Party Disclosures” are given below.

Enterprises Controlling the Company

(₹ in lakh)

Ultimate Holding Company	Mahindra & Mahindra Limited
Group Company	Mahindra Infrastructure Developers Limited

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Infrastructure Developers Limited
Nature of transactions with Related Parties			
Trade payables	**31-Mar-24**	**1.08**	**0.43**
	31-Mar-23	–	*0.23*
Inter Corporate Deposit Received	**31-Mar-24**	–	0.80
	31-Mar-23	–	–
Interest expense on Inter Corporate Deposit	**31-Mar-24**	–	0.00
	31-Mar-23	–	–

Nature of transactions with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Infrastructure Developers Limited
Trade payables	**31-Mar-24**	**6.83**	**4.36**
	31-Mar-23	5.75	3.93
ICD Payable	**31-Mar-24**	–	0.80
	31-Mar-23	–	–
Interest on ICD Payable	**31-Mar-24**	–	0.00
	31-Mar-23	–	–

Note No. 13 - Financial Instruments

Capital management

The company’s capital management objectives are:

- to ensure the company’s ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company manages capital risk in order to maximize shareholders’ profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2023, 31 March 2024 is as follows:

	31-Mar-24	31-Mar-23
Debt (A)	**5.00**	5.00
Equity (B)	**(126.79)**	(125.01)
Debt Ratio (A/B)	**(0.04)**	(0.04)

Categories of financial assets and financial liabilities

(₹ in lakh)

As at 31st March 2024

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–			–
Current Assets				
Other Bank Balances	**0.56**			**0.56**
Non-current Liabilities				
Borrowings	**5.00**			**5.00**
Current Liabilities				
Borrowings	–			–
Trade Payables	–			–

(₹ in lakh)

As at 31st March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–			–
Current Assets				
Trade Receivables	–			
Other Bank Balances	0.03			0.03
Non-current Liabilities				
Borrowings	5.00			5.00
Current Liabilities				
Trade Payables	–			–

Financial Risk Management Framework

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk list all such risks as applicable. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed by Treasury in accordance with the Company’s policy. Investments of surplus funds are made only by investment them in mutual funds. Hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	TOTAL
	INR	INR	INR	INR	INR
Non-derivative financial liabilities					
31-Mar-24					
Trade Payable	2.70	3.93	8.59	107.12	122.35
Total	**2.70**	**3.93**	**8.59**	**107.12**	**122.35**
31-Mar-23					
Trade Payable	0.41	3.92	8.59	107.12	**120.04**
Total	**0.41**	**3.92**	**8.59**	**107.12**	**120.04**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchnage fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Note No. 14 - Fair Value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in lakh)

Particulars	Carrying Value		Fair value as at	
	31-Mar-24	31-Mar-23	**31-Mar-24**	31-Mar-23
Financial assets				
Investments	**–**	–	**–**	–
Trade Receivables	**–**	–	**–**	–
Other Bank Balances	**0.56**	0.03	**0.56**	0.03
Total financial assets	**0.56**	0.03	**0.56**	0.03
Financial liabilities				
Trade Payable	**–**	–	**–**	–
Total financial liabilities	**–**	–	**–**	–

The management assessed that Investment in cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2024: **(₹ in lakh)**

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets				
Assets measured at Fair Value:				
Investments	**–**	**–**	**–**	**–**
Trade Receivables		**–**		**–**
Other Bank Balances		**0.56**		**0.56**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Total	**–**	**0.56**	**–**	**0.56**
Financial liabilities				
Liabilities measured at fair value:				
Trade Payable	**–**	**–**	**–**	**–**
Total	**–**	**–**	**–**	**–**

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023: **(₹ in lakh)**

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Assets measured at Fair Value:				
Investments	–	–	–	–
Trade Receivables		–		–
Other Bank Balances		0.03		0.03
Total	–	0.03	–	0.03
Financial liabilities				
Liabilities measured at fair value:				
Trade Payable	–	–	–	–
Total	**–**	**–**	–	–

There have been no transfers between Level 1 and Level 2 during year ended 31 March 2024.

Note No. 15: Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

Note No. 16 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31st March 2024	For the year ended 31st March 2023	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	0.00	0.00	1,960.57%	Decrease in Bank Balance
b)	Debt Equity Ratio (Gross)	Debt	Equity	(0.04)	(0.04)	(1.40%)	NA
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Service	(0.36)	(0.08)	337.76%	Increase in Losses
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	(1.41%)	(0.33%)	333.94%	Increase in Losses
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	NA	NA	NA	NA
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	NA	NA	NA	NA
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	NA	NA	NA	NA
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (4)	NA	NA	NA	NA
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	NA	NA	NA	NA
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	(1.46%)	(0.34%)	331.37%	Increase in Losses
k)	Return on investment	Income generated from Investment	Average investments (Gross)	(0.01)	(0.00)	331.37%	Increase in Losses

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 17 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 18. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

Note No. 19. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm's Registration Number : 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place : Mumbai
Date : 12th April 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN:03552722)

Feroze Baria
Director (DIN-03315262)

Place : Mumbai
Date : 12th April 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Deep Mangal Developers Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Deep Mangal Developers Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 24049818BKBNMB6856

Place: Mumbai
Date: 13th April, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment:

As per information provided by the Company to us, it does not have any Property, Plant and Equipment and intangible assets as on 31st March, 2024. Accordingly, paragraph 3 (i) (a), (b), (d) and (e) of the orders is not applicable to the company.

As per information provided by the Company to us, the Company is having a Land as immovable properties and the title deed of such property is on the name of the Company.

ii. In respect of its inventories:

The Company is having inventory and work in progress; and it is physically verified by its management at reasonable intervals. Procedures adopted by the Company's management for physical verification of inventories are adequate and reasonable according to the size and nature of its business.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, relevant provision of the Order is not applicable.

ix. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. Utilization of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

The Company has raised money by way of right issue of equity shares during the year. The requirements of section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

xi. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act, 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred profit in the Audit Period Rs. 10.23 lakhs and cash losses in the immediately preceding financial year (FY 2022-23) Rs. 24.70 lakhs.

xviii. Resignation of statutory auditors:

During the year the no statutory auditors has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKKS & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 24049818BKBNMB6856

Place: Mumbai
Date: 13th April, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEEP MANGAL DEVELOPERS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Deep Mangal Developers Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 24049818BKBNMB6856

Place: Mumbai
Date: 13th April, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakh)

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I	**ASSETS**			
	Non-current assets			
	(a) Financial Assets			
	(i) Investments	4	**0.05**	0.05
	Total Non-current assets (I)		**0.05**	0.05
	Current assets			
	(a) Inventories	5	**361.44**	346.72
	(b) Financial Assets			
	(i) Cash and Cash Equivalents	6a	**0.64**	1.11
	(ii) Bank balances other than (i) above	6b	**153.00**	170.00
	(iii) Other Current Financial Asset	6c	**9.43**	0.11
	(c) Other Current Assets	7	**25.15**	22.23
	(d) Current Tax Assets	8	**1.13**	0.01
	Total current assets (II)		**550.79**	540.18
	TOTAL ASSETS		**550.84**	540.23
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	9	**642.01**	642.01
	(b) Other Equity	10	**(97.57)**	(107.80)
	Total equity (III)		**544.44**	534.21
	Liabilities			
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	**0.05**	0.05
	(ii) Trade Payables	12		
	– total outstanding dues of micro enterprises and small enterprises		**–**	–
	– total outstanding dues of trade payables other than micro enterprises and small enterprises		**6.25**	5.90
	(b) Other Current Liabilities	13	**0.10**	0.07
	Total current liabilities (IV)		**6.40**	6.02
	TOTAL		**550.84**	540.23

Summary of Material Accounting Policies
The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 13th April 2024

For and on behalf of the Board of Directors

Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 13th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
I	Revenue from operations		**–**	–
II	Other Income	14	**11.17**	0.13
III	**Total Revenue (I + II)**		**11.17**	0.13
IV	**EXPENSES**			
	(a) Finance costs	15	**–**	17.22
	(b) Other expenses	16	**0.94**	7.61
	Total Expenses (IV)		**0.94**	24.83
	Profit / (loss) before tax (III-IV)		**10.23**	(24.70)
V	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**–**	–
	Total tax expense		**–**	–
VI	**Profit/(loss) after tax from continuing operations**		**10.23**	(24.70)
VII	**Earnings per equity share**			
	Basic/Diluted	17	**1.59**	(214.27)

Summary of Material Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 13th April 2024

For and on behalf of the Board of Directors

Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 13th April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Cash flows from operating activities		
Profit / (Loss) before tax for the year	**10.23**	(24.70)
Adjustments for:		
Interest Income	**(11.17)**	(0.13)
Finance costs	**–**	17.22
	(0.95)	(7.61)
Movements in working capital:		
(Increase)/decrease in inventories	**(14.72)**	(36.80)
(Increase)/decrease in other assets	**(12.23)**	(3.91)
Increase/(decrease) in trade and other payables	**0.35**	(181.75)
(Decrease)/increase in other liabilities	**0.03**	(1.43)
	(27.52)	(231.51)
Cash generated from operations		
Income taxes paid	**(1.12)**	–
Net cash generated by/(used in) operating activities (A)	**(28.64)**	(231.51)
Cash flows from investing activities		
FD Redeemed or matured	**33.00**	–
(Investment in bank deposits)	**(16.00)**	(170.00)
Interest received	**11.17**	0.13
Net cash generated by/(used in) investing activities (B)	**28.17**	(169.87)
Cash flows from financing activities		
Proceeds from borrowings (ICDs)	**–**	55.00
Repayment of borrowings (ICDs)	**–**	(249.14)
Proceeds from issue of shares	**–**	641.00
Interest paid on Inter Corporate Deposit	**–**	(44.96)
Net cash generated by financing activities (C)	**–**	401.90
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(0.47)**	0.52
Cash and cash equivalents at the beginning of the year	**1.11**	0.59
	0.64	1.11
Cash and cash equivalents at the end of the year	**0.64**	1.11

Summary of Material Accounting Policies
The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 13th April 2024

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 13th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

	(₹ in lakh)
As at 31st March, 2022	**1.01**
Changes in equity share capital during the year	–
As at 31st March, 2023	**1.01**
Changes in equity share capital during the year	–
As at 31st March, 2024	**1.01**

Particulars	**Retained earnings**
Balance at 31st March, 2022	**(83.10)**
Profit/(Loss) for the year	(24.70)
Other comprehensive income	–
Total comprehensive income	(24.70)
Balance at 31st March, 2023	**(107.80)**
Profit/(Loss) for the year	10.23
Other comprehensive income	–
Total comprehensive income	10.23
Balance at 31st March, 2024	**(97.57)**

Summary of Material Accounting Policies

The accompanying notes 1 to 25 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 13th April 2024

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 13th April 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Deep Mangal Developers Private Limited ("the Company") is a public company incorporated in India on 25 May, 1989 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Material Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 13th April, 2024.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method which is based on useful life indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 4 - Investments

Particulars	Face Value (Rs.)	As at 31st March, 2024 Nos.	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 Nos.	As at 31st March, 2023 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Preference shares					
- of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	**10**	**500**	**0.05**	500	0.05
Moonshine Construction Private Limited	**10**	**1**	**0.00**	1	0.00
Total Investments			**0.05**		0.05

Note No. 5 - Inventories

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Work-in-progress	**361.44**	346.72
Total Inventories (at lower of cost and net realisable value)	**361.44**	346.72

Statement of changes in Inventory

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening inventory (WIP)	**346.72**	309.93
Additions during the year:		
Professional fees	**0.55**	26.57
Housekeeping charges	**3.40**	1.05
Security expenses	**10.77**	9.17
Closing Inventory (WIP)	**361.44**	346.72

Note No. 6

(6a) Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
a) Balances with banks	**0.64**	1.11
Total Cash and cash equivalent	**0.64**	1.11

(6b) Bank Balances other than (6a)

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) In Deposit Accounts	**153.00**	170.00
Total Bank Balance Other than (6a)	**153.00**	170.00

(6c) Other Current Financial Assets

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Interest accrued on Fixed Deposit	**9.43**	0.11
Total Other Current Financial Assets	**9.43**	0.11

Note No. 7 - Other Current Assets

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) GST Input Tax Credit	**25.15**	22.23
Total Other Current Assets	**25.15**	22.23

Note No. 8 - Current tax assets

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Current tax assets		
TDS Receivable- AY 23-24	**0.01**	0.01
TDS Receivable- AY 24-25	**1.12**	–
Total Current Tax Assets	**1.13**	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 9 - Equity Share Capital

Particulars	As at 31st March, 2024 Number of shares	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 Number of shares	As at 31st March, 2023 (₹ in lakh)
(a) Authorised				
Equity shares of ₹ 100 each with voting rights	**6,55,000**	**655.00**	6,55,000	655.00
	6,55,000	**655.00**	6,55,000	655.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 100 each	**6,42,007**	**642.01**	6,42,007	642.01
	6,42,007	**642.01**	6,42,007	642.01

In previous year, Pursuant to the approval of Board of Directors of Deep Mangal Developers Limited (the Company) at its meeting held on 11th January, 2023 for rights issue of 6,41,000 equity shares of Rs. 100/- each at par aggregating to Rs. 6,41,00,000/- to the shareholders in proportion of their erstwhile shareholding, allotment was made on 27th March, 2023 after receipt of full subscription from the Shareholders of the Company. There was no change in the percentage of shareholding post abovementioned allotment. The Rights Issue proceeds have been fully utilised for the purpose of the Issue.

Notes (i) to (v) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2024 Number of shares	As at 31st March, 2024 (₹ in lakh)	As at 31st March, 2023 Number of shares	As at 31st March, 2023 (₹ in lakh)
Opening balance	**6,42,007**	**642.01**	1,007	642.01
Add: Right Issued during the year	**–**	**–**	6,41,000	–
Closing balance	**6,42,007**	**642.01**	6,42,007	642.01

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 100 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding/Ultimate holding company:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Mahindra Lifespace Developers Limited, the holding company	**1,12,847**	1,12,847
Mahindra World City (Maharashtra) Limited	**5,29,160**	5,29,160

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2024 Number of shares	As at 31st March, 2024 % holding	As at 31st March, 2023 Number of shares	As at 31st March, 2023 % holding
Mahindra Lifespace Developers Limited the holding company,	**1,12,847**	**17.58%**	1,12,847	17.58%
Mahindra World City (Maharashtra) Limited	**5,29,160**	**82.42%**	5,29,160	82.42%

(v) Details of shareholdings by the Promoter's of the Company:

Particulars	As at 31st March, 2024 Number of shares	As at 31st March, 2024 % holding	As at 31st March, 2023 Number of shares	As at 31st March, 2023 % holding
Equity shares with voting rights Mahindra World City (Maharashtra) Limited	**5,29,160**	**82.42%**	5,29,160	82.42%

Note No. 10 - Other Equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2022	**(83.10)**	**(83.10)**
Profit/(Loss) for the year	(24.70)	(24.70)
Other comprehensive income	–	–
Total comprehensive income	(24.70)	(24.70)
Balance at 31st March, 2023	**(107.80)**	**(107.80)**
Profit/(Loss) for the year	10.23	10.23
Other comprehensive income	–	–
Total comprehensive income	10.23	10.23
Balance at 31 March, 2024	**(97.57)**	**(97.57)**

Note No. 11 - Current Borrowings

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Unsecured Borrowings		
(i) Advances	**0.05**	0.05
Total Current Borrowings	**0.05**	0.05

Note No. 12 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payable -total outstanding Dues of micro enterprises and small enterprises	**–**	**–**
Trade payable - Other than micro and small enterprises	**6.25**	5.90
Total Trade Payables	**6.25**	5.90

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

12 a - Ageing for trade payable from the due date of payment for each of the category is as follows

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**3.14**	2.79
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**3.11**	3.11
Total	**6.25**	5.90

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

Note No. 13 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2024 Current	As at 31st March, 2023 Current
a. Statutory dues		
– taxes payable- TDS u/s 194C	**0.10**	0.07
Total Other Current Liabilities	**0.10**	0.07

Note No. 14 - Other Income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a) Interest Income on Fixed Deposit	**11.17**	0.13
Total Other Income	**11.17**	0.13

Note No. 15 - Finance Cost

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a) Interest expense	**–**	17.22
Total Finance Cost	**–**	17.22

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.21**	0.21
(b) Other expenses		
(i) Legal and other professional costs	**0.54**	0.21
(ii) Others	**0.19**	7.19
Total Other Expenses	**0.94**	7.61

Note No. 17 - Earnings Per Share

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Net loss for the period (₹ in lakh)	**10.23**	(24.70)
(b) Nominal value per share	**100**	100
(c) Weighted average number of equity shares (No.)	**6,42,007**	11,527
(d) Basic/Diluted earning per share	**1.59**	(214.27)

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Intermidiate Holding Company
3	Mahindra World City (Maharashtra) Limited	Holding Company

(₹ in lakh)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra World City (Maharashtra) Limited
Nature of transactions with Related Parties				
Inter Corproate Deposits received	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	55.00	–
Interest on ICD	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	17.22	–
ICD Refunded	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	249.14	–
Issue of Shares	**31-Mar-24**	**–**	**–**	**–**
	31-Mar-23	–	112.67	528.33

* Previous year figures are in Italic

Note No. 19

The accounts of the Company for the year ended 31st March, 2024 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern.

The capital structure of the Company consists of equity.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial						
31 March 2024						
Other financial laibilities	**3.14**	**–**	**3.11**	**–**	**6.25**	**6.25**
Total	**3.14**	**–**	**3.11**	**–**	**6.25**	**6.25**
31 March 2023						
Other financial liabilities	2.79	–	3.11	–	5.90	5.90
Total	**2.79**	**–**	**3.11**	**–**	**5.90**	**5.90**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 21 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2024 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Non current Investments	–	0.05	–	0.05
(ii) Cash and cash equivalents	–	0.64	–	0.64
(iii) Bank balances other than (i) above	–	153.00	–	153.00
(iv) Other financial assets	–	9.43	–	9.43
Total	**–**	**163.12**	–	**163.12**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	–	0.05	–	0.05
(ii) Trade payables	–	6.25	–	6.25
Total	**–**	**6.30**	–	**6.30**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Non current Investments	–	0.05	–	0.05
(ii) Cash and cash equivalents	–	1.11	–	1.11
(iii) Bank balances other than (i) above	–	170.00	–	170.00
(iv) Other financial assets	–	0.11	–	0.11
Total	**–**	**171.27**	–	**171.27**

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2023 Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	–	0.05	–	0.05
(ii) Trade payables	–	5.90	–	5.90
(iii) Other Financial Liabilities	–	–	–	–
Total	**–**	**5.95**	–	**5.95**

22 - Financial Ratios

						(₹ in lakh)	
	Particulars	Numerator	Denominator	For the year ended 31 March, 2024	For the year ended 31 March, 2023	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	86.03	89.71	-4.10%	Decrease in current Liabilities
b)	Debt Equity Ratio (Gross)	Debt	Equity	0.00	0.00	0.00%	–
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service	Debt Service	NA	NA	NA	–
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	1.90%	(10.93%)	-117.36%	Compnay has earned profit during the year
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	–	–	0.00%	Revenue from operations is "Nil" during the year
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	NA	NA	NA	–
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	NA	NA	NA	–
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (4)	NA	NA	NA	–
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	0.00%	0.00%	0.00%	Revenue from operations is "Nil"
j)	Return on Capital employed	Earning before interest & taxes	Capital employed	1.88%	(4.62%)	-140.63%	Compnay has earned profit during the year
k)	Return on investment	Income generated from Investment	Average investments (Gross)	0.00%	0.00%	0.00%	No income generated on investment.

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

23 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

24. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

25. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 13th April 2024

For and on behalf of the Board of Directors
Deep Mangal Developers Private Limited

Vimalendra Singh
Director (DIN-09128114)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 13th April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MOONSHINE CONSTRUCTION PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Moonshine Construction Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, the Statement of Changes in Equity for the year then ended and Notes to the Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024
UDIN: 24049818BKBNMD2986

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. **In respect of its Property, Plant and Equipment:**

As per information provided by the Company to us, it does not have any Property, plant, equipment as on 31st March, 2024. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. **In respect of its inventories**

The Company does not have inventory. Accordingly, clause 3 (ii) (a) of the Order is not applicable.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. **Loans given by Company:**

As per information and explanation provided by the Company to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iv. **Loan to Directors and investment by the Company:**

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. **Deposits:**

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. **Cost Records:**

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. **Statutory Dues:**

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the period of Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. **Previously unrecorded income**

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, relevant provision of the Order is not applicable.

ix. **Repayment of Loans:**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. **Utilisation of IPO & further public offer:**

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. **Reporting of Fraud:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. **Nidhi Company:**

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. **Related Party Transaction:**

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence, Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period of Rs. 0.83 Lakhs and in the immediately preceding financial year (F.Y. 2022-23) Rs. 0.61 Lakhs.

xviii. Resignation of statutory auditors:

During the year the no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024
UDIN: 24049818BKBNMD2986

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOONSHINE CONSTRUCTION PRIVATE LIMITED

Act Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Moonshine Construction Private Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. MAKK & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 12/04/2024
UDIN: 24049818BKBNMD2986

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakh)

	Note No.	As at 31st March 2024	As at 31st March 2023
I ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**–**	–
Total Non-current assets (I)		**–**	–
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**0.36**	0.41
Total current assets (II)		**0.36**	0.41
Total Assets [(I)+(II)]		**0.36**	0.41
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	6	**0.00**	0.00
(b) Other Equity	7	**(33.80)**	(32.98)
Total equity (III)		**(33.80)**	(32.98)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	8	**1.00**	1.00
Total Non-current liabilities (IV)		**1.00**	1.00
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	**28.15**	27.65
(ii) Trade Payables	10		
– total outstanding dues of micro enterprises and small enterprises		**–**	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		**3.98**	3.90
(iii) Other Financial Liabilities	11	**1.01**	0.82
(b) Other Current Liabilities	12	**0.02**	0.02
Total current liabilities (V)		**33.16**	32.39
Total equity and liabilities [(III)+(IV)+(V)]		**0.36**	0.41

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Vinay Mohan Srivastva
Director (DIN-01172665)

Place: Mumbai
Date: 12th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakh)

Particulars		Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Revenue (I + II)**		–	–
IV	**EXPENSES**			
	(i) Finance cost	13	**0.21**	0.18
	(ii) Other expenses	14	**0.61**	0.42
	Total Expenses (III-IV)		**0.83**	0.61
V	**Loss before tax**		**(0.83)**	(0.61)
VII	**Earnings per equity share (for continuing and discontinued operations):**			
	Basic/Diluted	15	**(3,929.14)**	(2,893.10)

Summary of Material Accounting Policies

The accompanying notes 1 to 23 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Vinay Mohan Srivastva
Director (DIN-01172665)

Place: Mumbai
Date: 12th April, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2024

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash flows from operating activities		
Loss before tax for the year	**(0.83)**	(0.61)
Adjustments for:		
Finance costs recognised in profit or loss	**0.21**	0.18
	(0.61)	(0.42)
Movements in working capital:		
(Decrease)/increase in trade and other payables	**0.07**	0.06
(Decrease)/increase in other liabilities	**0.20**	0.15
Net cash utilized by operating activities (A)	**(0.34)**	(0.21)
Cash flows from investing activities		
Proceeds on sale of investments	–	0.25
Net cash (used in)/generated by investing activities (B)	–	0.25
Cash flows from financing activities		
ICD Received	**0.50**	0.50
Interest paid on ICD	**(0.21)**	(0.18)
Net cash generated / (used) in financing activities (C)	**0.29**	0.32
Net increase in cash and cash equivalents (A+B+C)	**(0.05)**	0.36
Cash and cash equivalents at the beginning of the year	**0.41**	0.04
	0.41	0.41
Cash and cash equivalents at the end of the year	**0.36**	0.41

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Vinay Mohan Srivastva
Director (DIN-01172665)

Place: Mumbai
Date: 12th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

As at 31 March, 2022	0.00
Changes in equity share capital during the year	–
As at 31 March, 2023	0.00
Changes in equity share capital during the year	–
As at 31 March, 2024	0.00

a. Equity share capital

	Equity share capital (no of shares)
Balance at 31 March, 2022	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31 March, 2023	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31 March, 2024	21

Particulars	**Retained earnings**
Balance at 31 March, 2022	**(32.37)**
Profit/(Loss) for the year	(0.61)
Other comprehensive income	–
Total comprehensive income	(0.61)
Balance at 31 March, 2023	**(32.98)**
Profit/(Loss) for the year	(0.83)
Other comprehensive income	**–**
Total comprehensive income	(0.83)
Balance at 31 March, 2024	**(33.80)**

Summary of Material Accounting Policies

The accompanying notes 1 to 23 are an integral part of these financial statements

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Vinay Mohan Srivastva
Director (DIN-01172665)

Place: Mumbai
Date: 12th April, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Moonshine Construction Private Limited ("the Company") is a private limited company incorporated in India on 16 May, 1996 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 12th April 2024.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method which is based on useful life indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established. Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 4 - Investments

Particulars	Face Value (Rs.)	As at 31st March 2024 Nos.	As at 31st March 2024 (₹ in lakh)	As at 31st March 2023 Nos.	As at 31st March 2023 (₹ in lakh)
Investments carried at cost or deemed cost					
Investments in Preference shares					
Preference shares - Mahindra World City Maharashtra Limited			–	–	–
Total Investments			–		–

Note No. 5 - Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents		
Balances with banks	**0.36**	0.41
Total Cash and cash equivalent	**0.36**	0.41

Note No. 6 - Equity share capital

Particulars	As at 31st March 2024 Number of shares	As at 31st March 2024 (₹ in lakh)	As at 31st March 2023 Number of shares	As at 31st March 2023 (₹ in lakh)
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	**21**	**0.00**	21	0.00
	21	**0.00**	21	0.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of Rs. 10 each	**21**	**0.00**	21	0.00
	21	**0.00**	21	0.00

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2024 Number of shares	As at 31st March 2024 (₹ in lakh)	As at 31st March 2023 Number of shares	As at 31st March 2023 (₹ in lakh)
Opening balance	**21**	**0.00**	21	0.00
Add: Issued during the year	–	–	–	–
Closing balance	**21**	**0.00**	21	0.00

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by:

Particulars	As at 31st March 2024	As at 31st March 2023
Mahindra World City Maharashtra Limited	**20**	20
Deep Mangal Developers Pvt. Ltd.	**1**	1

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2024 Number of shares	As at 31st March 2024 % holding	As at 31st March 2023 Number of shares	As at 31st March 2023 % holding
Mahindra World City Maharashtra Limited	**20**	**95.24%**	20	95.24%

Note No. 7 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2022	**(32.37)**	**(32.37)**
Profit/(Loss) for the year	(0.61)	(0.61)
Other comprehensive income	–	–
Total comprehensive income	(0.61)	(0.61)
Balance at 31st March 2023	**(32.98)**	**(32.98)**
Profit/(Loss) for the year	(0.83)	(0.83)
Other comprehensive income	–	–
Total comprehensive income	(0.83)	(0.83)
Balance at 31st March 2024	**(33.80)**	**(33.80)**

Note No. 8 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Measured at amortised cost*		
A. Unsecured Borrowings - at amortised Cost		
(i) Other Loans		
Redeemable preference share capital	**1.00**	1.00
Total Unsecured Borrowings	**1.00**	1.00
Total Borrowings	**1.00**	1.00

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

(i) Details of Redeemable preference shareholders

Sr. No.	Shareholder's Name	No. of Shares	Face Value per share	Amount (Rs.)
1	Mahindra Lifespace Developers Limited	5000	10	50,000.00
2	Deep Mangal Developers Private Limited	500	10	5,000.00
3	Mahindra World City (Maharashtra) Ltd	4479	10	44,790.00
	TOTAL	9979	–	99,790.00

Note No. 9 - Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
A. Unsecured Borrowings		
(i) Loans from related parties*	**3.00**	2.50
(ii) Loans from others	**25.15**	25.15
Total Unsecured Borrowings	**28.15**	27.65
Total Current Borrowings	**28.15**	27.65

*The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited is in range of 8.25% - 8.50%(Previous Year 8.25% p.a.)

Note No. 10 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Trade payable -total outstanding Dues of micro enterprises and small enterprises		
Trade payable - Other than micro and small enterprises	**3.98**	3.90
Total Trade Payables	**3.98**	3.90

Note:

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

10 A. - Ageing for trade payable from the due date of payment for each of the category is as follows:-

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.41**	0.33
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**3.57**	3.57
Total	**3.98**	3.90

Note No. 11 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
Current		
(a) Interest accrued but not due	**1.01**	0.82
Total Other Current Liabilities	**1.01**	0.82

Note No. 12 - Other current liabilities

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
a. Others		
Statutory remittances (withholding taxes)	**0.02**	0.02
Total Other Financial Liabilities	**0.02**	0.02

Note No. 13 - Finance Cost

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Interest expense	0.21	0.18
Total Finance Costs	**0.21**	0.18

Note No. 14 - Other Expenses

(₹ in lakh)

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.21**	0.21
(b) Other expenses		
(i) Legal and other professional costs	**0.40**	0.21
Total Other Expenses	**0.61**	0.42

Note No. 15 - Earnings per Share
Basic Earnings per Share

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Net loss for the year	**(0.83)**	(0.61)
(b) Nominal value per share	**10**	10
(c) Weighted average number of equity shares (No.)	**21**	21
(d) Basic/Diluted earning per share	**(3,929.14)**	(2,893.10)

Note No. 16 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(₹ in lakh)

1	**Mahindra & Mahindra Limited**	**Ultimate Holding Company**
2	**Mahindra Lifespace Developers Limited**	**Holding Company**

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	For the Period ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited
Nature of transactions with Related Parties			
Inter Corproate Deposits	31-Mar-24	–	**0.50**
	31-Mar-23	–	*0.50*
Interest on ICD	31-Mar-24	–	**0.21**
	31-Mar-23	–	*0.18*

Nature of Balances with Related Parties	Balances as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited
ICD Payables	31-Mar-24	–	**3.00**
	31-Mar-23	–	*2.50*
Interest on ICD Payables	31-Mar-24		**1.01**
	31-Mar-23		*0.82*

* Previous year's figures are in Italic

Note No. 17 - The accounts of the Company for the year ended 31 March, 2024 have been prepared on the basis of going concern.

Note No. 18 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

(B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31-Mar-24						
Trade Payable	**0.41**	**–**	**3.57**	**–**	**3.98**	**3.98**
Total	**0.41**	**–**	**3.57**	**–**	**3.98**	**3.98**
31-Mar-23						
Trade Payable	0.33	–	3.57	–	3.90	3.90
Total	0.33	–	3.57	–	3.90	3.90

(C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 19 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended 31 March, 2024	For the year ended 31 March, 2023	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	0.0108	0.0128	-15.44%	Increase in Cash & Bank balance
b)	Debt Equity Ratio	Net Debt	Equity	(0.86)	(0.87)	-0.74%	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.03)	(0.02)	32.69%	Increase in Losses
d)	Return of Equity	PAT	Networth	2.47%	1.86%	32.90%	Increase in Losses
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA	
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA	
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA	
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA	
i)	Net profit ratio	PAT	Revenue	NA	NA	NA	
j)	Return on Capital employed	PAT	Borrowing	17.73%	14.04%	26.32%	Increase in borrowing & losses
k)	Return on investment	PAT	Capital employed	NA	NA	NA	

Schedule III require explanation where the change in the ratio is more that 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 20 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 21 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

Note No. 22 - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 23 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets
– quoted prices for identical or similar assets or liabilities in markets that are not active
– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
– implied volatilities
– credit spreads
– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2024

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(₹ in lakh)

	Fair value hierarchy as at 31st March, 2024			
Financial assets/financial liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	**–**	**0.36**	**–**	**0.36**
Total	**–**	**0.36**	**–**	**0.36**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Non Current Borrowings	**–**	**1.00**	**–**	**1.00**
(ii) Current Borrowings	**–**	**28.15**	**–**	**28.15**
(iii) Trade payables	**–**	**3.98**	**–**	**3.98**
(iv) Other Financial Liabilities	**–**	**1.01**	**–**	**1.01**
Total	**–**	**34.14**	**–**	**34.14**

(₹ in lakh)

	Fair value hierarchy as at 31st March, 2023			
Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.41	–	0.41
Total	–	0.41	–	0.41
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Non Current Borrowings	–	1.00	–	1.00
(ii) Current Borrowings	–	27.65	–	27.65
(iii) Trade payables	–	3.90	–	3.90
(iv) Other Financial Liabilities	–	0.82	–	0.82
Total	–	33.37	–	33.37

In terms of our report attached

For MAKK & Co. (Formerly R. Jaitlia & Co.)
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April, 2024

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Vinay Mohan Srivastva
Director (DIN-01172665)

Place: Mumbai
Date: 12th April, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Holidays & Resorts India Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters'

I) Revenue from Contracts from Customers under Ind AS 115
See Note 36 and 52 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has a unique business model and its revenue comprises of numerous individual transactions and also multiple streams of revenue with its members / customers. In accordance with Ind AS 115 (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognized over the effective membership period. The application of the accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period. The Company has identified expenses which are classified as deferred costs and recognised over the effective membership period.	Our procedures included the following: – Evaluating the appropriateness of accounting policy and adequacy of Company's disclosures in accordance with Ind AS 115 for membership contracts entered with customers. – Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue. – Evaluating and testing the identification of expenses incurred by the Company, which can get classified as deferred costs and recognised over the effective membership period. – Perform substantive testing throughout the period, by selecting samples of membership contracts entered during the year and verifying the underlying documents, which include membership application forms signed by members, receipt of initial down payment tranche of membership fees, resort revenue and annual subscription fees. – Evaluating the process followed by the Company for the purpose of determining the effective membership period after considering breakage i.e., customer's unexercised rights. – Evaluating the process followed by the Company and the data used for the purpose of derecognition of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections.

II) Contingent liabilities - Tax litigations See Note 43 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has significant tax litigations for both direct and indirect taxes. There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the standalone financial statements.	Our procedures included the following: – Examining the list of outstanding tax litigations against the Company. – Inquiring and obtaining explanations for movements during the year. – Reading the latest correspondences between the Company and the regulatory authorities for significant matters. – Examining opinions obtained by the Company from external advisors. – Involving our tax specialists, and discussing with the Company's tax personnel, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. – Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.

II) Directions by the Regulator See Note 56 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
Pursuant to a complaint made by a customer against the Company, National Financial Reporting Authority ('NFRA') passed an order dated 29 March 2023 ('the Order') providing directions to the Company. As per the order, NFRA has made certain observations in respect of: – the identification and disclosure of segments by the Company; and – Company's accounting policy for recognition of revenue on a straight-line basis over the period of the membership fees and annual subscription fees. As per the Order, the Company has carried out review of policies and practices in areas of operating segments and timing of recognition of revenue from customers and submitted its response to NFRA. Given the significance of the findings of NFRA on the policies and practices adopted by the Company, this has been considered as a key audit matter.	Our procedures included the following: – Reading the Order received by the Company and us from NFRA; – Evaluating the findings in the Order with reference to segment reporting under Ind AS 108 and revenue recognition under Ind AS 115; – Communicating the findings of the Order with those charged with governance; – Inquiring and assessing the Company's existing practices and policies followed by the Company in respect of the findings made by NFRA. – Reviewing Company's response to NFRA as required by the Order. – Submitting our report to NFRA, based on our review of Company's aforesaid response. Segment Reporting – Inquiring with the Chief Operating Decision Maker (CODM) on the current process of identification of segments. – Obtaining and inspecting the operating results regularly reviewed by Company's CODM. – Assessing the adequacy of disclosures of operating segments in accordance with Ind AS 108. Revenue Recognition – Evaluating the accounting policy for recognition of revenue for contracts entered with members against requirements of Ind AS 115 with reference to fulfillment of performance obligations by the Company. – Inspecting and testing, on sample basis, relevant customer contracts and assessing revenue is recognised on satisfaction of performance obligation. – Assessing the adequacy of disclosures in accordance with Ind AS 115.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014..

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
ICAI UDIN: 24112399BKFRIB9435

Mumbai
26 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land Manali	1,243.05	Competent Hotels Private Limited - Manali	No	Merger date February 9 2016 effective from 1 April 2015	Received on merger of erstwhile companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Freehold land - Jaisalmer	1,944.00	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger date February 29, 2016 effective from April 1, 2015	
Building - Manali	629.12	Competent Hotels Private Limited - Manali	No	Merger date February 9, 2016 effective from April 1, 2015	
Building - Jaisalmer	1,211.15	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger date February 29, 2016 effective from April 1, 2015	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year except for one specified parcel of Land (see Note 4 in the standalone financial statements)

The aforesaid revaluation is based on the valuation performed by a Registered Valuer and the amount of net change was less than 10% in the aggregate of the net carrying value of total land as a class of Property, Plant and Equipment.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in mutual funds and subsidiaries during the year. The Company has also granted loans to companies during the year, in respect of which the requisite information is below. The Company has not provided any guarantee or security, granted any loans and advances in the nature of loans, secured or unsecured to limited liability partnership or other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

(₹ in lakhs)

Particulars	Guarantees	Loans (including interest accrued)
Aggregate amount during the year		
Subsidiaries*		
– MH Boutique Hospitality Limited	Nil	1,031
– Gables Promoters Private Limited	Nil	6,932
– Mahindra Hotels and Residences India Limited	Nil	8,547
– Heritage Bird (M) Sdn Bhd	Nil	511
– Infinity Hospitality Group Company Limited	Nil	3,996
– Mahindra Holidays and Resorts Harihareshwar Limited	Nil	100
Balance outstanding as at balance sheet date		
Subsidiaries*		
– MHR Holdings (Mauritius) Limited	69,481	–
– MH Boutique Hospitality Limited	Nil	1,031
– Gables Promoters Private Limited	Nil	6,932
– Mahindra Hotels and Residences India Limited	Nil	8,547
– Heritage Bird (M) Sdn Bhd.	Nil	511
– Infinity Hospitality Group Company Limited	Nil	3,996
– Mahindra Holidays and Resorts Harihareshwar Limited	Nil	100

* As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated. These loans are renewed during the year on expiry of their prior agreed term. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans/ advance in the nature of loan falling due during the year were renewed or extended or settled by fresh loans:

(₹ in lakhs)

Name of the parties	Aggregate amount dues (including interest accrued) renewed
– MH Boutique Hospitality Limited	1,031
– Gables Promoters Private Limited	6,607
– Mahindra Hotels and Residences India Limited	1,971
– Heritage Bird (M) Sdn Bhd.	511
– Infinity Hospitality Group Company Limited	3,996
Total	21,117
Percentage of the aggregate to the total loans granted during the year	67%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with to the extent applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of service tax, duty of excise and sales tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Value added Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Value added tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (₹in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax, interest and penalty	26,701	A.Y. 1999 to 2011	High Court
Income Tax Act, 1961	Income tax, interest and penalty	39,319	A.Y. 2010, A.Y. 2012 to 2016	ITAT
Income Tax Act, 1961	Income tax, interest and penalty	12,613	A.Y. 2017	Commissioner of Income Tax - Appeals
Finance Act, 1994	Service tax, interest and penalty	47,571	FY 2007 to 2017	Apellate Authorities
Kerala Luxury Tax Act	Luxury Tax	659	FY 2009 to 2011	Intelligence Officer Debikulam
Kerala Luxury Tax Act	Luxury Tax	3,208	FY 2010 to 2016	Appellate Commissioner
Kerala Luxury Tax Act	Luxury Tax	1,706	FY 2012 to 2015	High Court
Uttarakhand Luxury Tax Act	Luxury Tax	34	FY 2013	Appellate Commissioner
Maharashtra Luxury Tax Act	Luxury Tax	42	FY 2013 to 2014	Commissioner of Commercial Taxes
Rajasthan Luxury Tax Act	Luxury Tax	1,778	FY 2011 to 2017	High Court
Rajasthan Value Added Tax	Value added Tax	20	FY 2013-2014 FY 2015 to 2017	High Court
Kerala Value Added Tax	Value added Tax	23	FY 2015 to 2017	Assistant Commissioner
Pondicherry Goods and Service Tax Act	Goods and Service Tax	55	FY 2017 to 2022	Commissioner Appeals
Maharashtra Goods and Service Tax Act	Goods and Service Tax	1,647	FY 2018 to 2019	Commissioner Appeals

* Net of amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
ICAI UDIN: 24112399BKFRIB9435

Mumbai
April 26, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holidays & Resorts India Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
ICAI UDIN: 24112399BKFRIB9435
Mumbai,
April 26, 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	**As At March 31, 2024**	As At March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**228,126.91**	219,748.16
Right of Use Asset	5	**40,069.92**	38,092.87
Capital work-in-progress	48	**19,164.95**	12,834.87
Other intangible assets	6	**1,029.78**	1,536.73
Intangible assets under development		**1,732.62**	834.50
Financial Assets			
Investments in subsidiaries and associates	7	**39,354.33**	11,601.74
Trade receivables	8	**22,316.63**	22,026.25
Loans	9	**21,117.31**	36,793.62
Other financial assets	10	**51,070.82**	32,403.66
Deferred Tax Assets (Net)	11 (a)	**18,161.14**	41,556.33
Other non-current tax assets (Net)	12	**17,353.06**	3,228.94
Deferred Acquisition Cost	13	**74,538.50**	70,988.05
Other non-current assets	14	**4,037.23**	5,571.43
		538,073.20	497,217.15
Current assets			
Inventories	15	**560.82**	556.87
Financial Assets			
Investments	16	**65,033.23**	53,366.39
Trade receivables	17	**99,631.42**	94,007.13
Cash and cash equivalents	18	**2,734.04**	1,685.43
Other bank balances	19	**17,405.06**	9,710.65
Loans	20	**69.31**	71.03
Other financial assets	21	**15,487.60**	31,791.67
Deferred Acquisition Cost	22	**6,154.03**	5,738.88
Other current assets	23	**9,352.12**	7,284.97
		216,427.63	204,213.02
		754,500.83	701,430.17
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	24	**20,153.67**	20,069.70
Share application money pending allotment		**–**	117.33
Other equity	25		
Reserves & Surplus		**129,092.57**	110,230.67
Revaluation Reserve		**85,927.42**	84,557.53
Other Comprehensive Income		**(274.70)**	(127.72)
Transition Difference		**(140,272.59)**	(140,272.59)
		74,472.70	54,387.89
		94,626.37	74,574.92
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	26	**35,899.92**	34,102.84
Other financial liabilities	27	**500.98**	580.01
Provisions	28	**951.59**	832.22
Deferred Tax Liabilities	11 (b)	**20,313.65**	20,451.98
Other non-current liabilities			
Contract Liability-Deferred Revenue	29	**487,776.50**	468,303.38
		545,442.64	524,270.43
Current liabilities			
Financial Liabilities			
Lease liabilities	30	**7,203.08**	6,036.90
Trade payables	31		
Total outstanding dues of micro enterprises and small enterprises; and		**122.81**	82.20
Total outstanding dues of creditors other than micro enterprises and small enterprises		**22,828.28**	21,416.76
Other financial liabilities	32	**8,323.74**	7,423.68
Provisions	33	**610.53**	681.61
Other current liabilities			
Contract Liability-Deferred Revenue	34	**71,752.16**	64,342.90
Others	35	**3,591.22**	2,600.77
		114,431.82	102,584.82
		754,500.83	701,430.17

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

C P Gurnani
Chairman
DIN: 00018234

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Ramnarayan Mundra
Interim Chief Financial Officer

Place: Mumbai
Date: April 26, 2024

Dhanraj Mulki
Company Secretary

ACS No: F4631

Place: Mumbai
Date: April 26, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	**Year ended March 31, 2024**	Year ended March 31, 2023
Income			
Revenue from operations	36	**131,403.04**	119,618.18
Other income	37	**12,007.94**	10,938.42
Total Income		**143,410.98**	130,556.60
Expenses			
Employee benefits expense	38	**35,165.66**	30,192.79
Finance costs	39	**3,367.16**	2,913.00
Depreciation and amortisation expense	4, 5 & 6	**15,871.67**	13,908.54
Other expenses	40	**66,686.36**	62,136.02
Total Expenses		**121,090.85**	109,150.35
Profit before tax		**22,320.13**	21,406.25
Tax expense			
Current tax	41	**–**	6,788.40
Deferred tax	41	**5,797.15**	(1,239.93)
Tax expense / (credit) for prior years	41	**(1,541.49)**	–
Total tax expense		**4,255.66**	5,548.47
Profit after tax		**18,064.47**	15,857.78
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit (asset)/liability		**(196.41)**	117.62
Freehold land revaluation		**1,231.56**	–
Income taxes related to items that will not be reclassified to profit or loss		**187.76**	520.59
Net other comprehensive income not to be reclassified subsequently to profit or loss		**1,222.91**	638.21
Total comprehensive income for the year		**19,287.38**	16,495.99
Earnings per equity share :			
(face value of ₹ 10 per share)			
Basic (in ₹)	42	**8.98**	7.92
Diluted (in ₹)	42	**8.97**	7.89

See accompanying notes to the financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

C P Gurnani
Chairman
DIN: 00018234

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Ramnarayan Mundra
Interim Chief Financial Officer

Place: Mumbai
Date: April 26, 2024

Dhanraj Mulki
Company Secretary
ACS No: F4631

Place: Mumbai
Date: April 26, 2024

STATEMENT OF CHANGES IN EQUITY

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Share Capital	Other Equity										Total
		Reserves & Surplus										
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Revaluation Reserve	Other Comprehensive Income Actuarial (Loss)	Transition Difference	Share Application Money Pending Allotment	
Balance at the beginning of the reporting year - April 1, 2023	**20,069.70**	**44.75**	**5,331.55**	**10,381.68**	**2,187.57**	**145.80**	**92,139.32**	**84,557.53**	**(127.72)**	**(140,272.59)**	**117.33**	**74,574.92**
Profit for the year	–	–	–	–	–	–	18,064.47	–	–	–	–	18,064.47
Additions during the year	–	–	–	–	51.67	–	–	1,369.89	–	–	–	1,421.56
Share application money pending allotment	–	–	–	–	–	–	–	–	–	–	(117.33)	(117.33)
Fresh issue of shares	83.97	–	745.76	–	–	–	–	–	–	–	–	829.73
OCI component of actuarial gains/ (losses) (Net of taxes)	–	–	–	–	–	–	–	–	(146.98)	–	–	(146.98)
Balance at the end of the reporting period - March 31, 2024	**20,153.67**	**44.75**	**6,077.31**	**10,381.68**	**2,239.24**	**145.80**	**110,203.79**	**85,927.42**	**(274.70)**	**(140,272.59)**	**–**	**94,626.37**

Particulars	Share Capital	Other Equity										Total
		Reserves & Surplus										
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Revaluation Reserve	Other Comprehensive Income Actuarial (Loss)	Transition Difference	Share Application Money Pending Allotment	
Balance at the beginning of the reporting year - April 1, 2022	19,984.81	44.75	4,209.39	10,381.68	1,872.37	145.80	76,281.54	84,007.33	(215.74)	(140,272.59)	–	56,439.34
Profit for the year	–	–	–	–	–	–	15,857.78	–	–	–	–	15,857.78
Effect of change in tax base	–	–	–	–	–	–	–	550.20	–	–	–	550.20
Additions during the year	–	–	–	–	315.20	–	–	–	–	–	–	315.20
Share Application Money Pending Allotment	–	–	–	–	–	–	–	–	–	–	117.33	117.33
Fresh Issue of shares	84.89	–	1,122.16	–	–	–	–	–	–	–	–	1,207.05
OCI component of actuarial gains/ (losses) (Net of taxes)	–	–	–	–	–	–	–	–	88.02	–	–	88.02
Balance at the end of the reporting period - March 31, 2023	20,069.70	44.75	5,331.55	10,381.68	2,187.57	145.80	92,139.32	84,557.53	(127.72)	(140,272.59)	117.33	74,574.92

See accompanying notes to the financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

C P Gurnani
Chairman
DIN: 00018234

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Ramnarayan Mundra
Interim Chief Financial Officer
Place: Mumbai
Date: April 26, 2024

Dhanraj Mulki
Company Secretary
ACS No: F4631
Place: Mumbai
Date: April 26, 2024

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		**Year ended March 31, 2024**	Year ended March 31, 2023
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit before tax for the year	**22,320.13**	21,406.25
	Adjustments for:		
	Finance costs	**3,367.16**	2,913.00
	Interest income	**(7,840.20)**	(5,441.72)
	Depreciation and amortisation of non-current assets	**15,871.67**	13,908.54
	Net Loss on disposal of property, plant and equipment	**82.15**	127.75
	Gain due to change in lease arrangements	**(35.60)**	(173.39)
	Net foreign exchange (Gain)/ Loss	**373.35**	(2,784.27)
	Net Gain on sale of investment	**(1,371.82)**	(1,774.27)
	Net Gain on Investments carried at FVTPL	**(2,206.59)**	(316.33)
	Equity-settled share-based payments	**51.67**	315.20
		8,291.79	6,774.51
	Operating profit before working capital changes	**30,611.92**	28,180.76
	Movements in working capital:		
	Increase in trade, other receivables and Deferred Acquisition Cost	**(12,539.23)**	(9,765.48)
	(Increase) / Decrease in inventories	**(3.95)**	76.13
	(Increase) / (Decrease) in trade payables	**1,129.37**	(212.74)
	(Decrease) in provisions	**(148.12)**	(63.38)
	Increase in contract liability-deferred revenue	**26,882.38**	24,371.80
	(Increase) / (Decrease) in other liabilities	**890.65**	(1,479.73)
		16,211.10	12,926.60
	Cash generated from operations	**46,823.02**	41,107.36
	Income taxes refund / (paid) [Net]	**5,064.84**	158.47
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**51,887.86**	41,265.83
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**8,572.26**	3,026.38
	Loan given to related parties	**(7,001.00)**	(27,322.15)
	Loan repayments by related parties	**(153.94)**	–
	Placement of fixed deposits and other deposits	**(46,650.00)**	(13,936.31)
	Proceeds from maturity of fixed deposits and other deposits	**35,766.74**	40,748.39
	Payments for property, plant and equipment and intangibles including CWIP	**(18,741.02)**	(15,634.88)
	Proceeds from disposal of property, plant and equipment	**46.94**	43.89
	Proceeds from disposal of investment	**146,961.57**	69,983.78
	Purchase of equity investments	**(4,498.10)**	(1,205.00)
	Purchase of investment	**(155,050.00)**	(93,600.00)
	NET CASH USED IN INVESTING ACTIVITIES	**(40,746.55)**	(37,895.90)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of equity share capital	**712.40**	1,207.05
	Share application money pending allotment	**–**	117.33
	Proceeds from borrowings	**1,278.73**	8,503.43
	Repayment of borrowings	**(1,278.73)**	(8,503.43)
	Payment of lease liabilities	**(7,435.79)**	(5,743.43)
	Dividend paid	**(2.16)**	(0.92)
	Interest paid on borrowings	**(0.31)**	(2.75)
	Interest paid on lease liabilities	**(3,366.84)**	(2,910.24)
	NET CASH USED IN FINANCING ACTIVITIES	**(10,092.70)**	(7,332.96)
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**1,048.61**	(3,963.03)
	Cash and cash equivalents at the beginning of the year	**1,685.43**	5,648.46
	Cash and cash equivalents at the end of the year (Refer note no. 18)	**2,734.04**	1,685.43

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

C P Gurnani
Chairman
DIN: 00018234

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Ramnarayan Mundra
Interim Chief Financial Officer

Place: Mumbai
Date: April 26, 2024

Dhanraj Mulki
Company Secretary
ACS No: F4631

Place: Mumbai
Date: April 26, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 Corporate Information

Mahindra Holidays & Resorts India Limited ('the Company') was incorporated on September 20, 1996. The Company is domiciled in India with its registered office address being Mahindra Towers,1st Floor,'A' Wing, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400 018, Maharashtra, India. The Company is in the business of selling vacation ownership and providing holiday facilities.

2(a) Material accounting policies

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

(ii) Basis of preparation and presentation

The standalone financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

(iii) Revenue recognition

a. Revenue from sale of Vacation Ownership

The Company's business is to sell vacation ownership and provide holiday facilities to members for a specified period each year or over a number of years.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation.

Revenue from Membership fees

The Company recognises the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Company will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred revenue-vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value. The payment for membership fee is collected either in full upfront, or on a deferred payment basis (ranging between 3 to 48 months).

Discounts and other incentives provided to the customer's are reduced from the overall contract value.

Deferred acquisition cost

Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

Revenue from Annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other liabilities - Deferred revenue – Annual subscription fee and payment is due as per due date mentioned in invoice.

Interest income on deferred payment plans

Interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no xv)

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue with respect to instalments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainty in collection has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

The right-of-use assets are initially recognized at cost, which comprises the present value of future lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the period of lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, the right-of-use asset is periodically reduced by impairment losses (as part of cash generating units(CGUs)), if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Company uses incremental borrowing rate as the discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(v) Foreign currencies

The standalone financial statements of the Company are presented in Indian Rupees (INR), which is the Company's functional currency. In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

(vi) Employee benefits

Employee benefits include short term and long term employee benefits, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

A defined contribution plan is a post- employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards government administered schemes.

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

A defined benefit plan is a post- employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated seperately for echo plan by estimating the amount of future benefit employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan asset.

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(vii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options outstanding account in Reserves & Surplus.

(viii) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The Company has determined that interest and penalties related to income taxes, including uncertain tax positions.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in the standalone statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(ix) Property, plant and equipment (PPE)

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at fair value based on valuations by external independent valuers at sufficient intervals between 3-5 years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The Company reviews the fair value annually to assess if there is any significant change in the fair value to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the standalone statement of profit and loss, in which case the increase is recognised in statement of profit and loss. A revaluation deficit is recognised in the standalone statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Furniture and Fixtures and Office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Plant and Equipment in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Category of Asset	Estimated useful lives	Useful lives as per schedule II
Leasehold Building	Period of lease	Period of lease
Buildings (other than those mentioned below)	30 - 60 years	60 years
Floating cottages (grouped under buildings)	25 years	30 years
Plant & equipment	5 - 15 years	8-20 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years	10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years	10 years
Vehicles (other than those mentioned below)	8 years	8 years
Motor vehicles/other assets provided to employees	4- 5 years	10 years
Office equipment	5 years	8-20 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(x) Intangible assets

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category of Asset	Estimated useful lives	Useful lives as per schedule II
Computer software and website development cost	3 years	2-5 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

(xi) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in standalone statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in standalone statement of profit and loss.

(xii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xiii) Provisions and contingent liability

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent liability

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

(xiv) Financial instruments

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in standalone statement of profit and loss.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through the statement of profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xv) Financial assets

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or when the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to the another party . If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in the statement of profit and loss on disposal of that financial asset.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in statement of profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in the standalone statement of the other comprehensive income.

(xvi) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains are determined based on the amortised cost of the instruments and are recognized in "Other income" and losses are recognised in "Finance Cost" to the extent it is related to borrowings.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in standalone statement of profit and loss.

(xvii) **Cash flow statements**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(xviii) **Earnings per share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xix) Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2(b) **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. Share based payments

The entity initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed in Note 24.

b. Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed in Note 44.

c. Customer unexercised rights

The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer.

d. Fair valuation of Freehold land

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient intervals between 3-5 years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

e. Intangible assets under development

The Company capitalizes intangibles under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

f. Estimation towards revenue deferred due to uncertainty of collection

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

g. Litigation for taxation matters

The Company is subject to tax litigation, the outcome of which is subject to many uncertainties inherent in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

h. Significant financing component

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

i. Leases

The Company makes an assessment on the expected lease term on a lease-by lease basis as per the contract period. Further, discount rate is based on the incremental borrowing rate of the Company at the time of commencement of lease.

3 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01st April 2024 at the end of the accounting policies.

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 4 - Property, Plant and Equipment

Description of Assets	**Land - Freehold**	**Buildings - Freehold**	**Leasehold improvements**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I. Gross Block								
Balance as at April 1, 2023	**123,520.26**	**89,140.96**	**156.09**	**35,377.37**	**3,797.02**	**25,576.93**	**1,596.30**	**279,164.93**
Additions	**2,873.98**	**5,043.70**	**23.48**	**3,475.17**	**199.83**	**2,060.99**	**92.75**	**13,769.90**
Revaluation	**1,231.56**	**–**	**–**	**–**	**–**	**–**	**–**	**1,231.56**
Disposals	**–**	**(149.39)**	**–**	**(1,466.70)**	**(159.48)**	**(1,198.30)**	**(168.23)**	**(3,142.10)**
Balance as at March 31, 2024	**127,625.80**	**94,035.27**	**179.57**	**37,385.84**	**3,837.37**	**26,439.62**	**1,520.82**	**291,024.29**
II. Accumulated depreciation								
Balance as at April 1, 2023	**–**	**15,510.91**	**156.09**	**22,331.27**	**2,879.85**	**17,467.81**	**1,070.84**	**59,416.77**
Depreciation for the year	**–**	**1,626.98**	**5.09**	**2,713.37**	**316.09**	**1,707.88**	**124.22**	**6,493.63**
Eliminated on disposal of assets	**–**	**(106.75)**	**–**	**(1,412.48)**	**(154.53)**	**(1,189.34)**	**(149.92)**	**(3,013.02)**
Balance as at March 31, 2024	**–**	**17,031.14**	**161.18**	**23,632.16**	**3,041.41**	**17,986.35**	**1,045.14**	**62,897.38**
Net block (I-II)								
Balance as at March 31, 2024	**127,625.80**	**77,004.13**	**18.39**	**13,753.68**	**795.96**	**8,453.27**	**475.68**	**228,126.91**
Balance as at March 31, 2023	**123,520.26**	**73,630.05**	**–**	**13,046.10**	**917.17**	**8,109.12**	**525.46**	**219,748.16**

Description of Assets	Land - Freehold	Buildings - Freehold	Leasehold improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2022	123,347.85	85,963.42	156.09	31,982.11	3,350.08	23,374.42	1,504.92	269,678.89
Additions	172.41	3,561.75	–	3,603.12	455.49	2,261.00	113.05	10,166.82
Disposals	–	(384.21)	–	(207.86)	(8.55)	(58.49)	(21.67)	(680.78)
Balance as at March 31, 2023	123,520.26	89,140.96	156.09	35,377.37	3,797.02	25,576.93	1,596.30	279,164.93
II. Accumulated depreciation								
Balance as at April 1, 2022	–	14,137.78	156.09	19,786.59	2,528.96	15,847.89	958.26	53,415.57
Depreciation for the year	–	1,622.31	–	2,737.94	358.31	1,657.55	134.12	6,510.23
Eliminated on disposal of assets	–	(249.18)	–	(193.27)	(7.42)	(37.63)	(21.54)	(509.04)
Balance as at March 31, 2023	–	15,510.91	156.09	22,331.27	2,879.85	17,467.81	1,070.84	59,416.76
Net block (I-II)								
Balance as at March 31, 2023	123,520.26	73,630.05	–	13,046.10	917.17	8,109.12	525.46	219,748.16
Balance as at March 31, 2022	123,347.85	71,825.64	–	12,195.52	821.12	7,526.53	546.66	216,263.32

All amounts are in ₹ Lakhs unless otherwise stated

Details of Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at March 31, 24	Gross carrying value as at March 31, 23	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	Manali - Resort	1,243.05	1,243.05	Competent Hotels Private Limited - Manali	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Freehold land	Jaisalmer Divine - Resort	1,944.00	1,944.00	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Building	Manali - Resort	629.19	629.19	Competent Hotels Private Limited - Manali	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Building	Jaisalmer Divine - Resort	1,211.15	1,211.15	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.

Note No. 5 - Right of use asset

Description of Assets	**Right of Use Asset**
I. Gross Block	
Balance as at April 1, 2023	58,585.38
Additions	10,942.64
Deletions	1,340.27
Balance as at March 31, 2024*	**68,187.75**
II. Accumulated depreciation	
Balance as at April 1, 2023	20,492.51
Depreciation expense for the year	8,457.10
Eliminated on disposal of assets	831.78
Balance as at March 31, 2024*	**28,117.83**
Net block (I-II)	
Balance as at March 31, 2024 (refer note 53)	**40,069.92**
Balance as at March 31, 2023	38,092.87

* Pertains to lease of resorts and office properties

Description of Assets	Right of Use Asset
I. Gross Block	
Balance as at April 1, 2022	42,046.28
Additions	18,553.82
Deletions	(2,014.72)
Balance as at March 31, 2023*	58,585.38
II. Accumulated depreciation	
Balance as at April 1, 2022	15,265.11
Depreciation expense for the year	6,583.12
Eliminated on disposal of assets	(1,355.72)
Balance as at March 31, 2023*	20,492.51
Net block (I-II)	
Balance as at March 31, 2023 (refer note 53)	38,092.87
Balance as at March 31, 2022	26,781.17

* Pertains to lease of resorts and office properties

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 6 - Other Intangible Assets

Description of Assets	**Computer Software (including Website development cost)**
I. Gross Block	
Balance as at April 1, 2023	10,131.16
Additions	413.99
Disposals	–
Balance as at March 31, 2024	**10,545.15**
II. Accumulated amortization	
Balance as at April 1, 2023	8,594.43
Amortisation expense for the year	920.94
Eliminated on disposal of assets	–
Balance as at March 31, 2024	**9,515.37**
Net block (I-II)	
Balance as at March 31, 2024	**1,029.78**
Balance as at March 31, 2023	1,536.73

Description of Assets	Computer Software (including Website development cost)
I. Gross Block	
Balance as at April 1, 2022	9,260.31
Additions	870.85
Disposals	–
Balance as at March 31, 2023	10,131.16
II. Accumulated amortization	
Balance as at April 1, 2022	7,779.33
Amortisation expense for the year	815.10
Eliminated on disposal of assets	–
Balance as at March 31, 2023	8,594.43
Net block (I-II)	
Balance as at March 31, 2023	1,536.73
Balance as at March 31, 2022	1,480.98

Note No. 7 - Non-Current Investments (Refer Note 51)

Particulars	**Face value**	**Currency**	**As at March 31, 2024**		As at March 31, 2023	
			Quantity	**Amount**	Quantity	Amount
Unquoted Investments at Cost (fully paid)						
In Equity Instruments of Subsidiaries						
Heritage Bird (M) Sdn. Bhd.	1	MYR	**300,002**	**40.27**	300,002	40.27
Mahindra Hotels and Residences India Limited	10	INR	**44,999,994**	**4,500.00**	49,994	5.00
Gables Promoters Private Limited	10	INR	**65,000,000**	**6,543.78**	65,000,000	6,543.78
MH Boutique Hospitality Limited	100	THB	**49,000**	**95.38**	49,000	95.38
Infinity Hospitality Group Company Limited	100	THB	**734,850**	**2,681.11**	734,850	2,681.11
MHR Holdings (Mauritius) Limited	1	EUR	**531,355**	**23,369.59**	145,000	115.10
Arabian Dreams Hotel Apartments LLC	1000	AED	**147**	**52.11**	147	52.11
Guestline Hospitality Management and Development Services Limited	10	INR	**25,152**	**501.08**	25,000	497.98
Mahindra Holidays & Resorts Harihareshwar Limited	10	INR	**50,000**	**5.00**	50,000	5.00
				37,788.32		10,035.73
In Equity Instruments of Associates						
Great Rocksport Private Limited	1	INR	**637,263**	**1,566.01**	637,263	1,566.01
				1,566.01		1,566.01
				39,354.33		11,601.74
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.*	10	INR	**1**	**0.00**	1	0.00
				0.00		0.00
Aggregate book value of unquoted investments				**39,354.33**		11,601.74

* Amount is below the rounding off norms adopted by the Company

All amounts are in ₹ Lakhs unless otherwise stated

Name of Subsidiaries	Place of Business	As at March 31, 2024 % of holding	As at March 31, 2023 % of holding
Heritage Bird (M) Sdn. Bhd.	Malaysia	**100**	100
Mahindra Hotels and Residences India Ltd.	India	**100**	100
Gables Promoters Private Limited	India	**100**	100
MH Boutique Hospitality Limited	Thailand	**49**	49
Infinity Hospitality Group Company Limited	Thailand	**73.99**	73.99
MHR Holdings (Mauritius) Limited	Mauritius	**100**	100
Arabian Dreams Hotel Apartments LLC	UAE	**100**	49
Guestline Hospitality Management and Developement Services Limited	India	**98.98**	98.39
Mahindra Holidays & Resorts Harihareshwar Limited	India	**100**	100

Note No. 8 - Non-Current Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	**22,316.63**	22,026.25
	22,316.63	22,026.25

Note No. 9 - Non-Current Loans (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties (refer note no 51)	**21,117.31**	36,793.62
	21,117.31	36,793.62

Note No. 10 - Other Non-Current Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Guarantee commission receivable**	**327.36**	810.45
Bank deposit with more than twelve months original maturity	**14,389.92**	12,995.92
Security deposits	**5,841.09**	5,097.29
Other deposits*	**30,512.45**	13,500.00
	51,070.82	32,403.66

* out of the total amount, ₹ 13,016.36 lakhs (Previous year ₹ 9,500 lakhs) pertains to deposit with related parties.

** includes receivable from related parties (net of Guarantee liability as disclosed in note 32) of ₹ nil Lakhs (Previous year ₹ 240.94 lakhs). Refer note no 51.

Note No. 11 (a) - Deferred Tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment (excluding land)	**8,266.63**	7,585.17
Deferred Acquisition Cost	**9,559.01**	19,310.63
Fair valuation of financial assets	**2,118.12**	1,781.96
Receivables / Revenue derecognition	**3,316.23**	–
Deferred Revenue	**–**	–
Tax effect of items constituting deferred tax assets		
Employee Benefits	**390.93**	373.76
Deferred Revenue	**30,893.56**	67,434.22
Deferred Acquisition Cost	**–**	–
Receivables / Revenue derecognition	**–**	645.20
Lease Arrangements	**1,927.63**	1,733.31
Unabsorbed Business losses	**8,033.17**	–
Provisions	**175.84**	47.60
Net Deferred Tax Assets	**18,161.14**	41,556.33

Note No. 11 (b) - Deferred Tax Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Fair valuation of land	**20,313.65**	20,451.98
	20,313.65	20,451.98

Note No. 12 - Other Non-Current Tax Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Other Non-Current Tax Assets (Net of provisions up to the reporting date)	**17,353.06**	3,228.94
	17,353.06	3,228.94

Note No. 13 - Non-Current Deferred Acquisition Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Acquisition Cost (refer note 2(a)(iii) and 52)	**74,538.50**	70,988.05
	74,538.50	70,988.05

Note No. 14 - Other Non-Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	**2,164.29**	3,914.04
Prepayments	**643.40**	524.86
Duty paid under protests	**310.22**	310.22
With Government authorities (excluding income taxes)	**919.32**	822.31
	4,037.23	5,571.43

Note No. 15 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Food and beverages	**166.73**	187.22
Operating supplies	**394.09**	369.65
	560.82	556.87
Cost of food and beverages recognised as an expense during the year (Refer Note 40)	**4,868.08**	4,741.10
Cost of Operating supplies recognised as an expense during the year (Refer Note 40)	**5,871.73**	5,619.11

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 16 - Current Investments

Particulars	As at March 31, 2024 Units	As at March 31, 2024 Amount	As at March 31, 2023 Units	As at March 31, 2023 Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
Axis Banking & PSU Debt Fund -Direct - Growth	**235,746**	**5,784.83**	235,746	5,395.22
Axis Strategic Bond Fund - Direct Growth	**13,495,955**	**3,703.80**	–	–
Axis Liquid Fund-Direct Growth	**–**	**–**	62,813	1,570.89
Axis Money Market Fund-Direct Growth	**–**	**–**	247,520	3,013.83
Bandhan Bond Fund-Short Term Plan-Direct Growth	**11,723,872**	**6,439.15**	11,723,872	5,980.41
ICICI Prudential Nifty SDL Sep 2027 Index Fund– Direct Growth	**58,192,452**	**6,465.07**	58,192,452	6,035.02
ICICI Prudential Liquid Fund-Direct Growth	**–**	**–**	566,461	1,887.37
ICICI Prudential Money Market – Direct Growth	**1,174,641**	**4,102.18**	1,115,661	3,618.19
ICICI Prudential Arbitrage Fund - Direct Growth	**6,761,891**	**2,264.17**	–	–
HSBC Money Market - Direct Growth	**6,782,027**	**1,708.60**	–	–
HSBC Liquid Fund - Direct Growth	**70,929**	**1,706.54**	–	–
HDFC Arbitrage Fund - Direct Growth	**13,436,861**	**2,467.81**	–	–
HDFC Liquid Fund - Direct Growth	**34,882**	**1,654.67**	–	–
HDFC Money Market Fund - Direct Growth	**67,693**	**3,587.74**	–	–
Kotak-Corporate Bond -Direct Growth	**160,461**	**5,672.58**	160,461	5,257.07
Nippon India Money Market - Direct Growth	**65,696**	**2,510.47**	107,593	3,816.87
Nippon India AAA CPSE Bond plus SDL-April 2027 (60:40) Index Fund – Direct Growth	**36,991,560**	**4,089.53**	36,991,560	3,811.57
Nippon India Liquid Fund-Direct Plan Growth	**33,921**	**2,004.40**	61,433	3,383.07
Nippon India Arbitrage Fund - Dir - Growth	**20,037,713**	**5,237.08**	–	–
Tata Mutual Fund - Money Market Fund	**–**	**–**	9,890	400.37
Tata Mutual Fund - Corporate Bond Fund - Direct Growth	**10,625,948**	**1,205.36**	–	–
Tata Mutual Fund - Arbitrage Fund- Direct Growth	**2,972,481**	**408.19**	–	–
UTI Money Market - Direct Growth	**108,705**	**3,082.41**	129,624	3,415.41
UTI Liquid Cash Plan - Direct Growth	**23,715**	**938.65**	156,699	5,781.10
Aggregate book value of unquoted investments	**182,997,149**	**65,033.23**	109,761,785	53,366.39

Note No. 17 - Current Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	**99,631.42**	94,007.13
	99,631.42	94,007.13

Note No. 18 - Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks on current account	**2,625.96**	1,611.07
Cash on hand	**108.08**	74.36
	2,734.04	1,685.43

Note No. 19 - Other Bank Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks (unpaid dividend)	**2.40**	4.56
Bank Deposits	**17,402.66**	9,706.09
	17,405.06	9,710.65

Note No. 20 - Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees	**69.31**	71.03
	69.31	71.03

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 21 - Other Current Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Other receivables from related parties (refer note no 51)	**1.10**	–
Interest accrued but not due**	**–**	5,591.67
Other Deposits*	**15,486.50**	26,200.00
	15,487.60	31,791.67

* out of the total amount ₹ 10,986.44 lakhs (Previous year ₹ 14,000 lakhs) pertains to deposit with related parties.

** includes receivable from related parties ₹ nil Lakhs (Previous year ₹ 3,769.58 lakhs) Refer note no 51.

In current year, interest accrued but not due has been shown under respective financial assets.

Note No. 22 - Deferred Acquisition Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred acquisition cost (refer note 2(a)(iii))	**6,154.03**	5,738.88
	6,154.03	5,738.88

Note No. 23 - Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
With Government authorities (excluding income taxes)	**6,574.11**	5,120.02
Prepayments	**1,172.70**	552.74
Advance to suppliers:		
Considered good	**1,605.31**	1,612.21
Considered doubtful*	**250.00**	250.00
Less: Provision for doubtful advances	**(250.00)**	(250.00)
	9,352.12	7,284.97

* includes advances given to related parties - ₹ 250 lakhs (Previous year ₹ 250 lakhs)

Note No. 24 - Equity Share Capital

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**300,000,000**	**30,000.00**	300,000,000	30,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**201,951,797**	**20,195.18**	201,256,640	20,125.66
Treasury Shares (par value)	**(415,124)**	**(41.51)**	(559,592)	(55.96)
	201,536,673	**20,153.67**	200,697,048	20,069.70

Treasury shares represents equity shares of ₹ 10/- each fully paid up, allotted to Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

24 a) Terms / rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of ` 10/-. Each holder of equity share is entitled to one vote per share.

ii) Repayment of capital will be in proportion to the number of equity shares held.

iii) With the adoption of new revenue recognition policy in accordance with Ind AS 115, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year up to 2018-19. The Company is seeking a clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA.

24 b) Shares in the Company held by Holding Company

Name of shareholder	No. of shares	% held as at March 31, 2024	No. of shares	% held as at March 31, 2023
Mahindra & Mahindra Limited (Holding Company)	**134,835,922**	**66.77%**	134,835,922	67.00%

All amounts are in ₹ Lakhs unless otherwise stated

24 c) Shares in the Company held by Promoters

Shares held by promoters at the end of the year				
Promoter name	**Year ended**	**No. of Shares**	% of Total Shares	% Change during the year
Mahindra & Mahindra Limited	**March 31, 2024**	**134,835,922**	**66.77%**	**(0.23%)**
Mahindra & Mahindra Limited	March 31, 2023	134,835,922	67.00%	

Shares held by promoters at the end of the year				
Promoter name	**Year ended**	**No. of Shares**	% of Total Shares	% Change during the year
Mahindra & Mahindra Limited	March 31, 2023	134,835,922	67.00%	(0.22%)
Mahindra & Mahindra Limited	March 31, 2022	134,835,922	67.22%	

24 d) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	**No. of shares**	**% held as at March 31, 2024**	No. of shares	% held as at March 31, 2023
Mahindra & Mahindra Limited	**134,835,922**	**66.77%**	134,835,922	67.00%
HDFC Trustee Company Limited	**15,834,805**	**7.84%**	15,834,805	7.87%

24 e) The reconciliation of the number of shares outstanding as at March 31, 2024 and March 31, 2023 is set out below:-

	As at March 31, 2024		As at March 31, 2023	
Particulars	**No. of Shares**	**In ₹ Lakhs**	No. of Shares	In ₹ Lakhs
Number of shares at the beginning	**200,697,048**	**20,069.70**	199,848,116	19,984.81
Add: Shares issued on exercise of employee stock options	**839,625**	**83.97**	848,932	84.89
Number of shares at the end	**201,536,673**	**20,153.67**	200,697,048	20,069.70

24 f) Equity shares movement during the 5 years preceding the Balance Sheet date:-

Equity shares issued as bonus, for consideration without cash : The Company after obtaining approval of shareholder's allotted 66,816,892 equity shares as fully paid up bonus shares in the proportion of 1:2, i.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares on September 13, 2021.

24 g) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

iii) The Company formulated the Employee Stock Option Scheme ("ESOS 2020"), under which the Company has the option to issue and allot the shares directly to the eligible employees/directors as per the recommendation of the remuneration committee.

iv) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	ESOS 2006 - Equity settled option plan administered through Employee Stock Option Trust.
	ESOS 2014 - Equity settled option plan issued directly/administered through Employee Stock Option.
	ESOS 2020 - Equity settled option plan issued directly
Method of Settlement	By issue of shares at Exercise Price.

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in years)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche	Fair value on the date of grant
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.	
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.		
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700				
Grant V (ESOS 2006)	11/01/2008	52.00	34.67	52.00	4	261,590				
Grant VI (ESOS 2006)	21/02/2012	370.00	N.A.	370.00	4	400,000				
Grant VII (ESOS 2006)	21/02/2012	323.00	143.55	215.33	4	186,500				129.93
Grant VIII (ESOS 2006)	31/01/2013	323.00	143.55	215.33	4	130,000				94.43
Grant IX (ESOS 2006)	29/01/2014	253.00	N.A.	253.00	4	35,000				
Grant I (ESOS 2014)	22/01/2015	264.00	117.33	176.00	4	620,000			refer note (b) below	97.24
Grant II (ESOS 2014)	27/10/2015	365.00	162.22	243.33	4	110,000				158.85
Grant III (ESOS 2014)	18/02/2016	370.00	164.45	246.67	4	200,000				126.91
Grant IV (ESOS 2014)	31/01/2017	406.00	180.45	270.67	4	80,000				150.35
Grant V (ESOS 2014)	02/08/2017	410.00	273.33	410.00	4	60,000				161.83
Grant VI (ESOS 2014)	15/05/2019	234.00	156.00	234.00	4	145,000				82.36
Grant VII (ESOS 2014)	31/07/2019	226.00	N.A.	226.00	4	45,000				84.92
Grant VIII (ESOS 2014)	04/11/2019	215.00	143.33	215.00	4	60,000				85.97
Grant IX (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	300,000				85.97
Grant X (ESOS 2014)	01/02/2020	238.00	158.67	238.00	4	300,000				85.97
Grant I (ESOS 2020)	29/10/2020	10.00	N.A.	10.00	3	100,000	5 yrs from the date of grant	33% each on expiry of 12,24 and 36 months from the date of grant.		157.53
Grant II (ESOS 2020)	29/07/2021	10.00	N.A.	10.00	3	58,366				311.84
Grant III (ESOS 2020)	22/10/2021	10.00	N.A.	10.00	3	61,395				234.67
Grant IV (ESOS 2020)	02/11/2022	10.00	N.A.	10.00	3	156,701				275.63
Grant V (ESOS 2020)	23/10/2023	10.00	N.A.	10.00	3	128,686				400.85

Note (a) 35%, 30%, 15%, 10% and 10% on expiry of 12, 24, 36, 48 and 60 months from the date of grant respectively.

Note (b) Minimum of 100 and a maximum of all the options vested but not exercised till that date.

v) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on April 1, 2023	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on March 31, 2024	Options vested but not exercised	NSE Share Price on Grant date (Closing)
Grant I (ESOS 2006)	15/07/2006				Closed					
Grant II (ESOS 2006)	30/03/2007				Closed					
Grant III (ESOS 2006)	11/01/2007				Closed					
Grant V (ESOS 2006)	11/01/2008				Closed					
Grant VI (ESOS 2006)	21/02/2012				Closed					
Grant VII (ESOS 2006)	21/02/2012	15,468	–	–	–	15,468	–	–	–	
Grant VIII (ESOS 2006)	31/01/2013				Closed					
Grant IX (ESOS 2006)	29/01/2014				Closed					
Grant I (ESOS 2014)	22/01/2015	397,500	–	–		397,500	–	–	–	
Grant II (ESOS 2014)	27/10/2015	45,000	–	–	–	–	22,500	22,500	22,500	408.60
Grant III (ESOS 2014)	18/02/2016				Closed					
Grant IV (ESOS 2014)	31/01/2017				Closed					
Grant V (ESOS 2014)	02/08/2017	45,000	–	–	–	45,000	–	–	–	
Grant VI (ESOS 2014)	15/05/2019	137,500	–	–	54,375	54,000	–	83,500	83,500	206.10
Grant VII (ESOS 2014)	31/07/2019				Closed					
Grant VIII (ESOS 2014)	04/11/2019	70,000	–	–	22,500	30,000	–	40,000	40,000	232.85
Grant IX (ESOS 2014)	04/11/2019				Closed					
Grant X (ESOS 2014)	01/02/2020	120,000	–	–	–	45,000	75,000	–	–	
Grant I (ESOS 2020)	29/10/2020	150,000	–	–	50,002	150,000	–	–	–	
Grant II (ESOS 2020)	29/07/2021	53,304	–	–	17,817	23,270	12,204	17,830	–	319.50
Grant III (ESOS 2020)	22/10/2021	61,395	–	–	20,465	40,930	20,465	–	–	248.75
Grant IV (ESOS 2020)	02/11/2022	156,701		–	47,171	38,457	53,912	64,332	8,714	275.10
Grant V (ESOS 2020)	23/10/2023		128,686				43,936	84,750		408.60
Total		**1,251,868**	**128,686**	**–**	**212,330**	**839,625**	**184,081**	**312,912**	**154,714**	

All amounts are in ₹ Lakhs unless otherwise stated

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VI & VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	4%
Grant VIII (ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%
Grant VI (ESOS 2014)	15/05/2019	6.83%	3.00	38%	0%
Grant VII (ESOS 2014)	31/07/2019	6.05%	3.00	38%	0%
Grant VIII (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0%
Grant IX (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0%
Grant X (ESOS 2014)	01/02/2020	5.74%	3.00	38%	0%
Grant I (ESOS 2020)	29/10/2020	4.63%	3.00	38%	0%
Grant II (ESOS 2020)	29/07/2021	5.25%	3.50	39%	0%
Grant III (ESOS 2020)	22/10/2021	5.19%	3.50	39%	0%
Grant IV (ESOS 2020)	02/11/2022	7.16%	3.51	42.52%	0%
Grant V (ESOS 2020)	23/10/2023	7.28%	3.51	39.81%	0%

Note No. 25 - Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
General reserve	**10,381.68**	10,381.68
Securities premium	**6,077.31**	5,331.55
Share options outstanding account	**2,239.24**	2,187.57
Retained earnings	**110,203.79**	92,139.32
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
Reserves & surplus	**129,092.57**	110,230.67
Revaluation Reserve	**85,927.42**	84,557.53
Other Comprehensive Income-Actuarial Loss	**(274.70)**	(127.72)
Transition Difference	**(140,272.59)**	(140,272.59)
	74,472.70	54,387.89

Notes :

a) **General reserve**: The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium**: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, utilise equity related expenses like share issue expenses, etc.

c) **Share Option Outstanding Account**: The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital Reserve**: Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital Redemption Reserve**: The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

f) **Revaluation Reserve**: The revaluation reserve is credited on account of revaluation of freehold land. It is not available for distribution as dividend.

g) **Transition Difference**: The Cumulative effect of applying Ind AS 115 Revenue from Contract with Customers, Ind AS 116 Leases (net of deferred tax) is recognised as an adjustment to other equity, by separately disclosing it in Transition Difference. Subsequent impact of unwinding of transition adjustments of Ind AS 115 and Ind AS 116 is included in retained earnings.

Note No. 26 - Non-Current Lease Liabilities (At amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (Refer Note 53)	**35,899.92**	34,102.84
	35,899.92	34,102.84

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 27 - Other Non-Current Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Retention Money	**500.98**	580.01
	500.98	580.01

Note No. 28 - Non-Current Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits - Compensated absences	**951.59**	832.22
	951.59	832.22

Note No. 29 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liability - deferred revenue - vacation ownership (Refer Note 52)	**487,776.50**	468,303.38
	487,776.50	468,303.38

Note No. 30 - Current Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (Refer Note 53)	**7,203.08**	6,036.90
	7,203.08	6,036.90

Note No. 31 - Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 49)	**122.81**	82.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	**22,828.28**	21,416.76
	22,951.09	21,498.96

Micro and small enterprises have been identified by the Company on the basis of the information available with the Company.

Note No. 32 - Other Current Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital supplies/services	**1,776.09**	776.22
Guarantee liability	**327.36**	569.51
Commission payable to non-whole time directors (refer note 51)	**164.74**	201.11
Unpaid dividends*	**2.40**	4.56
Employee benefits payable	**4,782.94**	4,457.81
Other payables	**1,270.21**	1,414.47
	8,323.74	7,423.68

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2024.

Note No. 33 - Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Gratuity (refer note 44)	**8.74**	28.70
- Compensated absences	**601.79**	652.91
	610.53	681.61

Note No. 34 - Other Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Liability - Deferred Revenue - Vacation Ownership (refer note 52)	**52,184.89**	46,651.02
Contract Liability - Deferred Revenue - Annual subscription fee (refer note 52)	**19,567.27**	17,691.88
	71,752.16	64,342.90

Note No. 35 - Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Taxes (excluding income taxes) and other statutory dues	**3,591.22**	2,600.77
	3,591.22	2,600.77

Note No. 36 - Revenue from Operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contract with customers		
Vacation ownership income	**50,333.31**	45,452.43
Income from resorts :		
Room rentals	**7,003.96**	6,215.82
Food and beverages	**20,321.84**	19,989.35
Wine and liquor	**714.04**	677.53
Others	**5,616.49**	5,370.09
Annual subscription fee	**38,055.87**	34,018.58
	122,045.51	111,723.80
Other operating revenue		
Interest income on installment sales	**6,028.35**	5,672.28
Miscellaneous income	**3,329.18**	2,222.10
	9,357.53	7,894.38
	131,403.04	119,618.18

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 37 - Other Income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on financial assets at amortised cost		
On deposits with bank	**2,438.47**	1,760.96
On other deposits	**3,100.84**	1,088.43
On loans/deposits with related parties (refer Note No. 51)	**1,628.93**	2,339.15
Others	**892.36**	282.50
Net foreign exchange gain	**–**	2,881.48
Net gain arising on financial assets designated as at FVTPL	**3,578.41**	2,090.60
Gain due to change in lease arrangements	**35.60**	173.39
Guarantee commission from related parties (refer Note No. 51)	**333.33**	321.91
	12,007.94	**10,938.42**

Note No. 38 - Employee Benefits Expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages, including bonus	**31,159.21**	26,196.73
Contribution to Provident and other funds (refer note 44)	**1,803.71**	1,802.55
Equity-settled share-based payments (refer note 24)	**51.67**	315.20
Staff welfare expenses	**2,151.07**	1,878.31
	35,165.66	30,192.79

Note No. 39 - Finance Costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities (Refer Note 53)	**3,366.84**	2,910.25
Interest on short-term borrowings	**0.32**	2.75
	3,367.16	2,913.00

Note No. 40 - Other Expenses

Particulars		Year ended March 31, 2024		Year ended March 31, 2023
Cost of food and beverages consumed				
Opening stock	**187.22**		175.26	
Add: Purchases	**4,847.59**		4,753.06	
Less: Closing stock	**166.73**		187.22	
		4,868.08		4,741.10
Operating supplies		**5,871.73**		5,619.11
Power & fuel		**4,851.20**		4,673.86
Rent including lease rentals (Refer Note 53)		**10,129.56**		7,732.43
Rates and taxes		**1,446.48**		1,050.62
Insurance		**634.23**		599.84
Repairs and maintenance				
Buildings		**1,096.27**		592.63
Plant & equipment		**766.98**		754.31
Others		**2,278.93**		1,988.22
Advertisement and Sales promotion		**15,565.51**		15,913.12
Travelling and Conveyance		**2,212.40**		2,709.77
Commission and other customer offers		**5,666.60**		5,571.51
Net loss on foreign currency transactions		**19.79**		–
Auditor's remuneration and out-of-pocket expenses				
For Statutory audit		**117.08**		102.00
For Other services		**1.80**		50.38
For reimbursement of expenses		**8.09**		5.05
Directors' fees		**65.30**		62.70
Commission to non whole time directors		**164.74**		201.11
Legal and other professional costs		**3,774.10**		3,526.53
Communication		**774.47**		770.08
Software charges		**366.46**		255.52
Service charges		**1,971.22**		1,856.11
Bank charges		**628.37**		586.77
Corporate social responsibility (CSR) expenditure (refer note no 47)		**380.01**		325.42
Loss on sale of property, plant and equipment (net)		**82.15**		127.75
Miscellaneous expenses		**2,944.81**		2,320.09
		66,686.36		62,136.02

Note No. 41 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current Tax:		
In respect of current year	**–**	6,788.40
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**5,797.15**	(1,239.93)
Tax expense / (credit) for prior years	**(1,541.49)**	–
Total income tax expense	**4,255.66**	5,548.47

(b) Subsequent to introduction of Section 43CB in the Income Tax Act, 1961 w.e.f 1 April 2017, the Company offered revenue from membership fees for taxation in accordance with ICDS IV in its return of income, i.e. revenue from membership fees is offered to tax by spreading the entire fees over the membership period. However, in the books of accounts, pending completion of detailed tax assessments from F.Y. 2016-17 onwards, the Company continued to make a higher provision for tax on the basis of the order of the Income tax Appellate tribunal ('ITAT'), basis which non-refundable admission fees is offered to tax upfront. Tax assessments of the Company for certain years have now been completed, wherein the tax authorities have accepted Company's position on application of aforesaid principle of ICDS IV for taxation of membership fees. Accordingly, the Company has aligned the provision for income tax in the books of account in accordance with the return of income filed by the Company (which has been accepted in the completed tax assessments) and remeasured the accumulated deferred tax asset accordingly. The resultant net impact of credit of ₹ 1541.49 lakhs is presented as "Tax expense/ credit for prior years" in the standalone financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

(c) Income tax recognised in Other Comprehensive Income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	**187.76**	520.59
	187.76	520.59
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(187.76)**	(520.59)
	(187.76)	(520.59)

(d) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	**22,320.13**	21,406.25
Income tax expense calculated at 25.168%	**5,617.53**	5,387.53
Effect of expenses that is non-deductible in determining taxable profit	**179.62**	160.94
Effect of net additional / (reversal) of provision in respect of prior years	**(1,541.49)**	–
Income tax expense recognised in statement of profit and loss	**4,255.66**	5,548.47

The tax rate used for the March 31, 2024 and March 31, 2023 reconciliations above is at the corporate tax rate plus surcharges and cess at applicable rate of 25.168% payable by Company on taxable profits under Indian Income Tax Laws.

(e) Movement in deferred tax balances

	For the Year ended March 31, 2024				
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in OCI**	**Impact of prior year***	**Closing Balance**
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	**(28,037.15)**	**(681.46)**	**138.33**	**–**	**(28,580.28)**
Deferred Cost	**(19,310.63)**	**(998.06)**	**–**	**10,749.68**	**(9,559.01)**
Fair valuation of financial assets	**(1,781.96)**	**(336.16)**	**–**	**–**	**(2,118.12)**
	(49,129.74)	**(2,015.68)**	**138.33**	**10,749.68**	**(40,257.41)**
Tax effect of items constituting deferred tax assets					
Employee Benefits	**373.76**	**(32.26)**	**49.43**	**–**	**390.93**
Receivables / Revenue derecognition	**645.20**	**(3,961.43)**	**–**	**–**	**(3,316.23)**
Deferred Revenue	**67,434.22**	**998.06**	**–**	**(37,538.72)**	**30,893.56**
Brought forward losses	**–**	**(1,108.40)**	**–**	**9,141.57**	**8,033.17**
Provisions	**47.60**	**128.24**	**–**	**–**	**175.84**
Lease Arrangements	**1,733.31**	**194.32**	**–**	**–**	**1,927.63**
	70,234.09	**(3,781.47)**	**49.43**	**(28,397.15)**	**38,104.90**
Net Tax Assets/(Liabilities)	**21,104.35**	**(5,797.15)**	**187.76**	**(17,647.47)**	**(2,152.51)**

There is also a corresponding impact on the carry forward balance of advance income tax of ₹ 19,188.96 lakhs. The net difference is accounted as tax credit of prior year. Refer Note 41(b) above.

	For the Year ended March 31, 2023			
Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(28,136.67)	(450.68)	550.20	(28,037.15)
Deferred Cost	(18,207.12)	(1,103.51)	–	(19,310.63)
Fair valuation of financial assets	(1,688.72)	(93.25)	–	(1,781.96)
	(48,032.51)	(1,647.44)	550.20	(49,129.74)
Tax effect of items constituting deferred tax assets				
Employee Benefits	370.88	2.88	–	373.76
Receivables / Revenue derecognition	645.20	–	–	645.20
Deferred Revenue	64,832.32	2,601.90	–	67,434.22
Provisions	47.73	(0.13)	–	47.60
Lease Arrangements	1,450.59	282.72	–	1,733.31
	67,346.72	2,887.37	–	70,234.09
Net Tax Assets / (Liabilities)	19,314.21	1,239.93	550.20	21,104.35

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 42 - Earnings per Share

Basic earnings per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year after tax	**18,064.47**	15,857.78
Weighted average number of equity shares (in lakhs)	**2,012.09**	2,003.04
Earnings per share - Basic	**8.98**	7.92

Diluted earnings per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year after tax	**18,064.47**	15,857.78
Weighted average number of equity shares (in lakhs)	**2,013.15**	2,009.43
Earnings per share - Diluted	**8.97**	7.89

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Weighted average number of equity shares used in the calculation of basic EPS (in lakhs)	**2,012.09**	2,003.04
Add: Effect of ESOPs (in lakhs)	**1.06**	6.39
Weighted average number of equity shares used in the calculation of diluted EPS (in lakhs)	**2,013.15**	2,009.43

Note No. 43 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) **Income Tax matters:**		
Claims against the Company not acknowledged as debt (for matters disputed by the Company)		
pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Company appeal)	**53,711.17**	53,711.17
interest included in the above till the date of order	**14,124.67**	14,124.67
pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Company appeal)	**6,778.79**	6,778.79
interest included in the above till the date of order	**1,419.92**	1,419.92
Matters decided in favour of the Company at ITAT level, (but under appeal by the Department)		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b) **Service Tax matters:**		
(i) Service tax demand on the enrollment of member as against service tax paid on receipt basis (timing differences *) (inclusive of penalty where quantified in demand) (Refer note 2 below)	**43,105.47**	43,105.47
(ii) Other items (inclusive of penalty where quantified in demand)	**3,366.94**	3,468.63
(c) **Luxury Tax matters:**		
In respect of certain States, the Company has received demands for payment of luxury tax for member stay at resorts as summarised below:		
Demands raised (inclusive of penalty)	**6,790.98**	6,833.00
(d) **GST matters:**		
GST demand on issues relating to output tax liability on room accommodation services availed by members (on sale of membership services) and availment of Input Tax Credit (inclusive of penalty where quantified in demand)	**1,705.75**	

The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending.

* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any which currently is not determinable.

Notes:

1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.

2) The Company had received show cause notices from service tax authorities of ₹ 21,991.33 lakhs. The detailed reply to the SCN and rectification application were submitted by the Company in prior financial years in response to the Order in Original from the Principal Commissioner of CGST and Central Exercise. The Pricipal Commissioner confirmed the demand amounting to ₹ 43,105.47 lakhs including interest and penalty and the same has been disclosed as Contingent liability in above table. As the Principal Commissioner rejected rectification application without giving any opportunity for personal hearing, the Company filed Writ Application before Madras High Court and Madras High Court on 8th March 2023 accepted the Company's request to provide an opportunity for hearing and set aside the Order passed by Principal Commissioner. On 29th March 2023, the Principal Commissioner reaffirmed the Original Order dated 7th Feb 22 and rejected the Company's rectification application. The Company has filed a Writ Application before the Madras High Court against the said Order of Principal Commissioner.

3) The Company has accounted for service tax receivable of ₹ 826.68 lakhs (Previous year ₹ 822.30 lakhs) in relation to the service tax paid on ASF and Membership fee invoices for contracts which have been cancelled post GST implementation. The Company has received an unfavorable order against the refund claim and has filed an appeal against the order. Commissioner of GST and Central Excise (Appeals) has allowed the appeal and remanded back the matter to lower authorities for verification of documents.

Particulars	As at March 31, 2024	As at March 31, 2023
(d) **Guarantees given for its subsidiaries:**		
Amount of guarantees given (Euro)	**770.00**	770.00
Outstanding amount against guarantees (Euro)	**690.48**	680.48
Amount of guarantees given (INR) (Refer Note 51)	**69,481.34**	69,022.03
Outstanding amount against guarantees (INR) (Refer Note 51)	**62,305.36**	60,997.10

All amounts are in ₹ Lakhs unless otherwise stated

(f) Other matters under appeal (Property related)

(i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company and cancelled the assignment of land underlying the Munnar Resort (Total Purchase Value ₹ 605.12 Lakhs) and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed a writ petition before the Kerala High Court against the said Order. The writ Petition has been disposed of by an Order dated May 21, 2019. Against the said Order, the Company has filed a Writ Appeal and by an order dated June 19, 2019, the Court granted an interim stay of all further proceedings. The Writ Appeal has been dismissed by a Judgement dated May 25, 2022. The Company has filed Review Petition before the Kerala High Court. The same is pending.

(ii) With respect to certain claims of neighbouring property owners, the Company filed a suit in the Civil Court, Pune seeking *inter-alia* permanent injunction against them disturbing the possession of the Company's resort property at Lonavala, Maharashtra and obtained an interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, *inter alia*, seeking declaration that the proceedings and Orders in respect of cancellation of the Non-Agricultural status of the land underlying the resort property at Lonavala (Total Purchase Value ₹ 1,545.01 Lakhs) are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector, Pune not to give effect to the Orders of Non-Agricultural cancellation and the matter is pending for further hearing.

(g) Other matters:

The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 lacs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lacs towards liquidated damages and other losses.

By an Award dated 11th September, 2023 ("Award"), partially allowing the claim of the Contractor, the Company has been directed to pay an amount of ₹ 653.52 lakhs together with interest at the rate of 9 % p.a. from 14th October, 2011 till the date of realisation. The Company has challenged the Award by filing a Petition before the High Court of Madras. By an interim Order dated 25th March, 2024, the Hon'ble Madras High Court has, pending the disposal of the said Petition, granted a stay of the execution of the said Award, subject to the Company furnishing Bank Guarantee in favour of the Contractor for an amount of ₹1,19,11,601/- together with interest thereon at the rate of 9% p.a. from the date of the claim petition viz., 14th December, 2011 till the date of filing the Petition viz., 12th February, 2024 within a period of four weeks. The Company is in the process of complying with the said Order of the Hon'ble Madras High Court. The matter is pending and will come up in due course.

(h) With respect to member complaints pending before various consumer forum and other matters: Estimated amount of claims ₹ 944.15 lakhs (As at March 31, 2023: ₹ 795.91 lakhs). In addition, there are claims by some members seeking certain reliefs which are not agreed by the Company, the financial impact of these claims are currently not ascertainable and hence not captured in above.

(i) Capital commitment:

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on Property, Plant & Equipment and not provided for (net of advances)	**20,655.92**	3,166.30

Note No. 44 - Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹1,480.72 lakhs (2023: ₹1,473.10 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity):

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2024 and March 31, 2023:

	Funded Plan Gratuity	
Particulars	**2024**	2023
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
Current service cost	**203.24**	191.22
Net Interest cost	**2.05**	11.05
Components of defined benefit costs recognised in profit & loss	**205.29**	202.27
Ib. Included in other Comprehensive Income:		
Return on plan assets, excluding amount recognised in net interest expense	**47.16**	(15.96)
Actuarial (Gain)/Loss on account of :		
Demographic Assumptions	**–**	3.85
Financial Assumptions	**120.25**	(88.57)
Experience Adjustments	**29.01**	(16.93)
Components of defined benefit costs recognised in other comprehensive income	**196.42**	(117.62)
I. Net Liability recognised in the Balance Sheet as at March 31:		
1. Present value of defined benefit obligation as at March 31	**1,504.54**	1,211.58
2. Fair value of plan assets as at March 31	**1,495.80**	1,182.88
3. Deficit	**(8.74)**	(28.70)
II. Change in the obligation during the year ended March 31:		
Present value of defined benefit obligation at the beginning of the year	**1,211.58**	1,213.55
Expenses Recognised in the Statement of profit and loss		
– Current Service Cost	**203.24**	191.22
– Interest Expense	**86.82**	60.63
Recognised in Other Comprehensive Income		
Actuarial Gain (Loss) arising from:		
Change in Demographic Assumptions	**–**	3.85
Financial Assumptions	**120.25**	(88.57)
Experience Adjustments	**29.01**	(16.93)
Benefit payments	**(146.36)**	(152.16)

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Funded Plan Gratuity 2024	2023
Present value of defined benefit obligation at the end of the year	**1,504.54**	1,211.58
III. Change in fair value of assets during the year ended March 31:		
Fair value of plan assets at the beginning of the year	**1,182.88**	992.42
Expenses Recognised in the Statement of Profit and Loss:		
Expected return on plan assets	**84.76**	49.59
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Difference between actual and expected return on plan assets	**(47.16)**	15.96
Contributions by employer (including benefit payments recoverable)	**421.68**	277.08
Benefit payments	**(146.36)**	(152.16)
Fair value of plan assets at the end of the year	**1,495.80**	1,182.88
IV. Major categories of plan assets:		
Deposits with Insurance companies	**1,495.80**	1,182.88

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at March 31, 2024	March 31, 2023
Discount rate(s)	**7.15%**	7.15%
Expected rate(s) of salary increase	**8.00%**	5.50%
Attrition	**18%-56%**	18%-56%
Mortality table	**IALM 2012-14**	IALM 2012-14

Weighted average duration of the defined benefit obligation - 3 years (Previous year - 3 years).

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Financial Year	Changes in assumption	Impact on defined benefit obligation: Decrease in assumption	Increase in assumption
Discount rate	**2023-2024**	**0.50%**	26.20	(25.32)
	2022-2023	0.50%	19.41	(18.78)
Salary growth rate	**2023-2024**	**0.50%**	(25.24)	25.87
	2022-2023	0.50%	(18.78)	19.41
Attrition rate	**2023-2024**	**0.50%**	109.65	(59.90)
	2022-2023	0.50%	10.73	(15.32)
Mortality rate	**2023-2024**	**0.50%**	(0.01)	0.01
	2022-2023	0.50%	(0.11)	0.13

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the standalone Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

The Company expects to contribute ₹212.96 lakhs (Previous Year 182.86 lakhs) to the gratuity trust during the next financial year of 2024-25.

V. Maturity profile of defined benefit obligation:

Particulars	2024	2023
Within 1 year	**480.85**	413.70
1 - 2 year	**296.62**	262.53
2 - 3 year	**240.77**	201.05
3 - 4 year	**235.22**	154.90
4 - 5 year	**144.19**	141.03
> 5 years	**410.61**	278.31

Plan Assets.

The fair value of Company's pension plan asset as of 31 March 2024 and 31 March 2023 by category are as follows:

Particulars	2024	2023
Asset category:		
Contributions placed with Insurance companies	**1,495.80**	1,182.88
	100%	100%

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 3 years (2023: 3 years)

VI. Experience Adjustments:

Particulars	Year Ended 2024	2023	2022	2021	2020
	Gratuity				
Defined Benefit Obligation	**1,504.54**	1,211.58	1,213.55	1,020.04	882.21
Fair value of plan assets	**1,495.80**	1,182.88	992.42	763.03	805.03
Surplus/(Deficit)	**(8.74)**	(28.70)	(221.13)	(257.01)	(77.18)
Experience adjustment on plan liabilities [(Gain)/Loss]	**149.26**	(101.65)	69.41	5.56	(66.21)
Experience adjustment on plan assets [Gain/(Loss)]	**(47.16)**	15.96	(1.17)	(14.52)	(6.77)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of compensated absences is ₹ 473.02 lakhs (Previous Year: ₹ 353.44 lakhs).

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 45 - Financial Instruments

Capital management

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity and lease liability is not considered as debt. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

Categories of financial assets and financial liabilities

				As at March 31, 2024
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Trade Receivables	**22,316.63**	**–**	**–**	**22,316.63**
Loans	**21,117.31**	**–**	**–**	**21,117.31**
Other financial assets	**51,070.82**	**–**	**–**	**51,070.82**
Current Assets				
Investments	**–**	**65,033.23**	**–**	**65,033.23**
Trade receivables	**99,631.42**	**–**	**–**	**99,631.42**
Cash and cash equivalents	**2,734.04**	**–**	**–**	**2,734.04**
Other bank balances	**17,405.06**	**–**	**–**	**17,405.06**
Loans	**69.31**	**–**	**–**	**69.31**
Other financial assets	**15,487.60**	**–**	**–**	**15,487.60**
Non-current Liabilities				
Lease liabilities	**35,899.92**	**–**	**–**	**35,899.92**
Other financial liabilities	**500.98**	**–**	**–**	**500.98**
Current Liabilities				
Lease liabilities	**7,203.08**	**–**	**–**	**7,203.08**
Trade payables	**22,951.09**	**–**	**–**	**22,951.09**
Other financial liabilities	**8,323.74**	**–**	**–**	**8,323.74**

				As at March 31, 2023
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	22,026.25	–	–	22,026.25
Loans	36,793.62	–	–	36,793.62
Other Financial Assets				
– Non derivative financial assets	32,403.66	–	–	32,403.66
Current Assets				
Investments	–	53,366.39	–	53,366.39
Trade Receivables	94,007.13	–	–	94,007.13
Cash and cash equivalents	1,685.43	–	–	1,685.43
Other Bank Balances	9,710.65	–	–	9,710.65
Loans	71.03	–	–	71.03
Other Financial Assets				
– Non Derivative Financial Assets	31,791.67	–	–	31,791.67
Non-current Liabilities				
Lease liabilities	34,102.84	–	–	34,102.84
Other Financial Liabilities				
– Non Derivative Financial Liabilities	580.01	–	–	580.01
Current Liabilities				
Lease liabilities	6,036.90	–	–	6,036.90
Trade Payables	21,498.96	–	–	21,498.96
Other Financial Liabilities				
– Non Derivative Financial Assets	7,423.68	–	–	7,423.68

Financial Risk Management Framework

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Company's Business Plan. The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	**Exposure primarily from**	**Measurement**	**Management**
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities

(i) Credit risk management

A significant portion of the Company's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms;

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The member is not allowed to use the benefits of membership untill the overdue amount is regularised or fully paid in that relevant period. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- Deferred Revenue - Vacation ownership fee" (refer note 29 and note 34).

The allowances for credit loss and for revenue deferred at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Company is as under:

Particulars	**March 31, 2024**	March 31, 2023
Carrying value of receivables (refer note 8 and 17)*	**121,948.05**	116,033.38
Credit loss allowance	**–**	–
Loss allowance (%)	**0.00%**	0.00%

* Given that the Company is deferring recognition of revenue at inception, as explained above the risk of credit loss is reduced and the member is allowed to avail the benefits of membership only when all the overdue amount is regularised or fully paid in that relevant period. The amounts deferred at inception are adjusted from the carrying value of receivables (refer note 8 and 17) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

All amounts are in ₹ Lakhs unless otherwise stated

	As at March 31, 2024 outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**60,106.99**	**10,358.43**	**7,457.62**	**9,085.67**	**5,658.41**	**29,130.42**	**121,797.54**
(ii) Disputed Trade Receivables – considered good	**–**	**6.76**	**14.43**	**38.79**	**31.06**	**59.47**	**150.51**
	60,106.99	**10,365.19**	**7,472.05**	**9,124.46**	**5,689.47**	**29,189.89**	**121,948.05**

	As at March 31, 2023 outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	56,221.77	10,105.73	7,733.62	9,491.96	6,091.85	26,313.33	115,958.26
(ii) Disputed Trade Receivables – considered good	–	13.87	2.61	23.97	13.64	21.03	75.12
	56,221.77	10,119.60	7,736.24	9,515.94	6,105.48	26,334.36	116,033.38

Additional Disclosure of Trade Receivables

	As at March 31, 2024 outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Gross Trade Receivables	**60,106.99**	**10,365.19**	**7,472.05**	**9,124.46**	**5,689.47**	**29,189.89**	**121,948.05**
Less : Deferred revenue pertaining to above contracts restricted to total receivables in case the deferred revenue exceeds the outstanding receivable on the contract (Refer Note 29 & 34)	**(57,885.62)**	**(9,487.45)**	**(7,122.36)**	**(8,725.82)**	**(5,393.79)**	**(29,014.80)**	**(117,629.84)**
Net Balance	**2,221.37**	**877.74**	**349.69**	**398.64**	**295.68**	**175.09**	**4,318.21**

	As at March 31, 2023 outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Trade Receivables	56,221.77	10,119.60	7,736.24	9,515.94	6,105.49	26,334.36	116,033.38
Less : Deferred revenue pertaining to above contracts restricted to total receivables in case the deferred revenue exceeds the outstanding receivable on the contract (Refer Note 29 & 34)	(53,902.65)	(9,422.76)	(7,260.11)	(9,019.51)	(5,688.04)	(26,201.07)	(111,494.13)
Net Balance	2,319.12	696.84	476.13	496.43	417.46	133.29	4,539.26

All amounts are in ₹ Lakhs unless otherwise stated

(ii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**5 years and above**
Non-derivative financial liabilities as at March 31, 2024				
Trade Payables	**22,951.09**	**–**	**–**	**–**
Lease Liabilities	**10,416.30**	**13,742.08**	**10,050.20**	**29,158.15**
Other Financial Liabilities	**8,323.74**	**500.98**	**–**	**–**
Financial guarantee contracts	**62,305.36**	**–**	**–**	**–**
Total	**103,996.49**	**14,243.06**	**10,050.20**	**29,158.15**

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2023				
Trade Payables	21,498.96	–	–	–
Lease Liabilities	8,991.07	13,716.38	9,386.67	26,479.45
Other Financial Liabilities	7,423.68	580.01	–	–
Financial guarantee contracts	60,997.10	–	–	–
Total	98,910.81	14,296.39	9,386.67	26,479.45

The Company has provided financial guarantees to its wholly owned subsidiaries. The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

	Outstanding as at March 31, 2024				
Trade Payables	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**122.81**	**–**	**–**	**–**	**122.81**
(ii) Others	**7,094.75**	**2,610.95**	**2,666.50**	**904.91**	**13,277.11**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues – Others	**–**	**–**	**–**	**–**	**–**
	7,217.56	**2,610.95**	**2,666.50**	**904.91**	**13,399.92**
Accrued Expenses	**–**	**–**	**–**	**–**	**9,551.17**
Total	**7,217.56**	**2,610.95**	**2,666.50**	**904.91**	**22,951.09**

	Outstanding as at March 31, 2023				
Trade Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	82.20	–	–	–	82.20
(ii) Others	8,099.45	3,046.89	1,693.69	86.50	12,926.53
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
	8,181.65	3,046.89	1,693.69	86.50	13,008.73
Accrued Expenses					**8,490.23**
Total	**8,181.65**	**3,046.89**	**1,693.69**	**86.50**	**21,498.96**

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	**March 31, 2024**	March 31, 2023
Cash credit		
– Expiring within one year	**12,000**	10,500
	12,000	10,500

During the year, for borrowings from banks on the basis of security of current assets, quarterly returns or quarterly statements of current assets filed by the Company with banks are in agreement with the books of account.

(iii) Market risk management

The Company's market risk comprises solely of its foreign currency exposure which are limited and not material to the size of its operations.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's investing activities when transactions are denominated in a different currency from the Company's functional currency.

All amounts are in ₹ Lakhs unless otherwise stated

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

in ₹ Lakhs

Particulars	Currency	March 31, 2024	March 31, 2023
Receivables	**MYR**	**596.85**	733.51
	EUR	**40.61**	23,072.33
	AED	**2,964.41**	8.85
	THB	**5,106.20**	5,442.40
	USD	**231.43**	20.46
	SGD	**382.35**	404.26
	QAR	**39.20**	–
	NPR	**14.99**	–
	KHR	**12.36**	–
	VND	**54.38**	–
Payables	**MYR**	**45.91**	100.70
	GBP	**1.49**	–
	USD	**147.75**	–
	SGD	**93.05**	–
	AED	**3,057.91**	65.34
	EUR	**19.16**	17.87
	QAR	**50.97**	12.52
	VND	**10.44**	–
	THB	**19.33**	103.40

Of the above foreign currency exposures, none of the exposures are hedged by a derivative.

Foreign Currency Sensitivity

The Company is exposed to the following currency risks - USD, AED, THB, MYR, GBP, SGD, QAR, NPR, KHR, VND and EUR - and the following table demonstrates the sensitivity.

Particulars	Currency	Change in rate	Impact on profit before tax	Impact on Equity
March 31, 2024	**USD**	**+10%**	**8.37**	**6.26**
	USD	**-10%**	**(8.37)**	**(6.26)**
	MYR	**+10%**	**55.09**	**41.23**
	MYR	**-10%**	**(55.09)**	**(41.23)**
	EUR	**+10%**	**2.15**	**1.61**
	EUR	**-10%**	**(2.15)**	**(1.61)**
	VND	**+10%**	**4.39**	**3.29**
	VND	**-10%**	**(4.39)**	**(3.29)**
	AED	**+10%**	**(9.35)**	**(7.00)**
	AED	**-10%**	**9.35**	**7.00**
	QAR	**+10%**	**(1.18)**	**(0.88)**
	QAR	**-10%**	**1.18**	**0.88**
	SGD	**+10%**	**28.93**	**21.65**
	SGD	**-10%**	**(28.93)**	**(21.65)**
	NPR	**+10%**	**1.50**	**1.12**
	NPR	**-10%**	**(1.50)**	**(1.12)**
	KHR	**+10%**	**1.24**	**0.92**
	KHR	**-10%**	**(1.24)**	**(0.92)**
	GBP	**+10%**	**(0.15)**	**(0.11)**
	GBP	**-10%**	**0.15**	**0.11**
	THB	**+10%**	**508.69**	**380.66**
	THB	**-10%**	**(508.69)**	**(380.66)**
March 31, 2023	USD	+10%	2.05	1.53
	USD	-10%	(2.05)	(1.53)
	MYR	+10%	63.28	47.35
	MYR	-10%	(63.28)	(47.35)
	EUR	+10%	2,305.45	1,725.21
	EUR	-10%	(2,305.45)	(1,725.21)
	SGD	+10%	40.43	30.25
	SGD	-10%	(40.43)	(30.25)
	AED	+10%	(5.65)	(4.23)
	AED	-10%	5.65	4.23
	QAR	+10%	(1.25)	(0.94)
	QAR	-10%	1.25	0.94
	THB	+10%	533.90	399.53
	THB	-10%	(533.90)	(399.53)

Sr. No.	Ratio Analysis	Formula	March 31, 2024	March 31, 2023	% Variance	Reason for variance
1.	Current Ratio	Current Assets / Current Liabilities	**1.89**	1.99	(5%)	not applicable
2.	Debt – Equity Ratio	Total Debt / Shareholder's Equity	**not applicable**	not applicable	not applicable	not applicable
3.	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	**not applicable**	not applicable	not applicable	not applicable
4.	Return on Equity (ROE)	Net Profits after taxes / Average Shareholder's Equity	**21.35%**	24.21%	(12%)	not applicable
5.	Inventory Turnover Ratio	Cost of food and beverages consumed / Average Inventory	**8.71**	7.97	9%	not applicable
6.	Trade receivables turnover ratio	Revenue from operations / Average Accounts Receivable	**1.10**	1.05	6%	not applicable
7.	Trade payables turnover ratio	Purchases, Operating supplies and Rent expenses / Average Trade Payables	**0.94**	0.84	12%	not applicable
8.	Net capital turnover ratio	Revenue from operations / Working Capital	**1.29**	1.18	9%	not applicable
9.	Net profit ratio	Net Profits after taxes / Revenue from operations	**0.14**	0.13	4%	not applicable
10.	Return on capital employed (ROCE)	Earning before interest and taxes / Shareholder's Equity	**27.15%**	32.61%	(17%)	not applicable
11.	Return on investment	Investment Income / Average Investment	**6.51%**	5.18%	26%	Variance due to increase in investment yield

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 46 - Fair Value Measurement

Fair valuation techniques and inputs used - recurring Items

Financial assets / financial liabilities* measured at fair value	Fair value as at March 31, 2024	Fair value as at March 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
Investments				
Mutual fund investments	**65,033.23**	53,366.39	Level 1	Refer note 1 below
Equity and preference investments	**–**	–	Level 3	Refer note 2 below
Total financial assets	**65,033.23**	3,366.39		

Note 1: Fair value determined using NAV.

Note 2: Fair value determined using net book value method.

Reconciliation of Level 3 fair values

Balance as at March 31, 2023

Particulars	Equity and Preference
Balance as at April 1, 2022	580.49
Conversion of investments into subsidiary/associate and now measured at Amortised cost	(580.49)
Balance as at March 31, 2023	**–**

Note No. 47 - Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Particulars	March 31, 2024	March 31, 2023
(i) Amount required to be spent by the Company during the year	**380.00**	325.00
(ii) Amount of expenditure incurred	**380.01**	325.42
(iii) Shortfall at the end of the year	**–**	–
(iv) Total of previous years shortfall	**–**	–
(v) Reason for shortfall	**Not applicable**	Not applicable
(vi) Nature of CSR activities	**Environmental Sustainability, Education & Skill Development, Healthcare, Women Empowerment etc.**	Environmental Sustainability, Education & Skill Development, Healthcare, Women Empowerment etc.
(vii) Details of related party transactions	**Not applicable**	Not applicable

Particulars	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	380.01	–	380.01

Particulars	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	325.42	–	325.42

Note No. 48 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	**12,834.87**	10,744.48
Additions during the current year to CWIP	**15,105.75**	9,969.04
Capitalization/Deletions during the current year from CWIP	**(8,775.67)**	(7,878.65)
Balance as at end of the year	**19,164.95**	12,834.87

As at March 31, 2024 amount in CWIP for a period of

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**10,354.26**	**4,247.56**	**1,534.48**	**3,028.65**	**19,164.95**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	10,354.26	**4,247.56**	**1,534.48**	**3,028.65**	**19,164.95**

As at March 31, 2023 amount in CWIP for a period of

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8,272.68	1,487.29	414.70	2,660.20	12,834.87
Projects temporarily suspended	–	–	–	–	–
	8,272.68	1,487.29	414.70	2,660.20	12,834.87

As at March 31, 2024 amount for a period of

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**1,095.00**	**450.36**	**187.26**	**–**	**1,732.62**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	1,095.00	**450.36**	**187.26**	**–**	**1,732.62**

As at March 31, 2023 amount for a period of

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	644.33	190.17	–	–	834.50
Projects temporarily suspended	–	–	–	–	–
	644.33	190.17	–	–	834.50

All amounts are in ₹ Lakhs unless otherwise stated

Expenditure during construction pending allocation included in (CWIP) above:

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries, Wages & Bonus	**1,581.73**	1,002.66
Staff welfare Expenses	**25.35**	18.75
Power & Fuel	**2.57**	1.78
Rent	**4.38**	7.71
Rates & Taxes	**0.96**	0.96
Repairs-Others	**14.55**	13.77
Travelling	**106.75**	96.23
Consultancy Charges	**363.09**	202.63
Miscellaneous	**254.46**	258.19
	2,353.84	1,602.68

Note No. 49 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to MSME suppliers as on	**122.81**	82.20
(ii) the amount of interest paid by the buyer under MSMED Act,	**–**	–
(iii) Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	**–**	–
(iv) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(v) Interest due and payable on unpaid principal amount to MSME suppliers as on	**–**	–

Note No. 50 - Segment information

The Company is primarily engaged in the business of sale of vacation ownership and accommodation related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).

Vacation Ownership and accommodation related services includes a diverse portfolio of hotels and resorts under the “Club Mahindra” an aspirational brand in the leisure hospitality industry in India.

Under vacation ownership and accommodation related services, a member is entitled to avail holidays for a prescribed period every year for different tenures in the resorts (in India and abroad) depending on the type of the membership purchased by a member. The entitlement to avail the holidays is subject to member paying the requisite membership fee, annual subscription fees, any other dues, eligibility and availability as per membership rules. Member can book and avail holiday in any resort which is available at the time of booking their holiday.

Vacation ownership resorts typically combine many of the comforts of home, such as accommodations with studio, one and two bedroom options, with resort amenities such as swimming pools, restaurants, fitness facilities and spas, as well as sports and recreation facilities appropriate for each resort’s unique location.

Vacation Ownership and accommodation related services generates most of its revenues as under.

- Selling vacation ownership products —The Company sells vacation ownership products to provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis. In addition to membership fee, the company earns interest income on a deferred payment option given to members for their purchase of vacation ownership products and also receives annual subscription fees from members.
- Resort operations & Ancillary services – The Company operates and manages resorts and earns revenue mainly from food and beverages, spa and other service offerings provided to resort guests (members and non-members) and room rentals from non- members.

(Also refer note 56).

Note No. 51 - Related party transactions

Particulars		March 31, 2024	March 31, 2023
Transactions during the year:	**Holding company**		
Sale of services	Mahindra & Mahindra Limited	**139.00**	25.28
Purchases of PPE	Mahindra & Mahindra Limited	**737.32**	239.28
Purchase of services	Mahindra & Mahindra Limited	**586.23**	576.75
Usage of Trademark	Mahindra & Mahindra Limited	**1.00**	0.75
Reimbursements Paid	Mahindra & Mahindra Limited	**574.73**	595.98
Reimbursements Received	Mahindra & Mahindra Limited	**72.58**	17.30
	Subsidiary companies		
ICD, Loans & Advances given *(excluding rollover)*	Gables Promoters Private Ltd	**325.00**	2,357.00
	Mahindra Hotels & Residences India Ltd	**6,576.00**	1,955.00
	Infinity Hospitality Group Company Limited	**–**	3,080.51
	MHR Holdings (Mauritius) Limited	**–**	19,929.64
	Mahindra Holidays & Resorts Harihareshwar Limited	**100.00**	–

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		March 31, 2024	March 31, 2023
ICD, Loans & Advances repaid	Heritage Bird (M) Sdn Bhd.	**147.31**	–
Sale of PPE	Gables Promoters Private Ltd	**54.47**	–
ICD conversion into Equity	MHR Holdings (Mauritius) Limited	**22,633.85**	–
Equity Investment	Mahindra Holidays & Resorts Harihareshwar Limited	**–**	5.00
	Mahindra Hotels & Residences India Ltd	**4,495.00**	–
Purchase of investment	Prudential Management and Services Private Limited	**3.10**	–
Purchase of services	Heritage Bird (M) Sdn Bhd.	**127.86**	130.95
	Infinity Hospitality Group Company Ltd	**394.78**	371.81
	Mahindra Hotels & Residences India Ltd	**444.01**	–
	Gables Promoters Private Limited	**1,472.32**	1,147.50
	Arabian Dreams Hotels Apartments LLC	**1,034.78**	986.52
	Holiday Club Resorts Oy	**2.41**	–
Reimbursement of Expenses-	Gables Promoters Private Limited	**186.83**	173.29
Recd	Mahindra Hotels & Residences India Ltd	**202.08**	82.43
	Holiday Club Resorts Oy	**9.38**	–
Reimbursement of Expenses- Paid	Gables Promoters Private Limited	**107.29**	107.51
	Mahindra Hotels & Residences India Ltd	**21.30**	–
Interest Income	Heritage Bird (M) Sdn Bhd.	**29.66**	31.19
	Gables Promoters Private Limited	**638.78**	408.72
	Infinity Hospitality Group Company Ltd	**130.07**	79.05
	MH Boutique Hospitality Limited	**21.95**	21.59
	Mahindra Hotels & Residences India Ltd	**676.22**	56.14
	MHR Holdings (Mauritius) Limited	**129.96**	337.90
	Mahindra Holidays & Resorts Harihareshwar Limited	**0.91**	–
Commission on Corporate Guarantee	MHR Holdings (Mauritius) Limited	**393.33**	321.91
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Ltd	**–**	2,520.89
	Fellow Subsidiaries / Associates		
Sale of services	Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited)	**1.35**	1.27
	Mahindra Lifespace Developers Ltd	**15.14**	14.71
	Mahindra & Mahindra Financial Services Ltd	**2.44**	2.70
	Bristlecone India Limited.	**7.13**	0.17
	Tech Mahindra Limited	**3.43**	3.24
	Mahindra Susten Private Limited	**0.70**	0.67
	Mahindra Logistics Ltd	**9.71**	–
	Mahindra Rural Housing Finance Ltd	**11.40**	–
	Great Rockpsort Private Limited	**14.87**	–
Reimbursement of Expenses- Recd	Mahindra Lifespace Developers Ltd	**2.64**	2.39
Reimbursement of Expenses- Paid	Mahindra & Mahindra South Africa Pty Ltd	**1.34**	5.16
	NBS International Limited	**–**	6.30
Interest Income	Mahindra Rural Housing Finance Ltd	**603.44**	603.00
	Mahindra & Mahindra Financial Services Ltd	**896.53**	801.56
Redemption of Inter Corporate Deposits	Mahindra & Mahindra Financial Services Ltd	**500.00**	–

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		March 31, 2024	March 31, 2023
Investment in Inter Corporate Deposits	Mahindra & Mahindra Financial Services Ltd	**13,500.00**	–
Purchase of PPE	NBS International Limited	**–**	19.92
	Mahindra Solarize Pvt Ltd	**21.25**	–
	Great Rocksport Private Limited	**134.49**	–
Equity Investment	Great Rocksport Private Limited	**–**	1,200.00
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	**201.13**	296.39
	Mahindra Defence Systems	**3.77**	6.25
	Bristlecone India Limited.	**244.27**	206.11
	Mahindra Logistics Limited	**–**	0.23
	Mahindra & Mahindra Financial Services Ltd	**2.61**	–
	Tech Mahindra Ltd	**830.77**	806.73
	NBS International Limited	**0.78**	–
	Mahindra Solarize Pvt Ltd	**–**	230.33
	Great Rocksport Pvt Ltd	**14.86**	46.14
	Mahindra & Mahindra Contech Ltd	**12.08**	–
	Pininfarina S.P.A.	**104.44**	112.81
Key Management Personnel **Managerial remuneration***	Mr. Kavinder Singh [Including ₹ 1,588.22 lakhs (Previous year ₹ 510.52 lakhs) perquisite value of Options exercised] **	**2,195.53**	1,056.12
	Mr. Ramnarayan Mundra (from 25 July 2023)	**58.94**	–
	Mr. Sujit Vaidya (upto 31 May 2023)	**84.70**	214.35
	Mr. Dhanraj Mulki [Including ₹ 23.37 lakhs (Previous year ₹ 35.49 lakhs) perquisite value of Options exercised]	**120.78**	134.37
	Mrs. Akhila Balachandar (till May 31, 2021)	**–**	59.20
	Director's Sitting Fees	**65.30**	62.70
	Mr. C.P. Gurnani (from 26 April 2023)	**4.60**	–
	Mr. Arun Nanda (upto 25 July 2023)	**4.90**	13.10
	Mr. Rohit Khattar	**15.00**	14.50
	Mr. Sridar Iyengar (upto 1 August 2022)	**–**	4.00
	Mr. Sanjeev Aga	**12.60**	11.00
	Mrs. Sangeeta Talwar	**9.60**	7.60
	Mr. Diwakar Gupta	**10.20**	10.50
	Mr. Rajat Kumar Jain (from 3 November 2022)	**8.40**	2.00
	Commission to non whole time directors	**164.74**	201.11
	Mr. C.P. Gurnani (from 26 April 2023)	**20.20**	–
	Mr. Arun Nanda (upto 25 July 2023)	**33.34**	100.00
	Mr. Rohit Khattar	**22.00**	23.10
	Mr. Sridar Iyengar (upto 1 August 2022)	**–**	8.44
	Mr. Sanjeev Aga	**24.00**	22.37
	Mrs. Sangeeta Talwar	**22.00**	18.70
	Mr. Diwakar Gupta	**23.00**	21.63
	Mr. Rajat Kumar Jain (from 3 November 2022)	**20.20**	6.87
Sale of Services	Mr. Kavinder Singh	**8.31**	–
Balances as at:	**Holding company**		
Outstanding: Payable	**Mahindra & Mahindra Limited**	**434.29**	2.83
Outstanding: Receivable	**Mahindra & Mahindra Limited**	**94.26**	8.01

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		March 31, 2024	March 31, 2023
Investments	**Subsidiary companies**		
	Mahindra Hotels & Residences India Ltd	**4,500.00**	5.00
	Heritage Bird (M) Sdn Bhd.	**40.27**	40.27
	Gables Promoters Private Limited	**6,543.78**	6,543.78
	Infinity Hospitality Group Company Ltd	**2,681.11**	2,681.11
	MH Boutique Hospitality Limited	**95.38**	95.38
	Arabian Dreams Hotels Apartments LLC	**52.11**	52.11
	MHR Holdings (Mauritius) Limited	**23,369.59**	115.10
	Mahindra Holidays & Resorts Harihareshwar Ltd	**5.00**	5.00
	Guestline Hospitality Management and Development Services Limited	**501.08**	497.98
Inter Corporate Deposits including interest accrued	Gables Promoters Private Limited	**6,932.00**	7,504.25
	MH Boutique Hospitality Limited	**1,031.13**	1,066.60
	Mahindra Hotels & Residences India Ltd	**8,547.00**	2,024.83
	MHR Holdings (Mauritius) Limited	**–**	22,882.14
	Infinity Hospitality Group Company Limited	**3,996.22**	4,307.02
	Heritage Bird (M) Sdn Bhd.	**510.82**	728.25
	Mahindra Holidays & Resorts Harihareshwar Ltd	**100.00**	–
Other Receivables	MHR Holdings (Mauritius) Limited	**–**	190.16
	Infinity Hospitality Group Company Limited	**–**	50.78
	Mahindra Hotels & Residencies India Limited	**–**	89.23
Other Payables	Infinity Hospitality Group Company Limited	**–**	103.44
	Heritage Bird (M) Sdn Bhd.	**–**	100.70
	Mahindra Hotels & Residences India Ltd	**0.66**	–
	Arabian Dreams Hotels Apartments LLC	**95.05**	–
	Gables Promoters Private Limited	**3.29**	189.25
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Limited	**69,481.34**	69,022.03
Loan outstanding against above guarantees	MHR Holdings (Mauritius) Limited	**62,305.36**	60,997.10
Investments	**Fellow Subsidiaries / Associates**		
Outstanding: Payable	Great Rocksport Private Limited	**1,566.01**	1,566.01
	Tech Mahindra Ltd	**91.22**	64.97
	Bristlecone India Limited	**0.05**	4.47
	Mahindra Logistics Limited	**0.07**	0.21
	Mahindra Integrated Business Solutions Pvt Ltd	**0.98**	9.52
	NBS International Limited	**–**	0.04
	Mahindra Defence Systems	**4.07**	–
	Mahindra & Mahindra Financial Services Ltd	**3.06**	–
	Mahindra Solarize Pvt Ltd	**73.64**	149.17
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	**–**	8.85
	Great Rocksport Pvt Ltd	**3.66**	0.02
Other Deposits (Including accrued interest)	Mahindra & Mahindra Financial Services Ltd	**14,562.70**	15,757.62
	Mahindra Rural Housing Finance Ltd	**9,398.86**	9,396.99
Other entities under the control of the company			
Balances as at :			
Outstanding: Payable	Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	**66.71**	205.73

* As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Mangerial paresonnel are not included.

** Perquisites determined as per Section 17(2) of the Income Tax Act 1961 read with related rules.

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 52 - Revenue from contract with customers

a) Disaggregation of revenue from contracts with customers

The Company primarily derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

Particulars	**Year ended March 31, 2024**	Year ended March 31, 2023
Revenue from contracts with customers		
Over time (A)		
Vacation Ownership Income	**50,333.31**	45,452.43
Annual subscription fee	**38,055.87**	34,018.58
Total (A)	**88,389.18**	79,471.01
At a point in time (B)		
Income From resorts:		
Room rentals	**7,003.96**	6,215.82
Food and beverages	**20,321.84**	19,989.35
Wine and liquor	**714.04**	677.53
Others	**5,616.49**	5,370.09
Total (B)	**33,656.33**	32,252.79
Other operating revenue (C)		
Interest income on installment sales	**6,028.35**	5,672.28
Miscellaneous income	**3,329.18**	2,222.10
Total C	**9,357.53**	7,894.38
Total Revenue from contract with customers (A + B + C)	**131,403.04**	119,618.18

b) Movement of deferred acquisition cost and deferred contract liability

1. Movement of deferred acquisition cost:

Particulars	**As At March 31, 2024**	As At March 31, 2023
Opening Balance	**76,726.93**	72,342.34
i) Additions during the year (Gross)	**9,943.29**	9,855.29
ii) Amortised during the year	**(5,977.69)**	(5,470.70)
Closing Balance	**80,692.53**	76,726.93

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

2. Movement of deferred contract liability:

Particulars	**March 31, 2024**		
	Vacation ownership	**Annual subscription Fee**	**Total**
Opening Balance	**514,954.40**	**17,691.88**	**532,646.28**
i) Addition during the year (Net)	**75,340.30**	**39,931.26**	**115,271.56**
ii) Income recognised during the year	**(50,333.31)**	**(38,055.87)**	**(88,389.18)**
Closing Balance	**539,961.39**	**19,567.27**	**559,528.66**

Particulars	March 31, 2023		
	Vacation ownership	Annual subscription Fee	Total
Opening Balance	492,365.59	15,908.89	508,274.48
i) Addition during the year (Net)	68,041.24	35,801.57	103,842.81
ii) Income recognised during the year	(45,452.43)	(34,018.58)	(79,471.01)
Closing Balance	514,954.40	17,691.88	532,646.28

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

c) Obligations for returns, refunds and other similar obligations:

Particulars	**As At March 31, 2024**	As At March 31, 2023
Return, refunds and other similar obligations	**138.25**	99.79
Total	**138.25**	99.79

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

d) Revenue expected to be recognised in the future from deferred contract liability:

Time Band	**As At March 31, 2024**	As At March 31, 2023
< 1 Year - vacation ownership	**52,183.94**	46,651.02
< 1 Year - ASF	**19,567.27**	17,691.88
1 - 2 Year	**49,294.56**	44,592.89
2 - 3 Year	**46,110.30**	41,973.02
3 - 4 Year	**43,285.05**	39,996.42
4 - 5 Year	**41,559.78**	39,079.63
5-10 Year	**169,679.28**	164,297.10
> 10 year	**137,848.48**	138,364.32
Total	**559,528.66**	532,646.28

The deferred contract liability broken year wise shows summary of Vacation Ownership and Annual subscription fee recognisible over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

e) Reconciliation of revenue from contract with customer

Particulars	**Year ended March 31, 2024**	Year ended March 31, 2023
Revenue from contract with customer as per the contract price	**142,633.20**	130,520.53
Adjustments made to contract price on account of :-		
Discounts / Rebates / Incentives	**(11,230.16)**	(10,902.35)
Revenue from contract with customer as per the statement of Profit and Loss	**131,403.04**	119,618.18

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 53 - Leases

Right of Use Asset

Particulars	As At March 31, 2024	As At March 31, 2023
Balance as at beginning of the year	**38,092.87**	26,781.17
Additions during the current year	**10,942.64**	18,553.82
Deletions during the current year (Net)	**(508.49)**	(659.00)
Amortisation of ROU	**(8,457.10)**	(6,583.12)
Balance as at end of the year	**40,069.92**	38,092.87

Lease liabilities

Particulars	As At March 31, 2024	As At March 31, 2023
Current	**7,203.08**	6,036.90
Non-current	**35,899.92**	34,102.84
Lease liabilities included in the Balance Sheet as at the end of the year	**43,103.00**	40,139.74

Particulars	As At March 31, 2024	As At March 31, 2023
Changes in liabilities arising from financing activities		
Opening balance - Lease liabilities	**40,139.74**	28,161.74
Cash flow movements		
– Repayment of lease liabilities	**(10,797.91)**	(8,653.69)
Non-cash movements		
– Addition to lease liabilities during the year	**10,942.64**	18,553.82
– Deletions during the current year (Net)	**(548.32)**	(832.38)
– Interest unwinding	**3,366.85**	2,910.25
Closing balance - Lease liabilities	**43,103.00**	40,139.74

Maturity analysis - contractual undiscounted cash flows

Particulars	As At March 31, 2024	As At March 31, 2023
Less than one year	**10,416.30**	8,991.07
1 - 2 Year	**7,519.28**	7,862.50
2 - 3 Year	**6,222.80**	5,853.88
3 - 4 Year	**5,242.12**	5,116.38
4 - 5 Year	**4,808.08**	4,270.30
More than five years	**29,158.15**	26,479.44
Total undiscounted lease liabilities as at the end of the year	**63,366.73**	58,573.57

Amounts recognised in statement of profit and loss during the year ended March 31

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liabilities	**3,366.85**	2,910.25
Amortisation of ROU	**8,457.10**	6,583.12
Expenses relating to short term leases	**10,129.56**	7,732.43
Total	**21,953.51**	17,225.80

Amounts recognised in statement of cash flows during the year ended March 31

Particulars	As At March 31, 2024	As At March 31, 2023
Total Cash outflow for Leases (other than short term)	**11,051.88**	8,653.67

Note No. 54 - Transactions with Struck off Companies

Name of the Struck off Company	Nature of Transactions with struck off Company	Transactions during the year	Balance outstanding as at March 31, 2024	Transactions during the previous year	Balance outstanding as at March 31, 2023
Skope Business Ventures Private Limited	N.A.	–	**5.48**	**–**	–
Aromas-N-Blends Private Limited	N.A.	–	**0.05**	**–**	–
C Gate Builders and Developers Private Limited	N.A.	–	**0.08**	**–**	–
Entrepreneurs S-Commerce Private Limited	N.A.	–	**0.60**	**–**	–
Altek India Private Limited	Purchase of Goods/ Services	0.20	**–**	**0.47**	–
Drisana Enterprises Private Limited	Purchase of Goods/ Services	–	**–**	**3.03**	–

Note No. 55 - Reporting under Rule 11(d) of the Companies (Audit and Auditor's) Rules, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No. 56 - NFRA order

The Company received an order ('the Order') from National Financial Reporting Authority ('NFRA') on March 29, 2023 wherein NFRA had made certain observations on identification of operating segments by the Company in compliance with requirements of Ind AS 108 and the Company's existing accounting policy for recognition of revenue on a straight-line basis over the membership period. As per the order received from NFRA, the Company was required to complete its review of accounting policies and practices in respect of disclosure of operating segments and timing of recognition of revenue from customers and take necessary measures to address the observations made in the Order. The Company had submitted its assessment to NFRA and will consider further course of action, if any, basis directions from NFRA.

As at March 31, 2024, the management has assessed the application of its accounting policies relating to segment disclosures and revenue recognition. Basis the current assessment by the Company after considering the information available as on date; the existing accounting policies, practices and disclosures are in compliance with the respective Ind AS and accordingly have been applied by the Company in the preparation of these financial statements.

Note No. 57

The standalone financial statements of the Company were approved by the Board of Directors and authorised for issue on April 26, 2024.

See accompanying notes to the financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

C P Gurnani
Chairman
DIN: 00018234

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Ramnarayan Mundra
Interim Chief Financial Officer
Place: Mumbai
Date: April 26, 2024

Dhanraj Mulki
Company Secretary
ACS No: F4631
Place: Mumbai
Date: April 26, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Hotels and Residences India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Hotels and Residences India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid / provided for managerial remuneration for the year ended March 31, 2024.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUL4476
Place: Mumbai
Date: April 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Hotels and Residences India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUL4476
Place: Mumbai
Date: April 15, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventory comprising of materials which will be used in the resort have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more was noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 685.24 Lakhs during the current financial year and Rs. 118.15 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUL4476
Place: Mumbai
Date: April 15, 2024

BALANCE SHEET AS AT MARCH 31, 2024

₹ in Lakhs

Particulars	Note	As At March 31, 2024	As At March 31, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	**11,490.28**	–
Capital work-in-progress	3	**228.57**	737.68
Financial Assets			
Other non-current financial assets	4	**6.05**	–
Other non-current tax assets	5	**45.08**	–
Other non-current assets	6	**12.97**	1,013.92
		11,782.95	1,751.60
Current Assets			
Inventories	7	**8.22**	–
Financial Assets			
Trade Receivables	8	**62.13**	–
Cash and Cash Equivalents	9	**65.46**	206.70
Loans	10	**3.00**	–
Other Current Assets	11	**290.96**	74.40
		429.77	281.11
		12,212.72	2,032.70
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	12	**4,500.00**	5.00
Other Equity	13	**(1,235.26)**	(141.15)
		3,264.74	(136.15)
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	14	**8,547.00**	1,971.00
Provisions	15	**10.86**	–
		8,557.86	1,971.00
Current Liabilities			
Financial Liabilities			
Borrowings	16	**–**	53.83
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		**5.32**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**184.42**	–
Other Financial Liabilities	18	**129.45**	135.09
Provisions	19	**3.23**	–
Other Current Liabilities	20	**67.70**	8.93
		390.12	197.85
		12,212.72	2,032.70
Material Accounting Policy Information	**1**		

Refer accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Company	**For and on behalf of the Board of Directors**			
Chartered Accountants				
Firm's Registration No : 105102W				
Shirish Rahalkar	**Salil Khare**	**Dhanraj Mulki**	**Kavita Kadav**	**Rishabh Surana**
Partner	Director	Director	Company Secretary	Chief Financial Officer
Membership No: 111212	DIN: 02935665	DIN: 08321516	Membership No: A65291	
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Note	Year Ended March 31, 2024	Year Ended March 31, 2023
Income:			
Revenue from operations	**21**	**1,030.46**	–
Total Income		**1,030.46**	–
Expenses:			
Employee benefit expenses	**22**	**478.89**	–
Finance Costs	**23**	**676.22**	56.14
Depreciation and amortisation expense	**24**	**408.12**	–
Other Expenses	**25**	**560.59**	62.01
Total Expenses		**2,123.82**	118.15
Profit / (Loss) Before Tax		**(1,093.36)**	(118.15)
Tax Expense			
Current Tax		**–**	–
Deferred Tax		**–**	–
Profit / (Loss) for the Year		**(1,093.36)**	(118.15)
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
Remeasurement of the defined benefit obligation		**(0.75)**	–
Total other comprehensive income for the period		**(0.75)**	–
Total comprehensive income for the year		**(1,094.11)**	(118.15)
Earnings Per Equity Share (Basic & Diluted) (face value of Rs 10 per Equity Share)			
Basic (in Rs)	**26**	**(3.23)**	(236.30)
Diluted (in Rs)	**26**	**(3.23)**	(236.30)
Material Accounting Policy Information	1		

Refer accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

For and on behalf of the Board of Directors

Shirish Rahalkar	**Salil Khare**	**Dhanraj Mulki**	**Kavita Kadav**	**Rishabh Surana**
Partner	Director	Director	Company Secretary	Chief Financial Officer
Membership No: 111212	DIN: 02935665	DIN: 08321516	Membership No: A65291	
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A Cash Flow from Operating Activities:		
Profit / (Loss) before exceptional items and tax	**(1,093.36)**	(118.15)
Adjustments:		
Depreciation	**408.12**	–
Finance Costs	**676.22**	56.14
Operating profit before working capital changes	**(9.02)**	(62.01)
Changes in working capital:		
(Increase) / Decrease in trade and other receivables	**(287.74)**	74.40
(Increase) / Decrease inventories	**(8.22)**	–
Increase /(Decrease) in provisions	**13.34**	–
Increase /(Decrease) in trade and other liabilities	**242.87**	(129.50)
Income Tax Paid	**(45.08)**	–
Net Cash (used in)/from Operating Activities	**(93.85)**	(117.11)
B Cash Flow from Investing Activities:		
Payments for property, plant and equipment and CWIP	**(10,388.34)**	(1,633.23)
Net Cash (used in)/from Investing Activities	**(10,388.34)**	(1,633.23)
C Cash Flow from Financing Activities:		
Inter Corporate Deposit received from Holding Company	**6,576.00**	**1,955.00**
Proceeds from Issue of shares	**4,495.00**	–
Finance Costs	**(730.05)**	–
Net Cash (used in)/from Financing Activities	**10,340.95**	1,955.00
Net increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(141.24)**	204.66
Cash & Cash Equivalents:		
Cash and cash equivalents at the beginning of the year	**206.70**	2.04
Cash and cash equivalents at the end of the year	**65.46**	206.70
Net increase / (decrease) as disclosed above	**(141.24)**	204.66

Refer accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

For and on behalf of the Board of Directors

Shirish Rahalkar	**Salil Khare**	**Dhanraj Mulki**	**Kavita Kadav**	**Rishabh Surana**
Partner	Director	Director	Company Secretary	Chief Financial Officer
Membership No: 111212	DIN: 02935665	DIN: 08321516	Membership No: A65291	
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

a. Equity share capital

Particulars	₹ in Lakhs Amount
As at April 1, 2022	**5.00**
Changes in equity share capital during the year	
Issue of equity shares during the year	–
As at March 31, 2023	**5.00**
Changes in equity share capital during the year	
Issue of equity shares during the year	4,495.00
As at March 31, 2024	**4,500.00**

b. Other equity

₹ in Lakhs

	Reserves & Surplus	Items of other comprehensive income	
Particulars	**Retained earnings**	**Remeasurements of the defined benefit liabilities / (assets)**	**Total**
As at April 1, 2022	(23.00)	–	(23.00)
Loss for the year	(118.15)	–	(118.15)
Other comprehensive income	–	–	–
Total	**(118.15)**	**–**	**(118.15)**
As at March 31, 2023	**(141.15)**	**–**	**(141.15)**
Loss for the year	**(1,093.36)**	**–**	
Other comprehensive income		**(0.75)**	
Total	**(1,093.36)**	**(0.75)**	**(1,094.11)**
As at March 31, 2024	**(1,234.51)**	**(0.75)**	**(1,235.26)**

Refer accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

For and on behalf of the Board of Directors

Shirish Rahalkar
Partner
Membership No: 111212
Place : Mumbai
Date : April 15, 2024

Salil Khare
Director
DIN: 02935665
Place : Mumbai
Date : April 15, 2024

Dhanraj Mulki
Director
DIN: 08321516
Place : Mumbai
Date : April 15, 2024

Kavita Kadav
Company Secretary
Membership No: A65291
Place : Mumbai
Date : April 15, 2024

Rishabh Surana
Chief Financial Officer
Place : Mumbai
Date : April 15, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 (A) Corporate Information

The Company was incorporated on April 26, 2007 and has started to generate revenue in the current year.

During the year, the board has approved acquisition of resorts situated in Rajasthan at a consideration along with improvement plan and acquisition of adjacent land.

1 (B) Material Accounting Policy Information

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company’s current tax is calculated using tax rates that have been enacted by the end of the reporting period. Since the company has commenced operations during the current year and has not generated any profit before tax, current tax is Nil. Considering the fact that this is the first year of operations the deferred tax asset is not recognised.

(v) Property, plant and equipment and Capital Work In Progress

Buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at fair value and not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Buildings (other than those mentioned below)	60 years
Furniture & Fixtures (Resort)	8 years
Furniture & Fixtures (other than above)	10 years
Motor Vehicle	8 years
Plant & Equipment	5 - 15 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(vi) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(vii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(viii) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

- (i) to receive cash or another financial asset from another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or

(d) a contract that will or may be settled in the Company's own equity instruments and is:

- (i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

A debt instrument that meets the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial Liabilities

A financial liability is any liability that is:

(a) a contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:

- (i) a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cashgenerating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cashgenerating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss.

(ix) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(x) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xi) Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(xii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Defined benefit plans (gratuity) - The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies {Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01st April' 2024.

2 Property, Plant and Equipment

₹ in Lakhs

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at 1 April, 2023	–	–	–	–	–	–	–
Additions	2,291.46	7,392.19	1,059.53	72.34	1,073.70	9.18	11,898.40
Balance as at 31 March, 2024	**2,291.46**	**7,392.19**	**1,059.53**	**72.34**	**1,073.70**	**9.18**	**11,898.40**
II. Accumulated depreciation and impairment for the year							
Balance as at 1 April, 2023	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation / amortisation expense for the year	**–**	**97.49**	**112.14**	**9.36**	**188.57**	**0.56**	**408.12**
Eliminated on disposal of assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at 31 March, 2024	**–**	**97.49**	**112.14**	**9.36**	**188.57**	**0.56**	**408.12**
Net block (I-II)							
Balance as at 31 March, 2024	**2,291.46**	**7,294.70**	**947.39**	**62.98**	**885.13**	**8.62**	**11,490.28**
Balance as at 31 March, 2023	**–**	**–**	**–**	**–**	**–**	**–**	**–**

3 Capital work-in-progress

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work in Progress (refer note 33)	**228.57**	737.68
	228.57	737.68

4 Other non-current financial assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	**6.05**	–
	6.05	–

5 Other non-current tax assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other non-current tax assets (Net of provisions)	**45.08**	–
	45.08	–

6 Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	**12.97**	1,013.92
	12.97	1,013.92

7 Inventories

(At lower of cost and net realisable value)

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Food and beverages	**4.92**	–
Operating supplies	**3.30**	–
	8.22	–

8 Trade Receivable

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	**62.13**	–
(Due for less than six months and within the next one year)		
	62.13	–

9 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
-On Current Account	**65.39**	206.70
Cash on hand	**0.07**	–
	65.46	206.70

10 Loans

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	3.00	–
	3.00	–

11 Other Current Assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to Suppliers		
Considered good	32.84	4.21
Balance with Government authorities (excluding income taxes)	257.79	70.19
	290.96	74.40

12 Share Capital

₹ in Lakhs

Particulars	As at March 31, 2024 No. of Shares	As at March 31, 2024 ₹	As at March 31, 2023 No. of Shares	As at March 31, 2023 ₹
Authorised:				
Equity Shares of Rs. 10 each with voting rights	50,000,000	5,000.00	50,000,000	5,000.00
	50,000,000	5,000.00	50,000	5,000.00
Issued, Subscribed & Paid up:				
Equity:				
Equity Shares of Rs. 10 each with voting rights	45,000,000	4,500.00	50,000	5.00
	45,000,000	4,500.00	50,000	5.00

Notes:

1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity share is entitled to one vote per share.

2 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reconciliation of No. of Shares and amount outstanding at the beginning and at the end of the reporting period:

₹ in Lakhs

Particulars	As at March 31, 2024 No. of Shares	As at March 31, 2024 ₹	As at March 31, 2023 No. of Shares	As at March 31, 2023 ₹
At the beginning of the year	50,000	5.00	50,000	5.00
Add: Issued during the year	44,950,000.00	4,495.00	–	–
At the end of the year	45,000,000.00	4,500.00	50,000	5.00

4 Shares in the company held by each shareholder holding more than 5% shares specifying the no. of shares held

Name of the Shareholder	No. of Shares March 31, 2024	% held As at March 31, 2024	No. of Shares March 31, 2023	% held As at March 31, 2023
Mahindra Holidays & Resorts India Limited	44,999,994	100.00%	49,994	99.99%

5 Shareholding of Promoters in the company

Shares held by promoters at the end of 31st March, 2024

Promoter Name	No. of Shares	% to Total Shares	% Change during the year
Mahindra Holidays & Resorts India Limited	44,999,994	100.00%	0.01%

Shares held by promoters at the end of March 31st March, 2023

Promoter Name	No. of Shares	% to Total Shares	% Change during the year
Mahindra Holidays & Resorts India Limited	49,994	99.99%	0.00%

13 Other Equity

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Surplus / (Deficit) in Statement of Profit & Loss		
As per last balance sheet	(141.15)	(23.00)
Add: Profit / (Loss) for the year	(1,093.36)	(118.15)
	(1,234.51)	(141.15)
Other Comprehensive Income		
As per last balance sheet	–	–
Add: Profit / (Loss) for the year	(0.75)	–
	(0.75)	–

14 Borrowings - Non current

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Loans from related party*	**8,547.00**	1,971.00
	8,547.00	1,971.00

*The loan (Inter Corporate Deposit) is taken from Mahindra Holidays & Resorts India Limited and carries an interest rate of 10.05% p.a.(previous year - 8.75% p.a)

15 Provisions

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
Gratuity	**2.48**	–
Compensated Absences	**8.38**	–
	10.86	–

16 Short Term-Borrowings

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on Loans from related party	**–**	53.83
	–	53.83

17 Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	**5.32**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**184.42**	–
	189.74	–

Trade payables ageing Schedule

FY. 2023-24 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	5.32	–	–	–	5.32
(ii) Others	184.42	–	–	–	184.42
	189.74	–	–	–	189.74

FY. 2022-23 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	–	–	–	–	–
	–	–	–	–	–

18 Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital supplies/services	**6.39**	96.13
Other payables	**18.98**	16.72
Employee Payable	**34.66**	–
Creditor Retention Money	**69.42**	22.24
	129.45	135.09

19 Provisions

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
Gratuity	**0.01**	–
Compensated Absences	**3.22**	–
	3.23	–

20 Other Expenses

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Taxes (excluding income taxes) and other statutory dues	**67.70**	8.93
	67.70	8.93

21 Revenue from Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Income from resort :		
Room rentals	**249.47**	–
Food and beverages	**267.83**	–
Others	**474.45**	–
Holiday Activity	**38.71**	–
	1,030.46	–

22 Employee benefit expenses

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries and wages, including bonus	**473.84**	–
Staff welfare expenses	**5.05**	–
	478.89	–

23 Finance Costs

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on ICD	**676.22**	56.14
	676.22	56.14

24 Depreciation and amortisation expense

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation and amortisation expense	**408.12**	–
	408.12	–

25 Other Expenses

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Cost of food and beverages consumed		
Opening stock	**–**	–
Add: Purchases	**128.86**	–
Less: Closing stock	**4.92**	–
	123.94	–
Operating supplies	**107.35**	–
Power and Fuel	**118.10**	–
Printing and Stationery	**1.10**	–
Rates and Taxes	**12.63**	0.75
Insurance	**0.65**	–
Consultancy charges	**16.08**	39.16
Marketing expenses	**4.51**	–
Legal charges	**0.09**	–
Auditors' Remuneration	**1.25**	0.75
Repairs and maintenance		
Building	**10.25**	0.18
Plant and equipment	**14.00**	0.32
Others	**57.65**	17.65
Service charges	**50.16**	–
Travelling and Conveyance	**15.37**	0.62
Miscellaneous expenses	**27.46**	2.58
	560.59	62.01

25 a) Auditors Remuneration (Net of Taxes) included in Other Expenses above:

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Statutory Audit Fees	**1.25**	0.75
	1.25	0.75

26 Earnings per Share

in ₹

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic and Diluted Earnings per share (Rs)	**(3.23)**	(236.30)

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations (Rs in lakhs)	**(1,093.36)**	(118.15)
Weighted average number of equity shares	**33,823,907**	50,000
Earnings per share - Basic and Diluted (Rs)	**(3.23)**	(236.30)

27 Categories of financial assets and financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2024	
	Amortised Costs	Total
Non-Current Assets		
Other non-current financial assets	**6.05**	6.05
Current Assets		
Cash & Bank balances	**65.46**	65.46
Trade Receivables	**62.13**	62.13
Loans	**3.00**	3.00
Non-Current Liabilities		
Borrowings	**8,547.00**	8,547.00
Current Liabilities		
Borrowings	**–**	–
Trade Payables	**189.74**	–
Other Financial Liabilities	**129.45**	129.45

₹ in Lakhs

Particulars	As at March 31, 2023 Amortised Costs	Total
Current Assets		
Cash & Bank balances	206.70	206.70
Current Liabilities		
Borrowings	2,024.83	2,024.83
Other Financial Liabilities	135.09	135.09

28 Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

The fair value of the financial assets and financial liabilities that are not measured at fair value is closely approximates the carrying value as disclosed below:

₹ in Lakhs

Particulars	March 31, 2024		March 31, 2023	
	Carrying Amount	**Fair value**	Carrying Amount	Fair value
Financial assets				
Other non-current financial assets	**6.05**	**6.05**	–	–
Cash and Cash Equivalents	**65.46**	**65.46**	206.70	206.70
Trade Receivables	**62.13**	**62.13**	–	–
Loans	**3.00**	**3.00**	–	–
Financial liabilities				
Borrowings	**8,547.00**	**8,547.00**	2,024.83	2,024.83
Trade Payables	**189.74**	**189.74**	–	–
Other Financial Liabilities	**129.45**	**129.45**	135.09	135.09

29 Capital Commitment

₹ in Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Estimated amount of contracts remaining to be executed on Property, Plant & Equipment and not provided for (net of advances)	**34.78**	191.17

30 Ratios

Ratios	Formula	**For the year ended March 31, 2024**	For the year ended March 31, 2023	% Variance
Current Ratio	Current Asset / Current Liability	**1.10**	1.42	(22)%
Debt-Equity Ratio	Total debt / Shareholders equity	**2.62**	(14.87)	(118)%
Debt Service Coverage Ratio	Net operating income / debt (principal+interest)	**(0.00)**	0.03	(103)%
Return on Equity Ratio	Profit after tax / Average Total shareholders Equity	**(0.70)%**	1.53%	(146)%
Inventory turnover ratio	Cost of Food, beverages and operating supplies / Average inventory	**56.27**	–	–
Trade receivable turnover ratio	Turnover / Average Trade receivables	**33.17**	–	–
Trade payable turnover ratio	Purchases / Average Trade Payables	**2.95**	–	–
Net Capital turnover ratio	Turnover / Working Capital	**16.77**	–	–
Net Profit ratio	Profit after tax / Turnover	**(1.06)**	–	–
Return on Capital employed	Earning before Interest and tax / Capital employed	**(0.13)%**	(0.03)%	289%
Return on investment	Net profit / Cost of investment	**(0.24)%**	(23.63)%	(99)%

Reason for variance:

During the year, resort has commenced the operations. As results, there are major movement in ratio compared to previous year.

31 Segment Disclosure

The Company is primarily engaged in the business of maintenance and running of resort and related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the chief operating decision maker (CODM).

32 Related Party Disclosure

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resorts India Limited
Ultimate Holding Company	Mahindra & Mahindra Limited

(ii) Related Party Transactions and balances

₹ in Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Holding company		
Transactions during the year:		
Interest accrued on ICD	**676.22**	56.14
ICD Availed	**6,576.00**	1,955.00
Sale of services	**509.92**	–
Reimbursement received	**25.00**	82.43
Reimbursement paid	**238.59**	–
Issue of Shares	**4,495.00**	–
Ultimate Holding company		
Usage of Trademark	**1.00**	–
Holding company		
Balances as at:		
ICD Outstanding	**8,547.00**	1,971.00
Interest accrued but not due on ICD	**–**	53.83
Balance Payable	**0.58**	89.23

33 Capital work in progress (CWIP) and expenditure during construction pending allocation included therein (refer note 3):

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	**737.68**	–
Additions during the current year to CWIP	**11,337.60**	737.68
Less - Capitalization/(Deletions) during the current year from CWIP	**11,846.70**	–
Balance as at end of the year	**228.58**	737.68

₹ in Lakhs

CWIP: As at March 31, 2024 amount in CWIP for a period of	Less than 1 year	Total
Projects in progress	**228.58**	228.58
Projects temporarily suspended	**–**	–
Total	**228.58**	228.58

₹ in Lakhs

CWIP: As at March 31, 2023 amount in CWIP for a period of	Less than 1 year	Total
Projects in progress	**737.68**	737.68
Projects temporarily suspended	**–**	–
Total	**737.68**	737.68

34 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 17.67 Lakhs (2023: Rs. nil) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company does not have a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is not funded.

Defined benefit plans – as per actuarial valuation

₹ in Lakhs

Particulars	Unfunded Plan Gratuity	
	2024	2023
Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
Current service cost	**1.19**	–
Net Interest cost	**0.04**	–
Components of defined benefit costs recognised in profit & loss	**1.23**	–
Included in other Comprehensive Income:		
Actuarial (Gain)/Loss on Obligation For the Period :		
Financial Assumptions	**0.74**	–
Experience Adjustments	**0.01**	–
Net (Income)/Expense For the Period Recognized in OCI	**0.75**	–

₹ in Lakhs

Particulars	Unfunded Plan Gratuity	
	2024	2023
Net Liability recognised in the Balance Sheet as at March 31:		
1. Present value of defined benefit obligation as at March 31	**2.49**	–
2. Fair value of plan assets as at March 31	–	–
3. Deficit	**2.49**	–
4. Current portion of the above	**0.01**	–
5. Non current portion of the above	**2.48**	–
Change in the obligation during the year ended March 31:		
Present value of defined benefit obligation at the beginning of the year	–	–
Expenses Recognised in the Statement of Profit and Loss	**1.23**	–
- Current Service Cost	**1.19**	–
- Interest Expense	**0.04**	–
Recognised in Other Comprehensive Income	**0.75**	–
Net Liability/(Asset) Transfer In	**0.51**	–
Present value of defined benefit obligation at the end of the year	**2.49**	–

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

₹ in Lakhs

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount rate(s)	**7.19%**	–
Expected rate(s) of salary increase	**5.00%**	–
Expected rate of return on plan assets	**N.A.**	–
Attrition	**25.00%**	–
Mortality table	**IALM 2012-14**	–

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

₹ in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2023-2024	0.50%	(0.07)	0.07
	2022-2023	NA	NA	NA
Salary growth rate	2023-2024	0.50%	0.07	(0.07)
	2022-2023	NA	NA	NA
Attrition rate	2023-2024	0.50%	(0.05)	0.05
	2022-2023	NA	NA	NA
Mortality rate	2023-2024	0.50%	0.00	(0.00)
	2022-2023	NA	NA	NA

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

III. Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	**Current Year**	Previous Year
Within 1 year	**0.01**	–
1 - 2 year	**0.01**	–
2 - 3 year	**0.07**	–
3 - 4 year	**0.42**	–
4 - 5 year	**0.73**	–
6 - 10 years	**1.88**	–
> 11 years	**0.73**	–

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 7 years (2023: N.A.).

IV. Experience Adjustments:

₹ in Lakhs

Particulars	**Period Ended**				
	2024	**2023**	**2022**	**2021**	**2020**
	Gratuity				
Defined Benefit Obligation	**2.49**			NA	
Fair value of plan assets	**–**				
Surplus/(Deficit)	**2.49**				
Experience adjustment on plan liabilities [(Gain)/ Loss]	**0.01**				
Experience adjustment on plan assets [Gain/(Loss)]	**–**				

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Other Long term benefits (Compensated absences)

The amount recognized as an expense in respect of compensated absences is Rs 11.59 lakhs (Previous Year: nil).

35 Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

36 The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure, wherever necessary.

The Financial Statements have been approved for issue by Company's Board of Directors on 15 April 2024.

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm's Registration No : 105102W

For and on behalf of the Board of Directors

Shirish Rahalkar	**Salil Khare**	**Dhanraj Mulki**	**Kavita Kadav**	**Rishabh Surana**
Partner	Director	Director	Company Secretary	Chief Financial Officer
Membership No: 111212	DIN: 02935665	DIN: 08321516	Membership No: A65291	
Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai	Place : Mumbai
Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024	Date : April 15, 2024

INDEPENDENT AUDITORS' REPORT

To the members of Gables Promoters Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Gables Promoters Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) Based on our examination which included test checks, the company has used the accounting software which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of tampering of audit trail feature and the audit trail has been preserved by the company as per the statutory requirements for record retention.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, we confirm that no remuneration has been paid to directors during the current financial year, consistent with Section 197(16) of the Companies Act 2013. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 24149028BKCWQA3796

Place: Mumbai
Date: April 12, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) According to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and services tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditor's) Rules, 2014 with the Central Government.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) and (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 24149028BKCWQA3796

Place: Mumbai
Date: April 12, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Gables Promoters Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten Shah
Partner
Membership No. 149028
UDIN: 24149028BKCWQA3796

Place: Mumbai
Date: April 12, 2024

BALANCE SHEET AS AT MARCH 31, 2024

₹ in Lakhs

Particulars	Note No.	As At March 31, 2024	As At March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**16,733.65**	15,036.15
Right of Use Asset	4	**265.21**	–
Intangible Assets	5	**1.74**	6.10
Capital work-in-progress	6	**5.55**	2,343.68
Financial Assets			
Other financial assets	7	**6.56**	6.68
Other non-current tax assets	8	**158.08**	122.43
Other non-current assets	9	**–**	130.27
		17,170.79	17,645.31
Current assets			
Inventories	10	**18.42**	18.71
Financial Assets			
Trade Receivables	11	**12.22**	198.79
Cash and cash equivalents	12	**175.83**	133.16
Other Bank Balances	13	**30.29**	230.91
Other current assets	14	**133.33**	108.43
		370.09	690.00
		17,540.88	18,335.30
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	**6,500.00**	6,500.00
Other Equity	16	**3,187.57**	3,191.80
		9,687.57	9,691.80
Non-current liabilities			
Financial Liabilities			
Lease Liability	17	**277.18**	–
Other financial liabilities	18	**147.81**	148.84
Provisions	19	**5.97**	3.06
Deferred Tax Liabilities (Net)	20	**246.82**	295.62
		677.78	447.52
Current liabilities			
Financial Liabilities			
Borrowings	21	**6,932.00**	7,831.51
Lease Liability	22	**6.28**	–
Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		**6.97**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**82.89**	222.79
Others Financial Liabilities	24	**36.39**	65.73
Provisions	25	**1.46**	0.96
Other current liabilities	26	**109.54**	74.98
		7,175.53	8,195.98
		17,540.88	18,335.30

See accompanying notes to the financial statements

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 12, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 12, 2024

Ram Narayan Mundra
Director
DIN: 06470969
Place: Mumbai
Date: April 12, 2024

Narender Pratap Singh
Chief Financial Officer

Place: Mumbai
Date: April 12, 2024

Sainee Mehta
Company Secretary
Membership No. A72961

Place: Mumbai
Date: April 12, 2024

Balamurugan PS
Manager

Place: Mumbai
Date: April 12, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
REVENUE			
Revenue from operations	**27**	**2,631.57**	2,277.97
Other Income	**28**	**17.25**	28.23
Total Revenue		**2,648.82**	2,306.20
EXPENSES			
Employee benefit expense	**29**	**474.50**	378.10
Finance Charges	**30**	**667.10**	482.73
Depreciation and amortisation expense	**3 & 4**	**755.18**	477.47
Other expenses	**31**	**805.08**	641.22
Total Expenses		**2,701.86**	1,979.51
Profit/ (loss) before tax		**(53.04)**	326.68
Tax Expense			
Current tax		**–**	–
Deferred tax		**–**	–
Total tax expense		**–**	–
Profit/(loss) after tax for the year		**(53.04)**	326.68
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Income taxes related to items that will not be reclassified to profit or loss		**48.80**	31.96
Net other comprehensive income not to be reclassified		**48.80**	31.96
Total comprehensive income for the year		**(4.24)**	358.64
Earnings per equity share (for continuing operation):			
Basic and Diluted	**32**	**(0.08)**	0.50

See accompanying notes to the financial statements

In terms of our report attached.
For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 12, 2024

Ram Narayan Mundra
Director
DIN: 06470969
Place: Mumbai
Date: April 12, 2024

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 12, 2024

Narender Pratap Singh
Chief Financial Officer

Place: Mumbai
Date: April 12, 2024

Sainee Mehta
Company Secretary
Membership No. A72961

Place: Mumbai
Date: April 12, 2024

Balamurugan PS
Manager

Place: Mumbai
Date: April 12, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax for the year	**(53.04)**	326.68
Adjustments for:		
Finance Cost	**667.10**	482.73
Depreciation	**755.18**	477.47
Interest income	**(11.22)**	(15.93)
Net (Gain) / Loss on disposal of property, plant and equipment	**0.07**	(0.49)
Movements in working capital:		
Decrease/ (Increase) in trade and other receivables	**161.78**	13.95
Decrease/ (Increase) in Inventories	**0.29**	(6.54)
Increase/ (decrease) in provision	**3.41**	1.61
Increase/ (decrease) in trade and other payables	**(63.92)**	244.51
Cash generated from operations	**1,459.65**	1,523.99
Income taxes paid	**(35.65)**	–
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**1,424.00**	1,523.99
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment including CWIP	**(33.75)**	(2,520.88)
Realisation of sale of Property, Plant & Equipment	**0.01**	0.49
Placement /(Redemption) of Fixed Deposits (net)	**200.00**	100.66
Interest Income received	**11.84**	–
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**178.09**	(2,419.73)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Inter Corporate Deposit received from Holding Company	**325.00**	2,357.00
Repayment of borrowings	**(325.00)**	(1,300.00)
Payment of Interest	**(1,541.91)**	(80.89)
Payment of lease liabilities	**(17.53)**	–
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	**(1,559.44)**	976.11
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**42.66**	80.37
Cash and cash equivalents at the beginning of the year	**133.16**	52.79
Cash and cash equivalents at the end of the year	**175.82**	133.16

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 12, 2024

Ram Narayan Mundra
Director
DIN: 06470969
Place: Mumbai
Date: April 12, 2024

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 12, 2024

Narender Pratap Singh
Chief Financial Officer

Place: Mumbai
Date: April 12, 2024

Sainee Mehta
Company Secretary
Membership No. A72961

Place: Mumbai
Date: April 12, 2024

Balamurugan PS
Manager

Place: Mumbai
Date: April 12, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Share Capital	Other Equity		Total
	Equity Share Capital	Reserves & Surplus		
		Retained Earnings	Revaluation Reserve	
Balance at the beginning of reporting year April 1, 2023	6,500.00	(282.35)	3,474.16	9,691.81
Profit / (Loss) for the year	–	(53.04)	–	(53.04)
Additions during the year	–	–	48.80	48.80
Balance at the end of reporting year March 31, 2024	**6,500.00**	**(335.39)**	**3,522.96**	**9,687.57**

₹ in Lakhs

Particulars	Share Capital	Other Equity		Total
	Equity Share Capital	Reserves & Surplus		
		Retained Earnings	Revaluation Reserve	
Balance at the beginning of reporting year April 1, 2022	6,500.00	(609.04)	3,442.20	9,333.16
Profit / (Loss) for the year	–	326.68	–	326.68
Additions during the year	–	–	31.96	31.96
Balance at the end of reporting year March 31, 2023	**6,500.00**	**(282.35)**	**3,474.16**	**9,691.81**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 12, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 12, 2024

Ram Narayan Mundra
Director
DIN: 06470969
Place: Mumbai
Date: April 12, 2024

Narender Pratap Singh
Chief Financial Officer

Place: Mumbai
Date: April 12, 2024

Sainee Mehta
Company Secretary
Membership No. A72961

Place: Mumbai
Date: April 12, 2024

Balamurugan PS
Manager

Place: Mumbai
Date: April 12, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 Corporate Information

The Company was incorporated on January 9, 2012 (CIN:U45209CH2012PTC033473) and is in the principle business of construction, maintenance & running of hotels, resorts, shopping malls, buildings and other commercial & residential apartments.

2 Material accounting policies

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(v) Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Since the company has commenced operations during the current year and has not generated any profit before tax, current tax is Nil.

(vi) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at fair value and not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Buildings (other than those mentioned below)	60 years
Plant & equipment	5-10 years
Furniture and Fixtures (other than those mentioned below)	5-10 years
Vehicles (other than those mentioned below)	8 years
Motor vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(vii) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category of Asset	Estimated useful lives
Computer Software and website development cost	3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

(viii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(ix) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(x) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the present value of future lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the period of lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of these leases.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(xi) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

<u>Defined contribution plans</u>

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

<u>Defined benefit plans</u>

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments; settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

<u>Short-term and other long-term employee benefits</u>

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the Company in respect of services provided by employees upto the reporting date.

(xii) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the ‘Other income' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired.

(xiii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(xiv) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 3 - Property, Plant and Equipment

₹ in Lakhs

Description of Assets	**Land - Freehold**	**Buildings - Freehold**	**Buildings - Leasehold**	**Plant and Equipment - Freehold**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles - Freehold**	**Total**
I. Gross Block								
Balance as at April 1, 2023	5,053.78	9,833.32	–	1,602.17	53.20	1,184.40	53.51	17,780.39
Additions	1,229.35	89.81	114.58	363.14	54.97	570.58	14.89	2,437.32
Disposals	–	–	–	(13.13)	(1.18)	–	–	(14.31)
Balance as at March 31, 2024	**6,283.13**	**9,923.13**	**114.58**	**1,952.18**	**106.99**	**1,754.98**	**68.40**	**20,203.39**
II. Accumulated depreciation and impairment for the year								
Balance as at April 1, 2023	–	920.22	–	928.84	46.82	810.56	37.80	2,744.24
Depreciation/ amortisation expense for the year	–	175.45	4.58	231.33	15.71	303.84	8.84	739.75
Eliminated on disposal of assets	–	–	–	(13.07)	(1.18)	–	–	(14.25)
Balance as at March 31, 2024	–	**1,095.67**	**4.58**	**1,147.11**	**61.35**	**1,114.40**	**46.64**	**3,469.74**
Net block (I-II)								
Balance as at March 31, 2024	**6,283.13**	**8,827.47**	**110.00**	**805.08**	**45.64**	**640.58**	**21.75**	**16,733.65**
Balance as at March 31, 2023	5,053.78	8,913.11	–	673.34	6.38	373.84	15.70	15,036.15

₹ in Lakhs

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles - Freehold	Total
I. Gross Block								
Balance as at April 1, 2022	**5,053.78**	9,833.32	–	1,561.81	52.73	1,180.48	53.51	17,735.63
Additions	–	–	–	42.53	0.48	3.92	–	46.93
Disposals	–	–	–	(2.17)	–	–	–	(2.17)
Balance as at March 31, 2023	5,053.78	9,833.32	–	1,602.17	53.20	1,184.40	53.51	17,780.39
II. Accumulated depreciation and impairment for the year								
Balance as at April 1, 2022	–	756.33	–	777.84	41.28	666.74	31.11	2,273.30
Depreciation / amortisation expense for the year	–	163.89	–	153.17	5.54	143.82	6.69	473.11
Eliminated on disposal of assets	–	–	–	(2.17)	–	–	–	(2.17)
Balance as at March 31, 2022	–	920.22	–	928.84	46.82	810.56	37.80	2,744.24
Net block (I-II)								
Balance as at March 31, 2023	5,053.78	8,913.11	–	673.34	6.38	373.84	15.70	15,036.15
Balance as at March 31, 2022	5,053.78	9,076.99	–	783.97	11.44	513.74	22.39	15,462.32

Note No. 4 - Right of Use Asset

₹ in Lakhs

Description of Assets	**As At March 31, 2024**
I. Gross Block	
Balance as at April 1, 2023	–
Additions	276.28
Balance as at March 31, 2024	**276.28**
II. Accumulated amortization	
Balance as at April 1, 2023	
Amortisation expense for the year	11.07
Balance as at March 31, 2024	**11.07**
Net block (I-II)	
Balance as at March 31, 2024	**265.21**
Balance as at March 31, 2023	–

₹ in Lakhs

Description of Assets	**As At March 31, 2023**
I. Gross Block	
Balance as at April 1, 2022	–
Additions	–
Balance as at March 31, 2023	**–**
II. Accumulated amortization	
Balance as at April 1, 2022	–
Amortisation expense for the year	–
Balance as at March 31, 2023	**–**
Net block (I-II)	
Balance as at March 31, 2023	**–**
Balance as at March 31, 2022	–

Note No. 5 - Other Intangible Assets

₹ in Lakhs

Description of Assets	**Computer Software**
I. Gross Block	
Balance as at April 1, 2023	13.08
Additions	–
Balance as at March 31, 2024	**13.08**
II. Accumulated amortization	
Balance as at April 1, 2023	6.98
Amortisation expense for the year	4.36
Balance as at March 31, 2024	**11.34**
Net block (I-II)	
Balance as at March 31, 2024	**1.74**
Balance as at March 31, 2023	6.10

₹ in Lakhs

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2022	13.08
Additions	–
Balance as at March 31, 2023	13.08
II. Accumulated amortization	
Balance as at April 1, 2022	2.62
Amortisation expense for the year	4.36
Balance as at March 31, 2023	6.98
Net block (I-II)	
Balance as at March 31, 2023	6.10
Balance as at March 31, 2022	10.46

Note No. 6 - Capital work-in-progress

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Capital work-in-progress (Refer note 37)	**5.55**	2,343.68
	5.55	2,343.68

Note No. 7 - Financial assets - Others

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Financial assets at amortised cost		
Deposits	**6.56**	6.68
	6.56	6.68

Note No. 8 - Other Non-Current Tax Assets

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Advance Income tax	**158.08**	122.43
(Net of provisions up to the reporting date)		
	158.08	122.43

Note No. 9 - Other non-current assets

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Capital advance	**–**	130.27
	–	130.27

Note No. 10 - Inventories
(At lower of cost and net realisable value)

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Food, beverages and smokes	**18.42**	18.71
	18.42	18.71

Note No. 11 - Trade Receivables

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Unsecured, Considered good (Refer note 41)	**12.22**	198.79
	12.22	198.79

Note No. 12 - Cash and cash equivalents

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Cash and cash equivalents		
Cash at hand	**2.11**	1.46
Balances with banks	**173.72**	131.70
	175.83	133.16

Note No. 13 - Other Bank Balances

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Bank Deposits with original maturity greater than three months and less than twelve months	**30.29**	230.91
	30.29	230.91

Note No. 14 - Other assets - Current

₹ in Lakhs

Particulars	**As At March 31, 2024**	As At March 31, 2023
Advances other than capital advances		
Balances with government authorities (other than income taxes)	**102.50**	74.30
Prepaid Expenses	**28.60**	28.34
Other advances		
Advance to suppliers	**2.23**	5.79
	133.33	108.43

Note No. 15 - Equity Share Capital

₹ in Lakhs

Particulars	As At March 31, 2024 No. of shares	As At March 31, 2024 ₹ in lakhs	As At March 31, 2023 No. of shares	As At March 31, 2023 ₹ in lakhs
Authorised:				
Equity shares of ₹ 10 each with voting rights	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00
	6,50,00,000	**6,50,00,000**	6,50,00,000	6,50,00,000

15 a) Terms/ rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

ii) Repayment of capital will be in proportion to the number of equity shares held.

15 b) Shares in the Company held by Holding Company and each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	No. of shares	% held as at March 31, 2024	No. of shares	% held as at March 31, 2023
Mahindra Holidays & Resorts India Limited (Holding Company))	**6,50,00,000**	**100.00%**	6,50,00,000	100.00%

15 c) The reconciliation of the number of shares outstanding as at March 31, 2024, March 31, 2023 is set out below:-

₹ in Lakhs

Particulars	As at March 31, 2024 No. of Shares	As at March 31, 2024 ₹ in lakhs	As at March 31, 2023 No. of Shares	As at March 31, 2023 ₹ in lakhs
Number of shares at the beginning	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00
Add: Issued during the year	**–**	**–**	–	–
Number of shares at the end	**6,50,00,000**	**6,500.00**	6,50,00,000	6,500.00

15 d) Shareholding of promoters in the company

Shares held by promoters at the end of 31st March, 2024			
Promoter name	No of shares	% of total shares	% change during the year
Mahindra Holidays & Resorts India limited	6,50,00,000	100%	0%

Shares held by promoters at the end of 31st March,2023			
Promoter name	No of shares	% of total shares	% change during the year
Mahindra Holidays & Resorts India limited	6,50,00,000	100%	0%

Note No. 16 - Other Equity

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Retained earnings	**(335.39)**	(282.35)
Revaluation Reserve	**3,522.96**	3,474.16
	3,187.57	**3,191.80**

Note No. 17 - Lease Liabilities

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Lease liabilities	**277.18**	–
	277.18	–

Note No. 18 - Other Financial Liabilities - Non-current

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
At Amortised Cost		
Retention Money	**147.81**	148.84
	147.81	148.84

Note No. 19 - Provisions

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Provision for Employee Benefits		
Gratuity	**2.37**	1.22
Compensated Absences	**3.60**	1.84
	5.97	3.06

Note No. 20 - Deferred tax liabilities

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Revaluation of freehold land	**246.82**	295.62
	246.82	295.62

Note No. 21 - Borrowings Current

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured Borrowings		
Current maturities of long term borrowings	**–**	327.26
Loans from related parties*	**6,932.00**	7,504.25
	6,932.00	7,831.51

*This Loan carries an interest rate of 10.05% (Previous year 8.75%) per annum including interest of ₹ nil lakhs (Previous year ₹ 897.25 lakhs).

Note No. 22 - Current Lease Liabilities

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Lease liabilities (Refer Note 43)	**6.28**	–
	6.28	–

Note No. 23 - Trade Payables

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	**6.97**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 42)	**82.89**	222.79
	89.86	222.79

Disclosures required under Section 22 of the micro, small and medium enterprises development act, 2006	As At March 31, 2024	As At March 31, 2023
(i) Principal amount remaining unpaid to MSME suppliers as on	**6.97**	–
(ii) the amount of interest paid by the buyer under MSMED Act	–	–
(iii) Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	–	–
(iv) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
(v) Interest due and payable on unpaid principal amount to MSME suppliers as on	–	–

Note No. 24 - Other Financial Liabilities - Current

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Employee Payable	**35.59**	0.72
Capital Creditors	**0.18**	65.01
Other Payables	**0.62**	–
	36.39	65.73

Note No. 25 - Provisions

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Provision for Employee Benefits		
Gratuity	**0.09**	**0.26**
Compensated Absences	**1.37**	**0.71**
	1.46	**0.96**

Note No. 26 - Other Current Liabilities

₹ in Lakhs

Particulars	As At March 31, 2024	As At March 31, 2023
Statutory dues		
- taxes payable (other than income taxes)	**109.54**	74.98
	109.54	74.98

Note No. 27 - Revenue from Operations

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Income from resorts :		
Room Rentals	**1,705.30**	1,402.77
Food and Beverages	**747.61**	695.78
Wine and liquor	**20.05**	20.20
Holiday Activity	**59.31**	61.95
Others	**99.30**	97.27
	2,631.57	2,277.97

Note No. 28 - Other Income

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest Income		
On Income Tax Refund	**6.03**	11.81
On deposits with bank	**11.22**	15.93
Gain on sale of property, plant and equipment	**–**	0.49
	17.25	28.23

Note No. 29 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries and wages, including bonus	**401.87**	322.11
Contribution to Provident and other funds	**19.56**	16.07
Staff welfare expenses	**53.07**	39.92
	474.50	378.10

Note No. 30 - Finance Costs

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest on borrowings from Bank	**3.62**	74.01
Interest on borrowings from related party	**638.78**	408.72
Interest on Lease Liabilities	**24.70**	–
	667.10	482.73

Note No. 31 - Other Expenses

₹ in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Cost of food, beverages and smokes consumed		
Opening stock	**18.71**	12.17
Add: Purchases	**194.85**	177.98
Less: Closing stock	**18.42**	18.71
	195.14	171.44
Operating Supplies	**139.15**	122.52
Power and Fuel	**196.37**	130.40
Rates and taxes	**24.90**	10.00
Travelling expenses	**7.17**	20.68
Auditors remuneration and out-of-pocket expenses		
As Auditors	**1.01**	1.75
Consultancy Charges	**8.91**	7.41
Repairs and maintenance		
Buildings	**2.88**	2.19
Plant & equipment	**20.38**	17.33
Others	**91.79**	61.20
Communication	**12.97**	10.17
Printing and Stationary	**9.59**	7.02
Insurance	**16.85**	14.72
Service Charges	**44.28**	24.66
Loss on sale of property, plant and equipment	**0.07**	–
Miscellaneous Expenses	**33.62**	39.72
	805.08	641.22

Note No. 32 - Earnings Per Share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic and Diluted Earnings per share	**(0.08)**	0.50

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	**(53.04)**	326.68
Weighted average number of equity shares (In Lakhs)	**650.00**	650.00
Earnings per share from continuing operations - Basic and Diluted	**(0.08)**	0.50

Note No. 33 - Categories of financial assets and financial liabilities

₹ in Lakhs

As at March 31, 2024	Amortised Cost	Total
Non-Current Assets		
Other financial assets	**6.56**	**6.56**
Current Assets		
Trade Receivables	**12.22**	**12.22**
Cash & Bank balances	**206.12**	**206.12**
Non-current Liabilities		
Lease Liability	**277.18**	**277.18**
Other Financial Liabilities	**147.81**	**147.81**
Current Liabilities		
Borrowings	**6,932.00**	**6,932.00**
Lease Liability	**6.28**	**6.28**
Trade Payables	**89.86**	**89.86**
Other Financial Liabilities	**36.39**	**36.39**

₹ in Lakhs

As at March 31, 2023	Amortised Cost	Total
Non- Current Assets		
Other financial assets	6.68	6.68
Current Assets		
Trade Receivables	198.79	198.79
Cash & Bank balances	364.07	364.07
Non-current Liabilities		
Other Financial Liabilities	148.84	148.84
Current Liabilities		
Borrowings	7,831.51	7,831.51
Trade Payables	222.79	222.79
Other Financial Liabilities	65.73	65.73

Note No. 34 - Fair Value Measurement

Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

₹ in Lakhs

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Deposits	**6.56**	**6.56**	6.68	6.68
Trade Receivables	**12.22**	**12.22**	198.79	198.79
Cash & Bank balances	**206.12**	**206.12**	364.07	364.07
Total	**224.90**	**224.90**	569.53	569.53
Financial liabilities				
Lease Liability - non current	**277.18**	**277.18**	–	–
Borrowings	**6,932.00**	**6,932.00**	7,831.51	7,831.51
Lease Liability - current	**6.28**	**6.28**	–	–
Other non-current financial liabilities	**147.81**	**147.81**	148.84	148.84
Trade Payables	**89.86**	**89.86**	222.79	222.79
Other current financial liabilities	**36.39**	**36.39**	65.73	65.73
Total	**7,489.52**	**7,489.52**	8,268.87	8,268.87

Note No. 35 - Segment information

The Company is primarily engaged in the business of maintenance & running of resorts and related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the chief operating decision maker (CODM).

Note No. 36 - Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resorts India Limited
Ultimate Holding Company	Mahindra & Mahindra Limited

Key Managerial Personnel

Narender Pratap Singh
Balamurugan PS

(ii) Related Party Transactions and balances

₹ In Lakhs

Particulars	March 31, 2024	March 31, 2023
Holding company		
Transactions during the year:		
ICD received	**325.00**	2,357.00
Interest repaid on ICD	**1,536.03**	–
Interest on ICD	**638.78**	408.72
Reimbursement received	**126.04**	107.51
Reimbursement paid	**221.66**	173.29
Sale of services	**1,696.87**	1,147.50
Purchase of PPE	**54.47**	–
Holding company		
Balances as at:		
ICD payable	**6,932.00**	7,504.25
Trade Receivables	**3.29**	189.25
Ultimate Holding company		
Transactions during the year :		
Purchase of Property, Plant & Equipment	**–**	1,157.94
Purchase of Goods and Services	**0.74**	4.79

Note No. 37 - Capital Work in Progress

₹ in Lakhs

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the reporting period	**2,343.68**	–
Additions during the current year to CWIP	**19.25**	2,343.68
Less:- Capitalization/ Deletions during the current year from CWIP	**2,357.38**	–
Balance at the end of the reporting period	**5.55**	2,343.68

₹ in Lakhs

CWIP : As at March 31, 2024 amount in CWIP for a period of	Less than 1 year	Total
Projects in progress	**5.55**	–
Projects temporarily suspended	**–**	–
Total	**5.55**	–

₹ in Lakhs

CWIP : As at March 31, 2023 amount in CWIP for a period of	Less than 1 year	Total
Projects in progress	**2,343.68**	–
Projects temporarily suspended	**–**	–
Total	**2,343.68**	–

Note No. 38 - Capital Commitment

₹ in Lakhs

Particulars	March 31, 2024	March 31, 2023
Estimated amount of Contracts remaining to be executed on capital account and not provided for net of advances	**5.39**	13.68
	5.39	13.68

Note No. 39 - Ratios

Ratios	Formula	For the year ended March 31,2024	For the year ended March 31,2023	% Variance
Current Ratio *	Current Assets / Current Liabilities	**0.05**	0.08	-38.74%
Debt-Equity Ratio	Total Debt / Shareholders equity	**0.72**	0.81	-11.45%
Debt Service Coverage Ratio	Net operating income / Debt (principal + Interest)	**0.20**	0.16	21.35%
Return on Equity Ratio *	Profit after tax / Average Total shareholders Equity	**-0.01%**	0.03%	-115.94%
Inventory turnover ratio	Cost of Food, beverages and operating supplies / Average inventory	**141.74**	147.52	-3.92%
Trade receivable turnover ratio *	Turnover / Average Trade receivables	**24.94**	10.30	142.16%
Trade payable turnover ratio *	Purchases / Average Trade Payables	**2.19**	1.73	26.24%
Net Capital turnover ratio *	Turnover / Working Capital	**(0.39)**	(0.30)	27.41%
Net Profit ratio *	Profit after tax / Turnover	**-0.02**	0.14	-114.14%
Return on Capital employed *	Earning before Interest and tax / Capital employed	**0.06%**	0.08%	-25.79%
Return on investment *	Net Profit / Cost of investment	**-0.01%**	0.03%	-116.24%

Reason for variance :

The company has added two more resorts in operation during the year ended March 31, 2024. As results, there is an increase in operation and ratios as above.

Note No. 40 - Employee benefits

(a) Defined Contribution Plan

The Group's contribution to Provident Fund and Superannuation Fund aggregating ₹ 15.50 Lakhs (2023: ₹ 12.85 Lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company does not have a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is not funded.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on March 31, 2024 and March 31, 2023:

₹ in Lakhs

Particulars	Unfunded Plan Gratuity March 31, 2024	Unfunded Plan Gratuity March 31, 2023
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
Current service cost	0.87	(1.26)
Net Interest cost	0.11	0
Components of defined benefit costs recognised in profit & loss	**0.98**	(1.26)
I. Net Liability recognised in the Balance Sheet as at March 31:		
1. Present value of defined benefit obligation as at March 31	2.46	1.48
2. Fair value of plan assets as at March 31	–	–
3. Deficit	**2.46**	**1.48**
4. Current portion of the above	0.09	0.26
5. Non current portion of the above	2.37	1.22
II. Change in the obligation during the year ended March 31:		
Present value of defined benefit obligation at the beginning of the year	1.48	2.74
Expenses Recognised in the Statement of Profit and Loss		
– Current Service Cost	0.87	(1.26)
– Interest Expense	0.11	–
Recognised in Other Comprehensive Income	–	–
Present value of defined benefit obligation at the end of the year	**2.46**	1.48

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at March 31, 2024	Valuation as at March 31, 2023
Discount rate(s)	7.19%	7.29%
Expected rate(s) of salary increase	5.00%	5.00%
Expected rate of return on plan assets	N.A.	N.A.
Attrition	25.00%	25.00%
Mortality table	IALM 2012-14	IALM 2012-14

Weighted average duration of the defined benefit obligation- 5 years (Previous year - 6 years)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

₹ in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2023-2024**	**0.50%**	**(0.05)**	**0.05**
	2022-2023	0.50%	(0.03)	0.03
Salary growth rate	**2023-2024**	**0.50%**	**0.05**	**(0.05)**
	2022-2023	0.50%	0.03	(0.03)
Attrition rate	**2023-2024**	**0.50%**	**(0.03)**	**0.03**
	2022-2023	0.50%	(0.02)	0.02
Mortality rate	**2023-2024**	**0.50%**	**0.00**	**(0.00)**
	2022-2023	0.50%	0.00	(0.00)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

III. Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	Current year	Previous year
Within 1 year	**0.09**	0.26
1 - 2 year	**0.36**	0.11
2 - 3 year	**0.34**	0.24
3 - 4 year	**0.49**	0.22
4 - 5 year	**0.47**	0.26
6 - 10 years	**1.21**	0.67
> 11 years	**0.50**	0.27

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 5 years (2023: 6 years)

IV. Experience Adjustments:

₹ in Lakhs

Particulars	Period Ended 2024	2023	2022	2021	2020
Gratuity					
Defined Benefit Obligation	**2.46**	**1.48**	**2.74**	**1.54**	**–**
Fair value of plan assets	**–**	**–**	**–**	**–**	**–**
Surplus/(Deficit)	**2.46**	**(1.48)**	**(2.74)**	**(1.54)**	**–**
Experience adjustment on plan liabilities [(Gain)/Loss]	**–**	**–**	**–**	**–**	**–**
Experience adjustment on plan assets [Gain/(Loss)]	**–**	**–**	**–**	**–**	**–**

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Other Long Term Benefits (Compensated absences)

The amount recognized as an expense in respect of Compensated absences is ₹ 2.43 Lakhs (Previous Year: ₹ 4.62 Lakhs).

Note No. 41 - Trade receivables Schedule

Trade receivables Ageing schedule FY. 2023-24

₹ in Lakhs

Particulars	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	12.22	–	–	–	–	12.22
(ii) Undisputed Trade receivables - considered doubtful	–	–	–	–	–	–
	12.22	–	–	–	–	12.22

Trade receivables Ageing schedule FY. 2022-23

₹ in Lakhs

Particulars	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	195.11	–	–	–	3.68	198.79
(ii) Undisputed Trade receivables - considered doubtful	–	–	–	–	–	–
	195.11	–	–	–	3.68	198.79

Note No. 42- Trade Payables Ageing Schedule

FY. 2023-24

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.97	–	–	–	6.97
(ii) Others	79.72	2.65	–	0.52	82.89
	86.69	2.65	–	0.52	89.86

FY. 2022-23

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	222.26	–	0.52	–	222.79
	222.26	–	0.52	–	222.79

Note No. 43 - Leases

Right of Use Asset

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	–	–
Additions during the current year	276.28	–
Amortisation of ROU	11.07	–
Balance as at end of the year	**265.21**	–

Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current	6.28	–
Non-Current	277.18	–
Lease liabilities included in the Balance Sheet as at the end of the year	**283.46**	–

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	**18.40**	–
1 - 2 Year	**19.32**	–
2 - 3 Year	**20.28**	–
3 - 4 Year	**21.30**	–
4 - 5 Year	**22.36**	–
More than five years	**717.01**	–
Total undiscounted lease liabilities as at the end of the year	**818.66**	–

Amounts recognised in statement of Profit and Loss during the year ended March 31

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liabilities	**24.70**	–
Amortisation of ROU	**11.07**	–
Expenses relating to short term leases	**–**	–
Total	**35.77**	–

Amounts recognised in Statement of Cash Flows during the year ended March 31

Particulars	As at March 31, 2024	As at March 31, 2023
Total Cash outflow for Leases	**17.52**	–

Note No. 44 Rounding Off and Regrouping/Reclassification of items

The amount has been rounded off to nearest ₹ (INR) and previous year figures have been regrouped / reclassified to correspond with current year's classification/ disclosure, wherever deemed necessary.

Note No. 45

The Financial Statements have been approved for issue by Company's Board of Directors on 12th April 2024.

In terms of our report attached.

For Shah Valera & Associates LLP
Chartered Accountants
Firm Registration No. W100238

Priten B Shah
Partner
Membership Number: 149028

Place: Mumbai
Date: April 12, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: April 12, 2024

Ram Narayan Mundra
Director
DIN: 06470969
Place: Mumbai
Date: April 12, 2024

Narender Pratap Singh
Chief Financial Officer

Place: Mumbai
Date: April 12, 2024

Sainee Mehta
Company Secretary
Membership No. A72961

Place: Mumbai
Date: April 12, 2024

Balamurugan PS
Manager

Place: Mumbai
Date: April 12, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HERITAGE BIRD (M) SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Heritage Bird (M) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages herein.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

LLOYDS EARLE	**DATUK K.**
PANICKER & TAN	**K. PANICKER**
A.F. 0604	761/03/25(J)
Chartered Accountants	Chartered Accountant

Place : Kuala Lumpur.
Dated : 10 April 2024

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

Particulars	Note	**March 31, 2024 RM**	March 31, 2023 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	**7**	**3,359,948**	3,458,770
		3,359,948	3,458,770
Current Assets			
Trade receivables	**8**	**–**	540,000
Non-trade receivables		**3,642**	4,598
Cash at bank		**277,752**	452,446
		281,394	997,044
TOTAL ASSETS		**3,641,342**	4,455,814
EQUITY AND LIABILITIES			
Equity			
Share capital	**9**	**300,002**	300,002
Retained profits		**388,764**	188,430
Total Equity		**688,766**	488,432
Current Liabilities			
Non-trade payables		**36,575**	38,692
Amount due to holding company	**10**	**2,900,001**	3,905,250
Tax payable		**16,000**	23,440
		2,952,576	3,967,382
Total Liabilities		**2,952,576**	3,967,382
TOTAL EQUITY AND LIABILITIES		**3,641,342**	4,455,814

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note	**March 31, 2024 RM**	March 31, 2023 RM
Revenue	**11**	**720,000**	720,000
Cost of sales		**(46,800)**	(46,800)
Other Income		–	2,498
Gross profit		**673,200**	675,698
Administration expenses		**(211,218)**	(213,429)
Profit from operations	**12**	**461,982**	462,269
Finance costs	**13**	**(164,784)**	(172,500)
Profit for the year before taxation		**297,198**	289,769
Taxation	**14**	**(96,864)**	(94,269)
Profit for the year after taxation		**200,334**	195,500

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

	Share Capital RM	Accumulated Profit/(Loss) RM	Total RM
March 31, 2024			
Balance as at 31 March 2023	**300,002**	**188,430**	**488,432**
Profit for the year after taxation	**–**	**200,334**	**200,334**
Balance as as 31 March 2024	**300,002**	**388,764**	**688,766**
March 31, 2023			
Balance as at March 31, 2022	300,002	(7,070)	292,932
Profit for the year after taxation	–	195,500	195,500
Balance as at 31 March 2023	300,002	188,430	488,432

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	March 31, 2024 RM	March 31, 2023 RM
Cash Flows From Operating Activities		
Profit for the year before taxation	**297,198**	289,769
Adjustment :-		
Depreciation of property, plant and equipment	**98,822**	98,822
Interest on loan	**164,784**	172,500
Operating profit before working capital changes	**560,804**	561,091
Changes in receivables	**540,956**	(423,773)
Changes in payables	**(2,117)**	(50,177)
Cash generated from operations	**1,099,643**	87,141
Tax paid	**(104,304)**	(93,971)
Net cash from/(used in) operating activities	**995,339**	(6,830)
Cash Flows From Investing Activities	**–**	–
Cash Flows From Financing Activities		
Repayment to holding company	**(1,005,249)**	(83,636)
Interest paid to holding company	**(164,784)**	(172,500)
Net cash used in financing activities	**(1,170,033)**	(256,136)
Net decrease in cash and cash equivalents	**(174,694)**	(262,966)
Cash and cash equivalents brought forward	**452,446**	715,412
Cash and cash equivalents carried forward	**277,752**	452,446

Note:

Cash and cash equivalent at the end of the year comprises:

	March 31, 2024 RM	March 31, 2023 RM
Cash at bank	**277,752**	452,446

The notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2024

1. General Information

The Company is a private company, incorporated and domiciled in Malaysia. The registered office is situated at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor, and its principal place of business is located at 3A07, Block B, Phileo Damansara II, 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The Company's principal activities are holding of investment properties and lease rental.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

2. Compliance With Financial Reporting Standards and the Companies Act, 2016

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 2016.

3. Basis of Preparation

The financial statements of the Company have been prepared using cost bases which include historical cost, amortised cost, and lower of cost and net realisable value and fair value bases which include fair value basis and fair value less costs to sell basis.

The management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting year and the reported amounts of revenues and expenses during the reporting year. Judgements and assumptions are applied in measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 6.

4. Significant Accounting Policies

a) Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Company obtains control of the asset. These include assets constructed or acquired for environmental protection purposes and investment property measured on the cost model. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits. For an exchange of non-monetary asset that has a commercial substance, cost is measured by reference to the fair value of the asset received. For an asset transferred from a customer or a grantor, cost is measured by reference to the fair value of the asset.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are depreciated by allocating the depreciable amount of significant component or of an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life (years)
Furniture and fittings	Straight-line	5
Building	Straight-line	50

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any changes in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

b) Impairment of non-financial assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash generating unit at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in the profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease

For a cash-generating unit, any impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the unit, if any, and the balance of the impairment loss is then allocated to the other assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

c) Share capital and distribution

(i) Share capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

(ii) Distributions

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, including a distribution in specie, the Company measures the dividend payable at the fair value of the assets to distributed. At the end of each reporting period and at the date of settlement, the Company reviews and adjusts the carrying amount of the dividend payable to reflect changes in the fair value of the assets to be distributed, with any changes recognised in equity as adjustments to the amount of the distribution. Upon settlement, the difference between the carrying amount of the dividend payable and the carrying amount of the assets distributed is recognised as a gain or loss in profit or loss.

d) Financial instrument

(i) Initial recognition and measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of financial instrument

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirely as a single item or derecognised part-by-part of a single item or a group of similar items.

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial assets expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more than compared with the carrying amount of the original liability.

(iii) Subsequent measurement of financial assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories namely (i) financial assets at fair value through profit or loss; and (ii) financial assets at amortised cost.

After initial recognition, the Company measures investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4(d)(vii).

(iv) Subsequent measurement of financial liabilities

After initial recognition, the Company measures all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives instruments that are liabilities and financial guarantee contracts, which are measured at fair value.

(v) Fair value measurement of financial instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(vi) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial assets or liability is derecognised or impaired, and through the amortization process of the instrument.

(vii) Impairment and uncollectibility of financial assets

At the end of each reporting year, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other reorganization; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due year. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the assets if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

e) Related parties

Related parties refer to persons connected to the directors and/or shareholders of the Company, and companies in which the directors and/or shareholders or persons connected to the said directors and/ or shareholders have substantial equity interest.

f) Cash and cash equivalents

Cash comprises cash at bank.

g) Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counterparty (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting year. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation.

For an onerous contract, provision is measured based on the amount by which costs to fulfil the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

h) Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period except for: (i) loans and advances that form part of the net investment in a foreign operation; and (ii) transactions entered into in order to hedge foreign currency risks of net investments in foreign operations.

i) Tax assets and tax liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the equity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that to not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment. However, for deductible temporary differences related to investments in subsidiaries and branches, a deferred tax asset is recognised to the extent, and only to the extent that, it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which an entity in the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, if the owner-entity of the Group does not have a business model to hold the property solely for rental income, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

j) Revenue recognition

The Company measures revenue from a sale of goods or service transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of any trade discounts and volume rebates given to a customer in a sale or service transaction.

Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risk and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that economic benefits associated with the transaction will flow to the Company; and (e) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

k) Fair value measurement

For assets, liabilities and equity instruments whether financial or non-financial items that require fair value measurement disclosure, the Company establishes a fair value measurement hierarchy that gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is estimated using a quoted price in an active market if that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of an active market price, the fair value of an item is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

5. Financial Risk Management Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

a) Liquidity and cash flow risks

The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

b) Foreign currency risk

The Company is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Company manages its exposure to foreign currency risk by monitoring fluctuations in foreign exchange and by timing its payments in foreign currencies accordingly.

c) Credit risk

Credit risk is controlled by monitoring procedures and by internal credit review where credit risk is material.

d) Interest rate risk

The Company's interest rate exposure arises principally from the borrowings. The interest rate risk is managed through the use of fixed and floating rate financial instruments.

Apart from the above, the Company does not face any material financial risks in other areas such as market risk, etc.

6. Critical Judgement and Estimation Uncertainty

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

a) Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

b) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

c) Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

d) Measurement of a provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability- weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price or market price or market price is used as the best estimate. If an obligation is to be settled overtime, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

7. Property, Plant and Equipment

	Leasehold Properties RM	Furniture and Fittings RM	Total RM
<u>**Gross Carrying Amount:**</u>			
At April 1, 2023	4,941,100	54,454	4,995,554
Additions	–	–	–
At March 31, 2024	**4,941,100**	**54,454**	**4,995,554**
<u>**Accumulated Depreciation:**</u>			
At April 1, 2023	1,482,330	54,454	1,536,784
Charge for the year	98,822	–	98,822
At March 31, 2024	**1,581,152**	**54,454**	**1,635,606**
Net Book Value at April 1, 2023	3,458,770	–	3,458,770
Net Book Value at March 31, 2024	**3,359,948**	**–**	**3,359,948**

Strata-titles in respect of the lease properties have yet to be received from the relevant authorities.

8. Trade Receivables

	March 31, 2024 RM	March 31, 2023 RM
Holding Company	**–**	540,000

9. Share Capital

	March 31, 2024		March 31, 2023	
	No. of shares	**RM**	No. of shares	RM
Issued and fully paid ordinary shares:-				
Balance b/f	**300,002**	**300,002**	300,002	300,002
Issued during the year	**–**	**–**	–	–
Balance c/f	**300,002**	**300,002**	300,002	300,002

10. Amount Due To Holding Company

The holding company is Mahindra Holidays & Resorts India Ltd., a company incorporated in India, which holds the entire issued and paid up capital of the Company.

The amount due to holding company, consisting of non-trade balances, is unsecured and bears interest at the rate of 4.6% p.a. (*2023:4.6% p.a.*). The amount due is renewed on expiry and payable if it is not renewed by holding company.

11. Revenue

Revenue represents income from lease rental and rental income receivable.

12. Profit From Operations

The following items have been charged in arriving at profit from operations:-

	March 31, 2024 RM	March 31, 2023 RM
Assessment and quit rent	**3,238**	3,248
Audit fee	**18,000**	18,000
Depreciation of property, plant and equipment	**98,822**	98,822
Directors' fee	**14,000**	14,000

13. Finance Costs

	March 31, 2024 RM	March 31, 2023 RM
Interest expense on loan from holding company	**164,784**	172,500

14. Taxation

	March 31, 2024 RM	March 31, 2023 RM
Current year provision	**96,000**	93,440
Under provision in prior years	**864**	829
	96,864	94,269

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	March 31, 2024 RM	March 31, 2023 RM
Profit for the year before taxation	**297,198**	289,769
Tax at statutory income tax rate of 24%	**71,328**	69,545
Tax effect of expenses that are not deductible for tax purposes	**24,672**	23,895
Under provision in prior years	**864**	829
	96,864	94,269

15. Related Party Transactions

	March 31, 2024 RM	March 31, 2023 RM
Revenue	**(720,000)**	(720,000)
Interest on loan	**164,784**	172,500

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a negotiated basis.

16. Employees

The number of employees of the Company as at 31 March 2024 is Nil (2023 : Nil).

17. Date of Authorisation for Issue of the Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 10 April 2024.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infinity Hospitality Group Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infinity Hospitality Group Company Limited (the Company), which comprise the statement of financial position as at March 31, 2024, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and we have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Mr. Pongteera Chainsakultam)

Certified Public Accountant Registration No. 9387

Cover Biz Company Limited
April 15, 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Currency : Baht

	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**2,004,243.03**	732,205.99
Trade and other receivables	**4**	**1,653,130.20**	5,230,577.65
Short term loans	**11**	**20,050,000.00**	–
Inventory	**5**	**443,946.18**	398,793.74
Other current assets		**52,054.45**	119,765.85
TOTAL CURRENT ASSETS		**24,203,373.86**	6,481,343.23
NON-CURRENT ASSETS			
Property, plant and equipment	**6**	**186,003,051.32**	194,161,348.28
Intangible assets	**7**	**113,245.60**	15.00
Other non-current assets		**12,100.00**	11,000.00
TOTAL NON-CURRENT ASSETS		**186,128,396.92**	194,172,363.28
TOTAL ASSETS		**210,331,770.78**	200,653,706.51

Currency : Baht

	Notes	2024	2023
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Overdraft and Short-term loan from financial institution	**8**	**20,050,000.00**	–
Trade and other payables	**9**	**1,450,164.14**	8,379,150.78
Short-term borrowings	**11**	**174,500,000.00**	174,500,000.00
Other current liabilities	**10**	**488,205.89**	712,145.61
TOTAL CURRENT LIABILITIES		**196,488,370.03**	183,591,296.39
TOTAL LIABILITIES		**196,488,370.03**	183,591,296.39
SHAREHOLDERS' EQUITY			
Authorized share capital			
1,500,000 ordinary shares of Baht 100 each		**150,000,000.00**	150,000,000.00
Issued and paid-up share capital			
1,500,000 ordinary shares of Baht 100 each		**150,000,000.00**	150,000,000.00
Retained earnings (Deficits)		**(136,156,599.25)**	(132,937,589.88)
TOTAL SHAREHOLDERS' EQUITY		**13,843,400.75**	17,062,410.12
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**210,331,770.78**	200,653,706.51

The accompanying notes are an integral part of the financial statements.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Currency : Baht

	Notes	2024	2023
REVENUES			
Revenue from sales or revenue from rendering services		**37,884,549.71**	28,119,465.02
Other income		**231,028.14**	98,056.94
TOTAL REVENUES		**38,115,577.85**	28,217,521.96
EXPENSES			
Cost of rent and services		**19,584,116.05**	14,886,598.80
Selling expenses		**2,303,791.56**	1,883,981.33
Administrative expenses		**13,883,769.77**	11,290,038.08
TOTAL EXPENSES		**35,771,677.38**	28,060,618.21
EARNINGS BEFORE FINANCIAL COST		**2,343,900.47**	156,903.75
Financial costs		**(5,562,909.84)**	(3,792,175.82)
NET PROFIT/ (LOSS)		**(3,219,009.37)**	(3,635,272.07)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

Currency : Baht

	Notes	Issued and paid-up share capital	Retained earnings (Deficits)	Total
Beginning balance as of 31 March 2022		150,000,000.00	(129,302,317.81)	20,697,682.19
Changes in shareholders' equity for the period				
Net profit (loss) for the period		–	(3,635,272.07)	(3,635,272.07)
Ending balance as of 31 March 2023		150,000,000.00	(132,937,589.88)	17,062,410.12
Changes in shareholders' equity for the period				
Net profit (loss) for the period		–	(3,219,009.37)	(3,219,009.37)
Ending balance as of 31 March 2024		**150,000,000.00**	**(136,156,599.25)**	**13,843,400.75**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
AS AT 31 MARCH 2024

1 GENERAL INFORMATION

Company status

Infinity Hospitality Group Company Limited, “The Company”, is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on 6 May 2005, with registration no. 0105548060791

Place of company

20, Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Rd., North Klongtoey, Wattana, Bangkok, Thailand

Business and operation

The objective of the Company are services and rent of hotel, apartment, mansion and condominium.

2 BASIC OF FINANCIAL STATEMENT PREPARATION

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E.2554) under the Accounting Profession Act B.E.2547 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The management of the Company assessed that there is no material effects of this standard for the period in which they are initially applied.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E.2554 dated September 28, 2011, issued under the Accounting Act B.E.2543 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

3.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost being determined on first-in, first-out method. The Company determine to accrue provision for decline in value of inventories on deteriorated or obsolescent inventories.

3.3 Property, plant and equipment

Land are stated at cost, Buiding and Equipment are stated at cost less accumulated depreciation. Depreciation is calculated by a straight-line method over their estimated useful life as follows:

	Useful life	
Land	–	
Years Building	20	Years
Improvement & Decoration	20,5	Years
Furniture Fixture & Equipment	5	Years
General Equipment	5	Years
Computer	3,5	Years

3.4 Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated by reference to their costs on the straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows :

	Year life	
Computer software	3,5	Years

3.5 Employee benefits

Salaries, wages and contributions to the social security fund are recognized as expenses when incurred.

3.6 Provisions and contigent liabilities

The Company recongnized provision in the best estimated amount of expenses which have to be paid on current obligation as at the end of accounting period.

3.7 Revenue and expenses recognition

Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

The company record other revenue and expenses base on accrual basis.

3.8 Income tax expense

The Company record income tax as expenses by calculating on profit and loss of tax regulation basis.

4 TRADE AND OTHER RECEIVABLES

Currency : Baht

Consist of:	**2024**	2023
Accounts Receivables - Trade	**153,066.03**	90,879.71
Allowance for doubtful accounts	**(4,607.96)**	(4,607.96)
Net Account Receivables - Trade	**148,458.07**	86,271.75
Other receivable - employee	**359,690.80**	6,000.00
Allowance for doubtful accounts	**(333,054.80)**	–
Net Other receivable - employee	**26,636.00**	6,000.00
Accrued income - related parties (Note 11)	**552,583.35**	4,290,165.00
Other account receivables - related parties (Note 11)	**593,621.00**	535,101.00
Accrued interest - related parties (Note 11)	**15,229.23**	–
Prepaid expenses	**316,602.55**	313,039.90
Total	**1,653,130.20**	5,230,577.65

5 INVENTORY

Currency : Baht

Consist of:	**2024**	2023
Finished Goods	**443,946.18**	398,793.74
Total	**443,946.18**	398,793.74

6 PROPERTY, PLANT AND EQUIPMENT

Currency : Baht

Consist of:	Land	Building	Improvement & Decoration	Furniture Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost								
As at 31 March 2023	114,770,000.00	108,968,618.24	59,052,376.98	2,863,863.78	2,286,442.34	328,161.31	175,000.00	288,444,462.65
Acquisitions	–	–	–	159,979.86	443,663.39	321,070.09	–	924,713.34
Disposals	–	–	–	–	(70,225.71)	–	–	(70,225.71)
Adjustment/Reclassification	–	–	–	–	–	–	–	–
As at 31 March 2024	**114,770,000.00**	**108,968,618.24**	**59,052,376.98**	**3,023,843.64**	**2,659,880.02**	**649,231.40**	**175,000.00**	**289,298,950.28**
Accumulated depreciation								
As at 31 March 2023	–	82,334,971.54	8,515,432.19	1,080,136.33	1,886,242.05	291,333.26	174,999.00	94,283,114.37
Depreciation for the period	–	5,448,430.81	2,945,584.03	461,630.75	146,619.09	80,163.94	–	9,082,428.62
Depreciation on disposals	–	–	–	–	(69,644.03)	–	–	(69,644.03)
As at March 31, 2023	**–**	**87,783,402.35**	**11,461,016.22**	**1,541,767.08**	**1,963,217.11**	**371,497.20**	**174,999.00**	**103,295,898.96**
Net book value								
As at 31 March 2023	114,770,000.00	26,633,646.70	50,536,944.79	1,783,727.45	400,200.29	36,828.05	1.00	194,161,348.28
As at 31 March 2024	**114,770,000.00**	**21,185,215.89**	**47,591,360.76**	**1,482,076.56**	**696,662.91**	**277,734.20**	**1.00**	**186,003,051.32**

Depreciation for the period	
For the year ended 31 March 2023 (Included in cost and administrative expenses)	8,568,615.85
For the year ended 31 March 2024 (Included in cost and administrative expenses)	**9,082,428.62**

7 INTANGIBLE ASSETS

Currency : Baht

Consist of:	Computer software	Total
Cost		
As at 31 March 2023	797,433.00	797,433.00
Acquisitions	140,000.00	140,000.00
Disposals	–	–
Adjustment/Reclassification	–	–
As at 31 March 2024	**937,433.00**	**937,433.00**
Accumulated amortisation		
As at 31 March 2023	797,418.00	797,418.00
Amortisation for the period	26,769.40	26,769.40
Depreciation on disposals	–	–
Adjustment/Reclassification	–	–
As at 31 March 2024	**824,187.40**	**824,187.40**
Net book value		
As at 31 March 2023	15.00	15.00
As at 31 March 2024	**113,245.60**	**113,245.60**
Amortisation for the period		
For the year ended 31 March 2023 (Included in administrative expenses)		–
For the year ended 31 March 2024 (Included in administrative expenses)		26,769.40

8 OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

As of March 31, 2024 the Company has short-term loans from three domestic financial institutions. in the form of bank overdraft in the amount of baht 20.5 million. The interest is paid at the rate specified in the contract on interest rate of MOR (6.75%).

9 TRADE AND OTHER PAYABLES

Currency : Baht

Consist of:	2024	2023
Trade payables	**703,910.44**	601,071.89
Accrued interest expneses - related party (Note 11)	**–**	4,862,324.60
Accrued interest expneses - Other (Note 8)	**14,790.98**	–
Accrued expenses - related party (Note 11)	**–**	2,106,028.00
Accrued expenses	**731,462.72**	809,726.29
Total	**1,450,164.14**	8,379,150.78

10 OTHER CURRENT LIABILITIES

Currency : Baht

Consist of:	2024	2023
Unrealised output tax	**46,054.24**	286,611.75
Withholding tax payable	**32,674.11**	24,606.54
Withholding tax payable-PND.54	**283,562.40**	–
A/P TAX REVENUE DEPARTMENT-PP.36	**5,739.17**	4,084.27
Social security tax payable	**56,690.00**	58,232.00
Revenue Department payable	**63,485.97**	69,611.05
Retention of construction	**–**	269,000.00
Total	**488,205.89**	712,145.61

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2024

11 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder
MH Boutique Hospitality Limited	Thailand	51% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rent and services	Contractually agreed rate
Corporate guarantee charged	Contractually agreed rate
Loan interest	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Currency : Baht

	2024	2023
Income		
Mahindra Holidays & Resorts India Limited (Included VAT 7%)	**18,403,218.90**	16,260,750.00
MH Boutique Hospitality Limited-Interest	**15,229.23**	–
Expenses		
Mahindra Holidays & Resorts India Limited	**5,548,118.86**	3,485,184.91
Receivable		
Mahindra Holidays & Resorts India Limited	**552,583.35**	4,290,165.00
MH Boutique Hospitality Limited	**15,229.23**	–
Reimbursement of expense raised		
MH Boutique Hospitality Limited	**593,621.00**	535,101.00

Currency : Baht

	2024	2023
Short term loans		
MH Boutique Hospitality Limited-Loan	**20,500,000.00**	–
Interest rate	**6.95%**	
Payable		
Mahindra Holidays & Resorts India Limited	–	6,968,352.60
Short-term borrowings		
Mahindra Holidays & Resorts India Limited	**174,500,000.00**	174,500,000.00
Interest rate	**2.05%, 3.25%**	2.05%

12 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on 15th april 2024.

Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MH Boutique Hospitality Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MH Boutique Hospitality Limited (the Company), which comprise the statement of financial position as at March 31, 2024, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and we have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Mr. Pongteera Chainsakultam)
Certified Public Accountant Registration No. 9387

Cover Biz Company Limited

April 15, 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Currency : Baht

	Notes	2024	2023
CURRENT ASSETS			
Cash and cash equivalents		**20,113,759.04**	63,554.43
TOTAL CURRENT ASSETS		**20,113,759.04**	63,554.43
NON-CURRENT ASSETS			
Investment in subsidiaries	*4*	**38,000,000.00**	38,000,000.00
TOTAL NON-CURRENT ASSETS		**38,000,000.00**	38,000,000.00
TOTAL ASSETS		**58,113,759.04**	38,063,554.43
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payable	*5*	**20,669,253.36**	19,660,832.00
Short-term loan	*6*	**48,050,000.00**	28,000,000.00
TOTAL CURRENT LIABILITIES		**68,719,253.36**	47,660,832.00
TOTAL LIABILITIES		**68,719,253.36**	47,660,832.00
SHAREHOLDERS' EQUITY			
Authorized share capital			
51,000 preference shares of Baht 100 each		**5,100,000.00**	5,100,000.00
49,000 ordinary shares of Baht 100 each		**4,900,000.00**	4,900,000.00
Issued and paid-up share capital			
51,000 preference shares of Baht 100 each		**5,100,000.00**	5,100,000.00
49,000 ordinary shares of Baht 100 each		**4,900,000.00**	4,900,000.00
Retained earnings (Deficits)		**(20,605,494.32)**	(19,597,277.57)
TOTAL SHAREHOLDERS' EQUITY		**(10,605,494.32)**	(9,597,277.57)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**58,113,759.04**	38,063,554.43

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF INCOME FOR THE YEAR ENDED 31 MARCH 2024

Currency : Baht

	Notes	**2024**	2023
REVENUES			
Other income		**307.69**	107.25
TOTAL REVENUES		**307.69**	107.25
EXPENSES			
Administrative expenses		**58,623.21**	58,521.08
TOTAL EXPENSES		**58,623.21**	58,521.08
EARNINGS BEFORE FINANCIAL COST		**(58,315.52)**	(58,413.83)
Financial costs		**949,901.23**	952,000.00
NET PROFIT/ (LOSS)		**(1,008,216.75)**	(1,010,413.83)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

Currency : Baht

	Issued and paid-up share capital		Retained earnings (Deficits)	Total
	Preference	Ordinary		
Beginning balance as of 31 March 2022	5,100,000.00	4,900,000.00	(18,586,863.74)	(8,586,863.74)
Changes in shareholders' equity for the year				
Net profit (loss) for the year	–	–	(1,010,413.83)	(1,010,413.83)
Ending balance as of 31 March 2023	5,100,000.00	4,900,000.00	(19,597,277.57)	(9,597,277.57)
Changes in shareholders' equity for the year				
Net profit (loss) for the year	–	–	(1,008,216.75)	(1,008,216.75)
Ending balance as of 31 March 2024	**5,100,000.00**	**4,900,000.00**	**(20,605,494.32)**	**(10,605,494.32)**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2024

1 GENERAL INFORMATION

Company status

MH Boutique Hospitality Limited, "The Company", is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on 10 October 2012 with registration no. 0105555151500

Place of company

33/118-119 23th Floor Wall street Tower, Surawongse, Suriyawongse, Bangrak, Bangkok

Business and operation

The objective of the Company is to become a partner with limited liability in a partnership or a shareholder in a private limited company and a public limited company.

2 BASIC OF FINANCIAL STATEMENT PREPARATION

The company financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E.2554) under the Accounting Profession Act B.E.2547 which is effective on the financial statements for fiscal year beginning on or after 1 January 2011.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E.2554 dated 28 September 2011, issued under the Accounting Act B.E.2543 which is effective on the financial statements for fiscal year beginning on or after 1 January 2011.

The company financial statements have been prepared under the historical cost convention, except those explain in accounting policies.

3 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

3.2 Investment

Investments in subsidiary, associated and other companies are stated at cost. An allowance for impairment loss will be made when the net realisable value of the investment is lower than its cost.

3.3 Revenue and expenses recognition

The company record other revenue and expenses base on accrual basis.

4 INVESTMENT IN SUBSIDIARIES

On November 5, 2012, the Company invested in 51% of Infinity Hospitality Company Limited as a subsidiary company, which had authorised capital of Baht 150 million divided into 1,500,000 ordinary shares at a par value of Baht 100.

Details of the Company's subsidiaries, as at 31 March 2024 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)
Investment in subsidiaries			
Infinity Hospitality Group Company Limited	Hotel	Thailand	51

5 TRADE AND OTHER PAYABLES

Consist of:

Currency : Baht

	2024	2023
Accrued interest expenses - Related parties (Note 6)	**17,046,843.34**	16,237,142.80
Accrued interest expenses for withholding tax	**3,005,579.02**	2,865,378.20
Accrued expenses	**23,210.00**	23,210.00
Other payable - Related parties (Note 6)	**593,621.00**	535,101.00
Total	**20,669,253.36**	19,660,832.00

6 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest charged	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Currency : Baht

	2024	2023
Expenses		
Mahindra Holidays & Resorts India Limited	**934,672.00**	952,000.00
Infinity Hospitality Group Company Limited	**15,229.23**	–
Payable		
Mahindra Holidays & Resorts India Limited	**17,031,614.11**	16,237,142.80
Infinity Hospitality Group Company Limited	**15,229.23**	–
Reimbursement of expense paid		
Infinity Hospitality Group Company Limited	**593,621.00**	535,101.00
Loan from related parties		
Mahindra Holidays & Resorts India Limited	**28,000,000.00**	28,000,000.00
Interest rate	**3.25%, 3.40%**	3.40%
Infinity Hospitality Group Company Limited	**20,050,000.00**	–
Interest rate	**6.95%**	–

7 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on April 15, 2024

Director

INDEPENDENT AUDITORS' REPORT
To the members of MHR Holdings (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MHR Holdings (Mauritius) Ltd, the "Company", which comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements on pages 9 to 37 give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the financial statements which indicates that the Company had accumulated losses of EUR 9,878,582 including a loss of EUR 1,899,879 for the year ended 31 March 2024. As stated in Note 19, these conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The shareholder has undertaken to provide financial support to ensure continuation of the Company's operations. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of the Directors sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Boards and as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 24 APR 2024

Ebene 72201, Republic of Mauritius

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	Notes	2024	2023
		EUR	EUR
ASSETS			
Non-current			
Investments in subsidiary	9	23,182,500	23,182,500
Loans	11	4,200,664	6,061,867
Non-current assets		27,383,164	29,244,367
Current			
Loans	11	66,117,141	56,216,394
Prepayments		2,382	2,400
Cash and cash equivalents		59,665	382,177
Current assets		66,179,188	56,600,971
Total assets		93,562,352	85,845,338
EQUITY AND LIABILITIES			
Equity			
Stated capital	15	25,395,000	145,000
Accumulated losses		(9,878,582)	(7,978,703)
Total equity		15,516,418	(7,833,703)
Liabilities			
Non-current liabilities			
Borrowings	12	–	67,638,877
Current			
Borrowings	12	78,021,004	25,788,390
Other payables and accruals	14	24,930	251,774
Current liabilities		78,045,934	26,040,164
Total liabilities		78,045,934	93,679,041
Total equity and liabilities		93,562,352	85,845,338

Approved by the Board of Directors on 24 April 2024 and signed on its behalf by:

DIRECTOR **DIRECTOR**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2024

	Notes	2024	2023
		EUR	EUR
EXPENDITURE			
Professional fees	13	32,533	40,348
Audit fees		7,541	8,000
License fees		1,950	2,357
Bank charges		1,144	2,313
		43,168	53,018
OPERATING LOSS		(43,168)	(53,018)
Finance income	10.1	2,562,339	1,472,030
Finance costs	10.2	(4,419,050)	(2,575,018)
LOSS BEFORE TAX		(1,899,879)	(1,156,006)
Tax expense	8	–	–
LOSS FOR THE YEAR		(1,899,879)	(1,156,006)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,899,879)	(1,156,006)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

	Stated capital	Accumulated losses	Total
	EUR	EUR	EUR
At April 01, 2022	145,000	(6,822,697)	(6,677,697)
Loss for the year	–	(1,156,006)	(1,156,006)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(1,156,006)	(1,156,006)
At March 31, 2023	145,000	(7,978,703)	(7,833,703)
At April 01, 2023	**145,000**	**(7,978,703)**	**(7,833,703)**
Issue of shares	**25,250,000**	**–**	**25,250,000**
Transactions with the shareholder	**25,250,000**	**–**	**–**
Loss for the year	**–**	**(1,899,879)**	**(1,899,879)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**(1,899,879)**	**(1,899,879)**
At March 31, 2024	**25,395,000**	**(9,878,582)**	**15,516,418**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
	EUR	EUR
Operating activities		
Loss before tax	(1,899,879)	(1,156,006)
Adjustments for:		
Interest income	(2,509,544)	(1,422,002)
Interest expense (Note 16)	3,684,039	1,799,871
Amortisation of transaction costs (Note 16)	247,274	284,478
	(478,110)	(493,659)
Changes in working capital:		
Change in prepayments	18	4,656
Change in other payables and accruals	(226,844)	(2,157,627)
Net cash used in operations	(704,935)	(2,646,630)
Interest received	470,000	-
Interest paid (Note 16)	(3,857,576)	(1,487,532)
Net cash used in operating activities	(4,092,512)	(4,134,162)
Investing activities		
Loans to subsidiary	(6,000,000)	(7,000,000)
Net cash used in investing activities	(6,000,000)	(7,000,000)
Financing activities		
Loans received (Note 16)	9,770,000	34,000,000
Repayment of loans (Note 16)	–	(24,850,000)
Net cash from financing activities	9,770,000	9,150,000
Net change in cash and cash equivalents	(322,512)	(1,984,162)
Cash and cash equivalents at beginning of the year	382,177	2,366,339
Cash and cash equivalents at end of the year	59,665	382,177
Cash and cash equivalents made up of:		
Cash at bank	59,665	382,177

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS

MHR Holdings (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 26 June 2014 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence.

2. ADOPTION OF NEW AND AMENDED STANDARDS

2.1 New and amended Standards that are effective for the current year

The following new and amended Standards and Interpretations are mandatory for the first time for the financial year commencing on 01 April 2023.

IFRS 17	Amendments to IFRS 17 Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial Application of IFRS 17 and IFRS 9- Comparative Information (Amendments to IFRS 17)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments IAS 12)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 12	International Reform Tax – Pillar Two Model Rules (Amendments to IAS 12)
IFRS for SMEs	International Tax Reform – Pillar Two Model Rules (Amendments to the IFRS for SMEs Standard)

Management has assessed the impact of these revised amendments and concluded that only IAS 1: Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2) has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided as follows:

IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
IAS 21	Lack of Exchangeability (Amendments to IAS 21)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarised below.

3.2 Revenue

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: *Revenue from contacts with customers,* all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loans and other receivable fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. For the Company, instruments within the scope of the new requirements include its loans and other receivable.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of borrowings, other payables and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Consolidated financial statements

The financial statements are separate financial statements which contain information about MHR Holdings (Mauritius) Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra Holidays and Resorts India Limited.

3.7 Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Equity

Stated capital represents the value of shares that have been issued.

Share premium includes any premiums received on issue of shares. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Accumulated losses include current and prior years' results as disclosed in the statement of comprehensive income.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting Company; has significant influence over the reporting Company; or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

3.12 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and are deducted from borrowings and amortised over the period of the facility to which it relates.

3.14 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount

3.15 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amount has not suffered any impairment in value at the reporting date.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

5. FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2024	2023
	EUR	EUR
Financial assets at amortised cost		
Non-current		
Loans	**4,200,664**	6,061,867
Current		
Loans	**66,117,141**	56,216,394
Cash and cash equivalents	**59,665**	382,177
	66,176,806	56,598,571
Total financial assets	**70,377,470**	62,660,438

	2024	2023
	EUR	EUR
Financial liabilities measured at amortised cost		
Non-current		
Borrowings	**–**	67,638,877
Current		
Borrowings	**78,021,004**	25,788,390
Other payables and accruals	**24,930**	251,774
	78,045,934	26,040,164
Total financial liabilities	**78,045,934**	93,679,041

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: *Financial Instruments: Disclosures,* arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company is not exposed to any currency risk as most of its financial assets and financial liabilities are denominated in the Euro, which is the functional currency of the Company.

The currency profile of its financial assets and liabilities is as follows:

	Financial assets 2024	**Financial liabilities 2024**
	EUR	**EUR**
Long term exposure		
Euro (EUR)	**4,200,664**	**–**
Short term exposure		
Euro (EUR)	**66,176,806**	**78,021,004**
United States Dollar (USD)	**–**	**24,930**
	70,377,470	**78,045,934**

	Financial assets 2023	Financial liabilities 2023
	EUR	EUR
Long term exposure		
Euro (EUR)	6,061,867	67,638,877
Short term exposure		
Euro (EUR)	56,598,571	26,000,562
United States Dollar (USD)	–	39,602
	62,660,438	93,679,041

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company's interest-bearing financial assets are in the form of loans to the subsidiary at a fixed rate of interest and therefore are not subject to market fluctuations.

As 31 March 2024, the Company has interest bearing financial liabilities in the form of bank loans from HSBC Bank (Mauritius) Limited and AXIS Bank Limited.

The Company has taken the following loans from HSBC Bank (Mauritius) Limited and AXIS Bank Limited:

Loans from HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000

The bank loan of EUR 6,850,000 from HSBC Bank (Mauritius) Limited carried interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest was initially fixed at 3.45% and interest was payable at the end of every 6 months. Pursuant to board minutes dated 02 August 2019, the loan extension period was revised to 04 August 2022 and the margin rate modified to 1.10% per annum. During the year ended 31 March 2023, the loan was repaid.

Loan of EUR 5,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on 28 September 2018 whereby the loan was repayable within 1 year from the date of each drawdown + rollover basis for 1 year tenure. The loan bore interest at EURIBOR 3 months plus a margin of 1.35% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at 31 March 2022, the loan sanction amount of EUR 5,000,000 was fully utilised by the Company. During the year ended 31 March 2023, the loan was repaid.

Loan of EUR 10,000,000

As at 31 March 2021, the Company was sanctioned a bank loan of EUR 10,000,000 bearing interest at EUR Interest Rate EURIBOR 6 months plus a margin of 1.10% per annum on fixed basis (Note 12 (ii)). It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. The tenure of the loan is 2.99 years from each drawdown. During the year ended 31 March 2023, the loan was repaid.

Loan of EUR 2,500,000

During the year ended 31 March 2022, the Company received an additional bank loan of EUR 2,500,000 from HSBC Bank (Mauritius) Limited bearing interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months and has a maturity date of 24 February 2025. During the year ended 31 March 2024, interest expense amounted to EUR 121,641 and interest accrued EUR 3,903.

Loan of EUR 40,000,000

Pursuant to agreement dated 08 February 2022, HSBC Bank (Mauritius) Limited sanctioned a loan of EUR 40,000,000 to the Company. The loan has a tenure period of 2.99 years from date of first disbursement and can be rolled over for another 0.99 year. The loan bears interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months. As at 31 March 2024, an amount of EUR 36,547,503 has been disbursed. During the year ended 31 March 2024, interest expense amounted to EUR 1,800,105 and interest accrued EUR 170,893.

Loan of EUR 15,000,000

During the year ended 31 March 2024, pursuant to the credit facility loan of EUR 15,000,000 and Credit Facility Agreement dated 19 January 2024, HSBC Bank (Mauritius) Limited had disbursed an amount of EUR 8,770,000 with interest period to coincide with the interest payment of our existing loan of EUR 36,547,505 and repayment at 0.99 year with an option of roll over. During the year ended 31 March 2024, interest expense amounted to EUR 191,790 and interest accrued EUR 43,982.

Loans from AXIS Bank Limited

Loan of EUR 30,000,000

Pursuant to facility agreement dated 17 February 2022, AXIS Bank Limited granted a total commitment of EUR 30,000,000 to the Company. The total commitment comprises of a Term Loan Facility of EUR 15,000,000, a Revolving Credit Facility 1 amounting to EUR 7,000,000 and a Revolving Credit Facility 2 amounting to EUR 8,000,000. The Term Loan Facility and Revolving Credit Facility 1 bear interest rate of 6 months EURIBOR, floored to zero if EURIBOR is negative, plus 104 basis point per annum. As per the facility agreement, Revolving Credit Facility 2 interest rate will be decided at time of disbursement. The Company repaid an amount of EUR 2,000,000 on 21 July 2022 and during the year ended 31 March 2023, an amount of EUR 1,000,000 was disbursed. During the year ended 31 March 2024, an additional amount of EUR 1,000,000 was disbursed, interest expense amounted to EUR 1,425,537 and interest accrued of EUR 146,077.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of loss and shareholder's deficit to reasonably possible changes in interest rates of +/- 1% for the year ended 31 March 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

A 1% increase in interest rate will have the following impact:

	Loss for the year	**Shareholder's deficit**
	EUR	**EUR**
At March 31, 2024	**780,210**	**780,210**

A 1% decrease in interest rate would have the reversed impact.

5.2 Credit risk analysis

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised as follows:

	2024	2023
	EUR	EUR
ASSETS		
Non-current		
Loans	**4,200,664**	6,061,867

	2024	2023
	EUR	EUR
Current assets		
Loans	**66,117,141**	56,216,394
Cash and cash equivalents	**59,665**	382,177
	66,176,806	56,598,571
	70,377,470	62,660,438

The Company has sanctioned several loans to its Subsidiary. The terms and conditions of the loans are detailed in Note 11 of these financial statements.

The Company measures credit risk and ECL using probability of default, exposure at default and loss given default of the loans to subsidiary. The directors consider both historical analysis and forward-looking information in determining any ECL. The directors consider the probability of default to be close to zero as the Subsidiary has strong capacity to meet their contractual obligations and have not defaulted in the past. As a result, no loss allowance has been recognised based on 12-month ECL under Stage 1 of the ECL model.

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

None of the Company's financial assets are secured by collateral or other credit enhancements. The borrowings taken are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited, the parent company.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at 31 March 2024. The Company has contractual maturities which are summarised below:

	2024		2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
	EUR	EUR	EUR	EUR
Borrowings	**78,021,004**	**–**	25,788,390	67,638,877
Other payables and accruals	**24,930**	**–**	251,774	–
Total	**78,045,934**	**–**	26,040,164	67,638,877

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

The Company has financial assets and financial liabilities, and they are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investments in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

The details of the gearing ratio are disclosed as follows:

	2024	2023
	EUR	EUR
Borrowings	**78,021,004**	93,427,267
Less: cash and cash equivalents	**(59,665)**	(382,177)
Net debt	**77,961,339**	93,045,090
Total equity	**15,516,418**	(7,833,703)
Total capital	**93,477,757**	85,211,387
Gearing ratio (%)	**83%**	100%

The directors consider that this level of gearing is necessary taking into account the Company's business activities.

8. TAXATION

(i) Income tax

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholder or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

At 31 March 2024, the Company has accumulated tax losses of **EUR 2,958,740** (2023: EUR 1,660,698) which will be carried forward and available for set off against future taxable profit as follows:

	EUR
Up to the year ending March 31, 2025	**165,327**
Up to the year ending March 31, 2026	**370,672**
Up to the year ending March 31, 2027	**342,363**
Up to the year ending March 31, 2028	**668,235**
Up to the year ending March 31, 2029	**1,412,143**
	2,958,740

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 15%. At 31 March 2024, no deferred tax has been recognised in respect of the tax losses carried forward as it is not probable that taxable profits will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2024	2023
	EUR	EUR
Loss for the year	**(1,899,879)**	(1,156,006)
Tax expense	**–**	–

9. INVESTMENTS IN SUBSIDIARY

	2024	2023
	EUR	EUR
(i) Unquoted investments at cost:		
At April 1 and March 31,	**23,182,500**	23,182,500

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	**Country of incorporation**	**Type of investments**	**Number of shares**	**Cost 2024**	Cost 2023
				EUR	EUR
Covington S.à.r.l	Luxembourg	Equity	**12,500**	**17,500**	17,500
Covington S.à.r.l	Luxembourg	Non-equity	**–**	**23,165,000**	23,165,000
			12,500	**23,182,500**	23,182,500

(iii) Pursuant to a Share Sale and Purchase Agreement dated 17 July 2014 between the Company (the "Purchaser") and D.LAW (the "Seller"), the Company purchased 12,500 shares without nominal value corresponding to 100% of the share capital of Covington S.à.r.l, a private limited company incorporated in Luxembourg, for a total consideration of EUR 17,500.

In addition, pursuant to Contribution Agreements dated 31 July 2014, 10 November 2014 and 18 August 2015 between the Company and Covington S.à.r.l (the "Receiver"), the Company contributed EUR 3,165,000, EUR 4,000,000, and EUR 16,000,000 respectively to the Receiver.

(iv) The directors have assessed the recoverable amount of the investments (equity and non-equity) and confirmed that the carrying amount of these investments have not suffered any impairment in value at the reporting date.

(v) The Company has 100% shareholding in Covington S.à.r.l and is therefore considered as the Company's subsidiary since it has control over the subsidiary through its 100% voting rights. The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly owned subsidiary of a company incorporated in the Republic of India.

(vi) The non-equity investment in Covington S.à.r.l represents funds invested as "capital contribution" and settlement is not likely within one year. Repayment would be agreed between the Company and its investee company.

10. FINANCE INCOME AND FINANCE COSTS

	2024	2023
	EUR	EUR
10.1 Finance income		
Corporate Guarantee Commission income	**52,795**	50,028
Interest on loans	**2,509,544**	1,422,002
	2,562,339	1,472,030
10.2 Finance costs		
Interest on borrowings	**3,684,039**	1,799,871
Commissions on Corporate Guarantee	**449,182**	454,525
Amortisation of transaction costs	**247,274**	284,478
Annual charges	**38,555**	36,144
	4,419,050	2,575,018

11 LOANS

	2024	2023
	EUR	EUR
Loans to subsidiary:		
Non-current		
Principal amounts	**4,000,000**	6,000,000
Interest receivable	**200,664**	61,867
	4,200,664	6,061,867
Current		
Principal amounts	**60,120,000**	52,120,000
Interest receivable	**5,997,141**	4,096,394
	66,117,141	56,216,394
Total	**70,317,805**	62,278,261

(i) The movements during the year on the loans as follows:

	2024	2023
	EUR	EUR
Opening balance	**62,278,261**	53,856,259
Loans given during the year (Note 11 (ii))	**6,000,000**	7,000,000
Interest income for the year	**2,509,544**	1,422,002
Interest received during the year	**(470,000)**	–
Closing balance	**70,317,805**	62,278,261

(ii) Pursuant to Loan Agreement dated 21 September 2023, the Company has disbursed loans of EUR 2,000,000 and EUR 4,000,000 to its subsidiary, Covington S.à.r.l, a private limited company incorporated in Luxembourg, to be used in the ordinary course of business during the year ended 31 March 2024 at interest rates of 5.86% and 5.68% per annum respectively. The loan is unsecured and is repayable after 1 year from the date of the first drawdown and extendable at the consent of the Company.

(iii) During the year ended 31 March 2024, the Company renewed and extended the loans to Covington S.à.r.l for 1 year and revised interest rates to 5.11% per annum for all loans.

(iv) The directors have taken into consideration both historical analysis and forward-looking information in determining any ECL. Consequently, the directors consider the probability of default to be close to zero as the subsidiary has a strong capacity to meet the contractual obligations in the near term and have not defaulted in the past. As a result, no loss allowance has been recognised based on 12-month ECL under Stage 1 of the ECL model.

12 BORROWINGS

	2024	2023
	EUR	EUR
Non-current		
Bank loans (Note 12 (ii))	**–**	67,638,877
Current		
Bank loans (Note 12(ii))	**78,021,004**	261,400
Loan from holding company (Note 12 (iii))	**–**	25,526,990
	78,021,004	25,788,390
Total	**78,021,004**	93,427,267

	2024	2023
	EUR	EUR
Non-current		
Bank loans (Note 12 (ii))	**–**	67,638,877
Current		
Bank loans (Note 12(ii))	**78,021,004**	261,400
Loan from holding company (Note 12 (iii))	**–**	25,526,990
	78,021,004	25,788,390
Total	**78,021,004**	93,427,267

(i) The movement during the year on the borrowings is as follows:

	2024	2023
	EUR	EUR
At April 01	**93,427,267**	83,680,450
Loans taken during the year:		
Mahindra Holidays & Resorts India Limited (“MHRIL”)	**–**	25,000,000
AXIS Bank Limited	**1,000,000**	9,000,000
HSBC Bank (Mauritius) Limited	**8,770,000**	–
Loan repaid during the year:		
AXIS BANK LIMITED	**–**	(2,000,000)
HSBC Bank (Mauritius) Limited	**–**	(22,850,000)
Conversion of loan from MHRIL	**(25,250,000)**	–
Interest element for the year:		
Interest expense	**3,684,039**	1,799,871
Interest payment	**(3,857,576)**	(1,487,532)
Transaction costs incurred for the year:		
Amortisation of transaction costs	**247,274**	284,478
At March 31	**78,021,004**	93,427,267

(ii) Summary of bank borrowings arrangements are as follows:

HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000

The Company (the “Borrower”) entered into a Facility Agreement with HSBC Bank (Mauritius) Limited (“the Lender”) on 31 July 2014 whereby the loan was repayable on 04 August 2019. The loan had interest rate at Fixed EUR Interest Rate Swap (“IRS”) 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest was initially fixed at 3.45%. Pursuant to board minutes dated 02 August 2019, the loan extension period was revised to 04 August 2022 and the margin rate was modified to 1.10% per annum. During the year ended 31 March 2023, the loan was fully repaid.

Loan of EUR 5,000,000

The Company (the “Borrower”) entered into a Facility Agreement with HSBC Bank (Mauritius) Limited (“the Lender”) on 28 September 2018 whereby the loan was repayable within 1 year from the date of each drawdown + rollover basis for 1 year tenure. The loan bore interest at EURIBOR 3 months plus a margin of 1.35% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at 31 March 2022, the loan sanctioned amount of EUR 5,000,000 was fully disbursed. During the year ended 31 March 2023, the loan was fully repaid.

Loan of EUR 10,000,000

The Company (the “Borrower”) entered into a Term Loan Credit Facility Agreement with HSBC Bank (Mauritius) Limited (“the Lender”) on 29 October 2019 for a loan of EUR 10,000,000 and repayable in 2.99 years. As at 31 March 2020, an amount of EUR 6,500,000 was disbursed. The loan bore interest at EURIBOR plus a margin of 1.10% per annum. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months.

During the year ended 31 March 2021, an additional loan of EUR 3,500,000 was disbursed to the Company out of the Term Loan Credit Facility Agreement of EUR 10,000,000. The additional amount was disbursed at the same conditions prevailing for the first tranche. During the year ended 31 March 2023, the loan was fully repaid.

Loan of EUR 1,000,000

The Company (the “Borrower”) entered into a Facility Agreement with HSBC Bank (Mauritius) Limited (“the Lender”) on 16 June 2021 to borrow a loan facility up to EUR 3,000,000 whereby the loan was repayable within 0.99 year from the date of first drawdown with the possibility to roll over for another 0.99 year. The loan bore interest at EURIBOR plus a margin of 2.50% per annum on fixed basis. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. As at 31 March 2022, an amount of EUR 1,000,000 was disbursed. During the year ended 31 March 2023, the loan was fully repaid.

Loan of EUR 40,000,000

Pursuant to agreement dated 08 February 2022, HSBC Bank (Mauritius) Limited sanctioned a loan of EUR 40,000,000 to the Company. The loan has a tenure period of 2.99 years from date of first disbursement and can be rolled over for another 0.99 year. The loan bears interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months. As at 31 March 2024, an amount of EUR 36,547,503 has been disbursed. During the year ended 31 March 2024, interest expense amounted to EUR 1,800,105 and interest accrued EUR 170,893.

Loan of EUR 2,500,000

During the year ended 31 March 2022, the Company received an additional bank loan of EUR 2,500,000 from HSBC Bank (Mauritius) Limited bearing interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months and has a maturity date of 24 February 2025. During the year ended 31 March 2024, interest expense amounted to EUR 121,641 and interest accrued EUR 3,903.

Loan of EUR 15,000,000

During the year ended 31 March 2024, pursuant to the credit facility loan of EUR 15,000,000 and Credit Facility Agreement dated 19 January 2024, HSBC Bank (Mauritius) Limited had disbursed an amount of EUR 8,770,000 with interest period to coincide with the interest payment of our existing loan of EUR 36,547,505 and repayment at 0.99 year with an option of roll over. During the year ended 31 March 2024, interest expense amounted to EUR 191,790 and interest accrued EUR 43,982.

AXIS Bank Limited

Loan of EUR 30,000,000

Pursuant to facility agreement dated 17 February 2022, AXIS Bank Limited granted a total commitment of EUR 30,000,000 to the Company. The total commitment comprises of a Term Loan Facility of EUR 15,000,000, a Revolving Credit Facility 1 amounting to EUR 7,000,000 and a Revolving Credit Facility 2 amounting to EUR 8,000,000. The Term Loan Facility and Revolving Credit Facility 1 bear interest rate of 6 months EURIBOR, floored to zero if EURIBOR is negative, plus 104 basis point per annum. As per the facility agreement, Revolving Credit Facility 2 interest rate will be decided at time of disbursement. The Company repaid an amount of EUR 2,000,000 on 21 July 2022 and during the year ended 31 March 2023, an amount of EUR 1,000,000 was disbursed. During the year ended 31 March 2024, an additional amount of EUR 1,000,000 was disbursed, interest expense amounted to EUR 1,425,537 and interest accrued of EUR 146,077.

The above loans are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays & Resorts India Limited (the "Guarantor"). In that respect, an annual commission of 0.53% on the Corporate Guarantee should be paid to the Guarantor until the loans are fully repaid. During the year ended 31 March 2024, an amount of EUR 449,182 (2023: EUR 454,525) was charged as commission and the whole amount has been repaid during the year under review (2023: EUR 212,171).

Since Holiday Club Resorts Oy ("HCR"), the indirect subsidiary incorporated in the Republic of Finland, is also benefiting from the loans borrowed by the Company in terms of the pledge provided, HCR therefore pays a commission to the Company which is then partly remitted to the Guarantor. During the year under review, an amount of EUR 52,795 (2023: EUR 50,028) was charged as commission.

(iii) In 2022, the Company borrowed a loan amounting to EUR 250,000 from MHRIL, the immediate holding company, bearing interest of 2.2% per annum and repayable on demand. During the year ended 31 March 2023, an additional amount of EUR 25,000,000 was disbursed to the Company with the same terms and conditions. During the year ended 31 March 2024, the borrowing was converted into stated capital. (Note 15)

13. PROFESSIONAL FEES

	2024	2023
	EUR	EUR
Administration fees and disbursements	**19,018**	32,627
Directors' fees	**3,653**	4,022
Fees for tax filings	**1,232**	2,014
Secretarial fees	**1,849**	1,685
Professional fees	**6,781**	–
	32,533	40,348

14. OTHER PAYABLES AND ACCRUALS

	2024	2023
	EUR	EUR
Commission on Corporate Guarantee (Note 12 (ii))	**–**	212,171
Audit fees	**8,000**	8,000
Administration fees	**16,930**	31,603
	24,930	251,774

15. STATED CAPITAL

	2024	2023
	EUR	EUR
Issued and paid:		
145,000 Ordinary shares of EUR 1 each	**145,000**	145,000
531,355 Class B Ordinary shares of EUR1 each (Note 15 (i))	**531,355**	–
Share premium (Note 15 (i))	**24,718,645**	–
	25,395,000	145,000

(i) During the year ended 31 March 2024, the loan payable amounting to EUR 25,250,000 to Mahindra Holidays and Resorts India Limited, the sole shareholder, was converted into 531,355 equity shares of EUR 1 and at a premium of EUR 46.52 per share, aggregating to EUR 24,718,645.

(ii) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

16. CASH FLOW INFORMATION

Net debt reconciliation

	2024	2023
	EUR	EUR
Net debt		
Borrowings:		
- Repayable within one year	**78,021,004**	25,788,390
- Repayable after one year	**–**	67,638,877
	78,021,004	93,427,267

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	EUR	EUR
Net debt as at April 1, 2023	**25,788,390**	**67,638,877**	**93,427,267**
Cash flows:			
- Additional loan from Axis Bank Limited	**1,000,000**	**–**	**1,000,000**
- Repayment of loan from HSBC Bank (Mauritius) Limited	**8,770,000**	**–**	**8,770,000**
- Interest paid	**(3,857,576)**	**–**	**(3,857,576)**

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	**EUR**	**EUR**
- Conversion of loan from Mahindra Holidays and Resorts India Limited ("MHRIL")	**(25,250,000)**		**(25,250,000)**
Non-cash movement:			
- Amortisation of loan	**–**	**247,274**	**247,274**
- Interest expense	**3,684,039**	**–**	**3,684,039**
- Reclassification of loans	**67,886,151**	**(67,886,151)**	**–**
Net debt as at March 31, 2024	**78,021,004**	**–**	**78,021,004**

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	EUR	EUR
Net debt as at April 1, 2022	19,811,520	63,868,930	83,680,450
Cash flows:			
- Additional loan from MHRIL	25,000,000	–	25,000,000
- Additional loan from Axis Bank Limited	–	9,000,000	9,000,000
- Repayment of loan from HSBC Bank (Mauritius) Limited	(19,350,000)	(3,500,000)	(22,850,000)
- Repayment of loan from Axis Bank Limited	–	(2,000,000)	(2,000,000)
- Interest paid	(1,487,532)	–	(1,487,532)
Non-cash movement:			
- Amortisation of loan	–	284,478	284,478
- Interest expenses	1,799,871	–	1,799,871
- Reclassification of loans	14,531	(14,531)	–
Net debt as at March 31, 2023	25,788,390	67,638,877	93,427,267

17. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2024, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Name of companies	Nature of relationship	Nature of transactions	Volume of transactions	Debit/ (credit) balances at March 31, 2024	Debit/ (credit) balances at March 31, 2023
			EUR	**EUR**	EUR
Covington S.à.r.l. (Note 11)	Subsidiary	Loans and interest receivable	**8,039,544**	**70,317,805**	62,278,261
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Loan and interest payable	**25,526,990**	**–**	(25,526,990)
Mahindra Holidays and Resorts India Limited (Note 12(ii))	Holding company	Commission on Corporate Guarantee	**212,171**	**–**	(212,171)

The terms and conditions of the loans and payable to holding company are as disclosed in notes 11 and 12 to the financial statements.

18. CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2024.

19. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder. At 31 March 2024, the Company had accumulated losses of EUR 9,878,582 (2023: EUR 7,978,703) including a loss of EUR 1,899,879 (2023: EUR 1,156,006). The financial statements have been prepared on a going concern basis, the validity of which depends upon continued financial support made available by the holding company The directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

20. HOLDING COMPANIES

The directors consider Mahindra Holidays and Resorts India Limited, a quoted company incorporated in the Republic of India, as the Company's immediate holding company and Mahindra and Mahindra Limited, a quoted company incorporated in the Republic of India, as the Company's ultimate holding company.

21. EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting date which require disclosures or amendments to the financial statements.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 24 APR 2024

Ebene 72201, Republic of Mauritius

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Board of Managers of Covington S.à.r.l.

Opinion

We have audited the annual accounts of Covington S.à r.l. (the "Company"), which comprise the balance sheet as at 31 March 2024, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 March 2024 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, April 25, 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé
S. Yeo
Partner

BALANCE SHEET AS AT MARCH 31, 2024
(expressed in EUR)

ASSETS	Notes	As at March 31, 2024 EUR	As at March 31, 2023 EUR
FIXED ASSETS			
Financial fixed assets	3		
Shares in affiliated undertakings		**67,884,594.23**	67,884,594.23
		67,884,594.23	67,884,594.23
CURRENT ASSETS			
Debtors	4		
Amounts owed by affiliated undertakings			
becoming due and payable within one year		**16,006,853.23**	9,545,562.72
becoming due and payable after more than one year		**4,213,102.47**	4,038,702.47
Other debtors			
becoming due and payable within one year		**4,815.00**	2,407.15
		20,224,770.70	13,586,672.34
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		**227,581.03**	829,863.55
Prepayments		**1,462.50**	966.66
TOTAL ASSETS		**88,338,408.46**	82,302,096.78
LIABILITIES			
CAPITAL AND RESERVES	5		
Subscribed capital		**12,500.00**	12,500.00
Share premium and similar premiums		**23,165,000.00**	23,165,000.00
Reserves			
Legal reserve		**1,250.00**	1,250.00
Profit or loss brought forward		**(3,211,706.95)**	(1,917,940.96)
Profit or loss for the financial year		**(1,998,443.60)**	(1,293,765.99)
		17,968,599.45	19,967,043.05
CREDITORS	6		
Trade Creditors			
becoming due and payable within one year		**47,434.59**	51,976.93
Amounts owed to affiliated undertakings			
becoming due and payable within one year		**66,116,895.31**	56,216,394.93
becoming due and payable after more than one year		**4,200,664.11**	6,061,866.87
Tax and social security debts			
Tax debts		**4,815.00**	4,815.00
		70,369,809.01	62,335,053.73
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		**88,338,408.46**	82,302,096.78

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2023 TO MARCH 31, 2024

(expressed in EUR)

	Notes	**Period ended March 31, 2024 EUR**	Period ended March 31, 2023 EUR
Raw materials and consumables and other external expenses		**(108,814.38)**	(93,928.92)
Other external expenses	**7**	**(108,814.38)**	(93,928.92)
Other operating expenses		**(11,207.11)**	(7,096.66)
Other interest receivable and similar income	**8**	**635,690.51**	234,078.22
Derived from affiliated undertakings		**635,690.51**	234,078.22
Other interest and similar income		**–**	–
Interest payable and similar expenses	**9**	**(2,509,297.62)**	(1,422,003.03)
Concerning affiliated undertakings		**(2,509,297.62)**	(1,422,003.03)
Other interest and similar expenses		**–**	–
Tax on profit or loss	**10**	**–**	–
Profit or loss after taxation		**(1,993,628.60)**	(1,288,950.39)
Other taxes not shown under items 1 to 16	**10**	**(4,815.00)**	(4,815.00)
Profit or loss for the financial year		**(1,998,443.60)**	(1,293,765.39)

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

Covington S.à r.l., hereinafter the “Company”, was incorporated on November 27, 2013 as a “société à responsabilité limitée” for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established at 3 Rue Gabriel Lippmann L-5365 Munsbach (prior to November 30, 2023, the registered office was established at 68-70 boulevard de la Pétrusse, 2320 Luxembourg City) and is registered at the Trade and Companies register in Luxembourg under the number B 182 265.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

Based on the criteria defined by article 1711-7 of the Luxembourg law, the Company is exempt from the obligation to draw up consolidated accounts and a consolidation management report for the year ended March 31, 2024.

The Company is included in the consolidated accounts of Mahindra Holidays & Resorts India Limited, forming the smallest and largest body of undertakings of which the Company forms a part as direct subsidiary undertakings. The registered office of that company is located at Mahindra Towers, 1st Floor, “A” Wing, Dr. G M Bhosale Marg, Worli, Mumbai - 400 018, India and the consolidated financial statements are available at the registered adress.

The object of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the administration, management, control and development of such participations. The Company may in particular acquire by way of subscription, purchase, exchange or in any other manner any stock, shares and/or other participation securities, bonds, debentures, certificates of deposit and/or other debt instruments and more generally any securities and/or financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further make direct or indirect real estate investments and invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks.

The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

Note 2 - Summary of significant accounting policies and valuation rules

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended law of December 19, 2002, (the “Law”), determined and applied by the managers of the Company (the “Board of Managers”) in conformity with the going concern basis.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Board of Managers believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although the current liabilities of the Company exceed the current assets as of March 31, 2024, the Board of Managers has prepared these annual accounts on a going concern basis. The Company has received positive indicators from its shareholder acting as creditor that they will not ask for repayment of the principal amount nor of the accrued but unpaid interests if this repayment would trigger an insolvency for the Company and its shareholder will provide a financial support if it is needed. The Board of Managers is not aware of anything that would prevent the Company from continuing as a going concern.

Significant accounting policies and valuation rules

The main accounting and valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings or participating interests are valued at acquisition cost including the expenses incidental thereto. Loans to these undertakings/ investment held as fixed assets and other loans are valued at nominal value.

In the case of durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Creditors

Creditors are stated at their reimbursement value.

Current tax liability

The tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption “Tax authorities”. The advance payments are shown in the assets of the balance sheet under the caption “Other Debtors”, if applicable.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long term non-monetary assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain converted using the exchange rate at the time of the transaction (the “historical exchange rate”).

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

In accordance with prudence principles found within generally accepted accounting principles in Luxembourg (“Lux Gaap”), other assets are translated separately, at the lower of the value converted using the historical exchange rate and the value converted using the exchange rate at the balance sheet date. Conversely, other liabilities are translated separately, at the higher of the value converted using the historical exchange rate and the exchange rate at the balance sheet date. Consequently, both realised and unrealised exchange losses are recorded in the profit and loss account while exchange gains are recorded in the profit and loss account when realised only.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account while the net unrealised gains are not recognised.

Note 3 - Financial assets

a) The movements for the year are as follows:

	Shares in affiliated undertakings March 31, 2024 EUR	**Total March 31, 2024 EUR**	Total March 31, 2023 EUR
Gross book value - opening balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Additions for the year	–	–	–
Gross book value - closing balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Net book value - closing balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Net book value - opening balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23

b) Undertakings in which the Company holds at least 20% interests in their share capital as at March 31, 2024 are as follows:

Undertaking's name	**Registered office**	**Percentage of holding**	**Last balance sheet date**	**Net equity at the last balance sheet date (EUR)**	**Result for the last financial year (EUR)**	**Net book value March 31, 2024 EUR**	Net book value March 31, 2023 EUR
Holiday Club Resorts Oy	Finland	95.96%	March 31, 2024	44,631,451.00	(798,832.00)	**67,884,594.23**	67,884,594.23
Total						**67,884,594.23**	67,884,594.23

Based on the assessment performed the management of the Company believes that there are no indicators of durable value adjustment regarding shares in affiliated undertakings.

Note 4 - Debtors

This caption is detailed as follows:

	Within one year	**After one year and within five years**	**Total March 31, 2024 EUR**	Total March 31, 2023 EUR
<u>Amounts owed to affiliated undertakings:</u>				
Loans to Holiday Club Resorts OY - Principal (*)	15,151,337.45	4,000,000.00	**19,151,337.45**	13,151,337.45
Loans to Holiday Club Resorts OY - Accrued interest	855,515.78	213,102.47	**1,068,618.25**	432,927.74
<u>Other debtors:</u>				
Net wealth tax - Advances	4,815.00	–	**4,815.00**	2,407.15
Total	**16,011,668.23**	**4,213,102.47**	**20,224,770.70**	13,586,672.34

(*) On September 1, 2017, the Company agreed to lend to Holiday Club Resorts Oy the sum of EUR 2,000,000.00 which bears interest at a nominal rate of 2.50% per annum. The tenure of the loan is one year, extendable with the consent of the Company. On August 20, 2018, EUR 1,318,662.55 has been repaid. On November 12, 2018, the remaining amount of EUR 681,337.45 together with the EUR 2,318,662.55 out of the remaining loan of EUR 2,470,000.00 from the second loan (below) has been converted into 200,000 new shares at the subscription price of EUR 15.00 per share for a total value of EUR 3,000,000.00.

On July 13, 2018, the Company entered into a second loan agreement with Holiday Club Resorts Oy for an amount up to EUR 3,000,000.00 with an interest rate of 5.41% (2018-2023: 2.50%). On July 23, 2018, the Company paid out an amount of EUR 2,470,000.00 to Holiday Club Resorts Oy. As stated above, on November 12, 2018, EUR 2,318,662.55 of the loan have been converted into equity. The initial maturity date of this loan was July 13, 2019 and has been extended for four additional years. On March 31, 2024, the outstanding amount of this loan is EUR 151,337.45 and the accrued interest amount to EUR 21,153.09.

On October 4, 2018, the Company entered into a third loan agreement of EUR 3,000,000.00 with Holiday Club Resorts Oy with an interest rate of 5.41% (2018-2023: 2.50%) per annum. The initial maturity date of this loan was October 3, 2019 and has been extended until October 03, 2024. On March 31, 2024, the accrued interest amount to EUR 360,951.27.

On March 1, 2022, the Company entered in a fourth loan agreement up to EUR 6,000,000.00 with Holiday Club Resorts Oy with an interest rate of 2.5% per annum. The initial expiry date of this loan is on March 1, 2024, but the loan was extended on April 27, 2022 with an extended maturity date of February 28, 2025. On March 7, 2022, the Company transferred additional EUR 4,000,000.00 to Holiday Club Resorts Oy. On March 31, 2024, the accrued interest amount to EUR 206,849.32.

On December 1, 2022, the Company entered into a loan agreement of EUR 2,000,000.00 with Holiday Club Resorts with an interest rate of 3.86% per annum. The maturity date of this loan is on February 28, 2025. On March 31, 2024, the accrued interest amount to EUR 102,792.33.

On December 29, 2022, the Company entered into a loan agreement of EUR 4,000,000.00 with Holiday Club Resorts with an interest rate of 4.36% per annum. The maturity date of this loan is on December 20, 2025. On March 31, 2024, the accrued interest amount to EUR 213,102.47.

On October 05, 2023, the Company entered into a loan agreement of EUR 6,000,000.00 with Holiday Club Resorts Oy. First tranch was paid on October 11, 2023, amounting to EUR 4,000,000.00 with an interest rate of 6.16% per annum. The maturity date of this loan is on October 11, 2024. On March 31, 2024, the accrued interest amount to EUR 116,411.04.

On November 08 2023, the second tranch of the loan agreement was paid amounting to EUR 2,000,000.00 with Holiday Club Resorts Oy with an interest rate of 5.98% per annum. The maturity date of this loan is on November 08, 2024. On March 31, 2024, the accrued interest amount to EUR 47,358.74.

Note 5 - Capital and reserves

Subscribed capital and share premium (and similar premiums)

The share capital of the Company amounts to EUR 12,500.00 and is divided into 12,500 shares fully paid up to EUR 12,500.00 without nominal value.

The movements on the “Subscribed capital “ caption during the year are as follows:

	Share capital March 31, 2024 EUR	Total number of Shares March 31, 2024 EUR
Opening balance	**12,500.00**	**12,500**
Subscriptions for the year	**–**	**–**
Closing balance	**12,500.00**	**12,500**

Share premium account

The movements on the “Share premium account” caption during the year are as follows:

	Share premium March 31, 2024 EUR
Opening balance	**23,165,000.00**
Additions for the year	–
Closing balance	**23,165,000.00**

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5.00% of its annual net profit until this reserve equals 10.00% of the subscribed share capital. This reserve may not be distributed.

Movements for the year on the reserves and profit/ (loss) captions

	Legal reserve EUR	Other reserves EUR	Profit or loss brought forward EUR	Profit or loss for the financial year EUR
As at the beginning of the year	**1,250.00**	–	**(1,917,940.96)**	**(1,293,765.99)**
Allocation of the prior year's result:				
Allocation to the result brought forward	**–**	–	(1,293,765.99)	1,293,765.99
Profit or loss for the year	**–**	–	–	(1,998,443.60)
As at the end of the year	**1,250.00**	**–**	**(3,211,706.95)**	**(1,998,443.60)**

Note 6 - Creditors

Creditors as at March 31, 2024 are composed of the following:

	Within one year	After one year and within five years	Total March 31, 2024 EUR	Total March 31, 2023 EUR
Trade creditors	47,434.59	–	**47,434.59**	51,976.93
Amounts owed to affiliated undertakings:				
Loans from MHR Holdings (Mauritius) Ltd. - Principal (*)	60,120,000.00	4,000,000.00	**64,120,000.00**	58,120,000.00
Loans from MHR Holdings (Mauritius) Ltd. - Accrued interest	5,996,895.31	200,664.11	**6,197,559.42**	4,158,261.80
	66,116,895.31	**4,200,664.11**	**70,317,559.42**	62,278,261.80
Tax debts:				
Net wealth tax - estimated tax 2024	4,815.00	–	**4,815.00**	–
Net wealth tax - estimated tax 2023	–	–	**–**	4,815.00
	4,815.00	–	**4,815.00**	4,815.00
Total	**66,169,144.90**	**4,200,664.11**	**70,369,809.01**	62,335,053.73

(*) The loans owed to affiliated undertakings are as follows:

	Interest rate	Maturity	**Total March 31, 2024 EUR**	Total March 31, 2023 EUR
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	29/07/2024	**3,500,000.00**	3,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	21/08/2024	**16,700,000.00**	16,700,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	20/09/2024	**1,750,000.00**	1,750,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	25/12/2024	**6,000,000.00**	6,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	03/04/2024	**1,100,000.00**	1,100,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	31/08/2024	**2,570,000.00**	2,570,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	01/10/2024	**3,000,000.00**	3,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	03/11/2024	**6,500,000.00**	6,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	21/03/2025	**2,500,000.00**	2,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	24/08/2024	**3,500,000.00**	3,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.11%	07/03/2025	**5,000,000.00**	5,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	4.06%	20/12/2025	**4,000,000.00**	4,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.56%	17/11/2024	**2,000,000.00**	2,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.86%	10/10/2024	**4,000,000.00**	–
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	5.68%	07/11/2024	**2,000,000.00**	–
Total			**64,120,000.00**	58,120,000.00

EUR 3,500,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 1.89%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on July 29, 2024. The accrued interest as at March 31, 2024 amount to EUR 398,911.

EUR 16,700,000.00 loan which bears interest at a nominal rate of 5.11.00% (2023: 3.00%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on August 21, 2024. The accrued interest as at March 31, 2024 amount to EUR 2,017,490.

EUR 1,750,000.00 which bears interest at a nominal rate of 5.11% (2023: 3.01%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on September 20, 2024. The accrued interest as at March 31, 2024 amount to EUR 262,831.

EUR 6,000,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 4.17%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on December 25, 2024. The accrued interest as at March 31, 2024 amount to EUR 925,553

EUR 1,100,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 2.25%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on April 3, 2024 and the accrued interest as at March 31, 2024 amount to EUR 173,531.

EUR 2,570,000.00 loan which bears interest at a nominal rate of 5.11% per annum (2.25% per annum between April 1, 2020 and August 31, 2020 and 2.20% per annum between April 2021 and August 2023) has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on August 31, 2024. The accrued interest as at March 31, 2024 amount to EUR 355,484.

EUR 3,000,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 3.02%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on October 1, 2024. The accrued interest as at March 31, 2024 amount to EUR 430,277.

EUR 6,500,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 3.52%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on November 3, 2024. The accrued interest as at March 31, 2024 amount to EUR 792,254.

EUR 2,500,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 4.75%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on March 21, 2025. The accrued interest as at March 31, 2024 amount to EUR 286,048.

EUR 3,500,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on August 24, 2024. The accrued interest as at March 31, 2024 amount to EUR 338,421.

EUR 5,000,000.00 loan which bears interest at a nominal rate of 5.11% (2023: 2.20%) per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on March 7, 2025. The accrued interest as at March 31, 2024 amount to EUR 235,568.

EUR 2,000,000.00 loan which bears interest at a nominal rate of 3.56% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on November 17, 2024. The accured interest as at March 31, 2024 amount to EUR 94,803.

EUR 4,000,000.00 loan which bears interest at a nominal rate of 4.06% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on December 20, 2025. The accured interest as at March 31, 2024 amount to EUR 200,664.

EUR 4,000,000.00 loan which bears interest at a nominal rate of 5.86% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on October 10, 2024. The accured interest as at March 31, 2024 amount to EUR 110,738.91.

EUR 2,000,000.00 loan which bears interest at a nominal rate of 5.68% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on November 07, 2024. The accured interest as at March 31, 2024 amount to EUR 44,981.69.

MHR Holdings (Mauritius) Ltd. considers to extend the repayment date of the loans for a period as mutually agreed upon. The necessary agreement for renewal of the loans will be executed on or before the due dates of the loans.

Note 7 - Other external charges

This caption is detailed as follows:

	For the year ended March 31, 2024 EUR	For the year ended March 31, 2023 EUR
Professional fees	**97,986.30**	79,170.35
Bank fees	**10,478.08**	14,408.57
Luxembourg Chamber of Commerce contribution	**350.00**	350.00
	108,814.38	93,928.92

Note 8 - Other interest and similar financial income
This caption is detailed as follows:

	For the year ended March 31, 2024 EUR	For the year ended March 31, 2023 EUR
Concerning affiliated undertakings:		
Interest receivable from HCRO	**635,690.51**	234,078.22
	635,690.51	234,078.22

Note 9 - Interest payable and similar charges
This caption is detailed as follows:

	For the year ended March 31, 2024 EUR	For the year ended March 31, 2023 EUR
Concerning affiliated undertakings:		
Interest charge on loan amounts owed to MHR Holdings (Mauritius) Ltd. (See Note 6)	**2,509,297.62**	1,422,003.63
	2,509,297.62	1,422,003.63

Note 10 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 11 - Staff

The company did not employ any staff during the financial year ended 31 March 2024 (2023: Nil).

Note 12 - Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

The Company did not grant any emoluments and has no commitments in respect of retirement pensions to members of its management during the financial year ended 31 March 2024 (2023: EUR Nil).

During the financial year, the Company incurred directors' fees for an amount of EUR 11,179.16 (2023: EUR 7,096.66).

Note 13 - Advances and loans granted to the members of the management and supervisory bodies

The Company did not grant any advances or loans to members of its management during the financial period ended 31 March 2024 (2023: Nil).

Note 14 - Off balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.

Note 15 - Subsequent events

No other matters or circumstances of importance other than those already described in the present notes to the accounts have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

Dhanraj Mulki
Class A Manager

Emanuele Grippo
Class B Manager

INDEPENDENT AUDITOR'S REPORT

To The Members of Guestline Hospitality Management and Development Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Guestline Hospitality Management and Development Services Limited (the "Company"), which comprise the Balance Sheet as at March 31st, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement (collectively referred to as "other information"), but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 1"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(1) of the Act, as amended.

   The clause is not applicable to the company as there was no remuneration paid to its directors by the company.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The Company has not declared/paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure 2"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M.B.KARADKAR & Co.**
Chartered Accountants
Firm's registration number: 111797W

M.B.KARADKAR
Proprietor
Membership number: 043643
UDIN: 24043643BKAFTY5805

Place: Mumbai
Date: April 12th, 2024

Annexure 1 to our report of even date on the financial statements of Guestline Hospitality Management and Development Services Limited for the year ended 31st March 2024

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the financial statements of the Guestline Hospitality Management and Development Services Limited as of March 31st, 2024 and for the period from April 1st, 2023 to March 31st, 2024 we have audited the internal financial controls over financial reporting of Guestline Hospitality Management and Development Services Limited (hereinafter referred to as "the Company''), as of that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI''). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act'').

Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note'') and the standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI'') and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls systems over financial reporting and the financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of conclusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Reporting issued by ICAI.

For **M.B.KARADKAR & Co.**
Chartered Accountants
Firm's registration number: 111797W

M.B.KARADKAR
Proprietor
Membership number: 043643
UDIN: 24043643BKAFTY5805

Place: Mumbai
Date: April 12th, 2024

Annexure 2 to the Auditor's Report referred to in our report of even date

1. The company does not own any immovable property and other property, plant and equipment. Therefore the provisions of clause 3 (i) of the order are not applicable.

   Further, there are no proceedings pending/initiated under the Benami Transactions (Prohibition Act, 1988 against the Company.
2. The Company does not hold any inventory. Therefore, the provisions of Clause3(ii) of the order are not applicable to the Company.
3. During the year, the Company has not granted any loans to parties covered in the register maintained under section 189 of Companies Act, 2013. Therefore clause 3(iii) (a) to (f) of the Order are not applicable to the company.
4. In our opinion and according to information and explanations give to us the Company has not granted any loans or made any investments, or provided any guarantees or securities to the parties covered under Section 185 & 186 of the Companies Act, 2013. Therefore the provisions of Clause 3(iv) of the said Order are not applicable to the company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. Therefore clause 3(v) of the Order is not applicable to the company.
6. In our opinion and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of services rendered by the Company.
7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance. Income tax, sales tax, service tax, cess and other statutory dues applicable to the company. There are no amounts payable in respect of these dues in arrears as at 31.3.2024 or a period of more than six months from the date they became payable. The provisions relating to customs duty, duty of excise, value added tax, are not applicable to the company.

   (b) According to the information and explanation given to us and records of Company examined by us, there are no dues of income tax or sales tax, Goods & Service Tax, wealth tax, service tax, duty of customs, duty of excise value added tax and cess which have not been deposited on account of any dispute.;
8. Based on our examination of the books of account and the information and explanations given to us, there are no transactions not recorded in the books of account but disclosed as income in the income tax proceedings/ assessments.
9. The company has neither borrowed from Banks/Financial Institutions nor issued debentures and therefore the provisions of clause 3(ix) of the Companies (Auditor's Report) Order are not applicable to the company.
10. On the basis of examination of relevant records and according to the information and explanations given to us, the company has neither raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year nor made any preferential allotment or private placement of shares or debentures during the year and accordingly, Para 3(x) of the Order is not applicable to the Company.
11. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing principles in India, we have neither come across any instances of frauds by or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management. No such report in Form No. ADT-4 has been filed by us. No whistle-blower complaint has been received by the Company during the year.
12. The Company is not a ''Nidhi Company'' therefore clause 3(xii) of the Order is not applicable to the Company.
13. Provisions of the Companies Act, 2013 relating to carrying out of internal audit are not applicable to the Company.
14. There is a no cash loss incurred by the Company during the current financial year and also in the preceding financial year.
15. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has complied with the provisions of section 177 and 188 of Companies Act, 2013 requiring disclosure of details of such transactions, where applicable in the Financial Statements as required by the Accounting standards.
16. There has been no resignation by the statutory auditors during the year and hence the clause (xviii) of the Order is not applicable to the Company.
17. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with directors or person connected with them.
18. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
19. The company is not required to obtain registration required under section 45-IA of the Reserve Bank of India.
20. The provisions related to Corporate Social Responsibility (CSR) are not applicable to the Company.
21. There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **M.B.KARADKAR & Co.**

Chartered Accountants

Firm's registration number: 111797W

M.B.KARADKAR

Proprietor

Membership number: 043643

UDIN: 24043643BKAFTY5805

Place: Mumbai

Date: April 12th, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Rs in Lakhs

Particulars		Notes	As at 31st March, 2024	As at 31st March, 2024
ASSETS				
Non-Current Assets				
Other non-current tax assets (Net)		3	**3.91**	5.56
	(A)		**3.91**	5.56
Current Assets				
Financial Assets				
- Cash and Cash Equivalents		4	**1.86**	28.77
- Other Bank Balances		5	**520.39**	481.58
- Other Current Assets		6	**32.82**	23.24
	(B)		**555.07**	533.59
TOTAL ASSETS	**(A+B)**		**558.98**	539.15
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		7	**2.54**	2.54
Other Equity		8	**530.81**	510.71
Total Equity	**(C)**		**533.35**	513.24
Liabilities				
Current Liabilities				
Financial Liabilities				
- Other Financial Liabilities		9	**25.61**	25.64
Other Current Liabilities		10	**0.02**	0.26
Total Current Liabilities			**25.63**	25.90
Total Liabilities	**(D)**		**25.63**	25.90
TOTAL EQUITY AND LIABILITIES	**(C+D)**		**558.98**	539.15
See accompanying notes to the financial statements		1-18		

In terms of our report attached

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April, 12th 2024

Salil Khare
Director
DIN: 02935665

Place : Mumbai
Date : April, 12th 2024

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April, 12th 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs in Lakhs

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income			
Other Income	11	**31.17**	440.17
Total Income		**31.17**	440.17
Expenses			
Other Expenses	12	**4.30**	47.34
Total Expenses		**4.30**	47.34
Profit/ (loss) before tax		**26.87**	392.83
Tax expense			
a) Current tax		**6.77**	97.40
b) Deferred tax		**–**	–
Profit/ (loss) for the year		**20.10**	295.42
Earnings per equity share			
a) Basic	13	**79.10**	1,162.62
b) Diluted	13	**79.10**	1,162.62

See accompanying notes to the financial statements 1-18

In terms of our report attached

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April, 12th 2024

Salil Khare
Director
DIN: 02935665

Place : Mumbai
Date : April, 12th 2024

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April, 12th 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs in Lakhs

Particulars		Year ended 31st March, 2024	Year ended 31st March, 2023
OPERATING ACTIVITIES			
Profit before tax		**26.87**	392.83
Adjustments to reconcile profit before tax to net cash flows:			
Interest on Fixed Deposits		**(31.17)**	(39.79)
Gain on Sale of Long Term Investment		–	(5.00)
Write Back of Excess Provision		–	(395.38)
Operating profit before Working Capital changes		**(4.30)**	(47.34)
Adjustments for :			
(Increase)/Decrease in Other Current Assets		**(0.10)**	34.05
Increase/(Decrease) in Other Current Liabilities		**(0.27)**	(1.99)
Cash Generated from/(used in) operations			
Tax Paid		**5.12**	102.95
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	(A)	**(9.79)**	(118.24)
INVESTING ACTIVITIES			
Interest on Fixed Deposits		**21.69**	41.35
(Placement)/Proceeds of Fixed Deposits		**(38.81)**	87.31
Sale of Investment in subsidary company		–	5.02
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	(B)	**(17.12)**	133.68
FINANCING ACTIVITIES			
Dividend Paid to Preference Share Holders		**–**	(0.18)
Redemption of preference shares		**–**	–
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	(C)	**–**	(0.18)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C)	**(26.91)**	15.27
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**28.77**	13.50
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		**1.86**	28.77

This is the Cash Flow Statement referred to in our report of even date

In terms of our report attached

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April, 12th 2024

Salil Khare
Director
DIN: 02935665

Place : Mumbai
Date : April, 12th 2024

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April, 12th 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

Rs. In Lakhs

Particulars	No. of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1st April 2022	410	0.04
Issue of share capital	25,000	–
At 31st March 2023	**25,410**	**0.04**
Total Equity Share Capital	**25,410**	**0.04**
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1st April 2023	**25,410**	**0.04**
Issue of share capital	–	–
At 31st March 2024	**25,410**	**0.04**
Total Equity Share Capital	**25,410**	**0.04**

B. Other Equity

Particulars	Retained Earnings	Total
At 1st April 2022	215.28	215.28
Profit/(loss) for the year	295.42	295.42
At 31st March 2023	**510.71**	**510.71**
At 1st April 2023	510.71	510.71
Profit/(loss) for the year	20.10	20.10
At 31st March 2024	**530.81**	**530.81**

As per our report of even date

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar
Proprietor
M.No. 043643

Place : Mumbai
Date : April, 12th 2024

Salil Khare
Director
DIN: 02935665

Place : Mumbai
Date : April, 12th 2024

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : April, 12th 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2024

1. Corporate information

The Company at present do not have any business activity. The company will in future enter into business venture permitted by the Object Clause of the MOA after taking into consideration all the materials required.

2. Material accounting policies

i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

iii) Cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

iv) Revenue recognition

Other income

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

v) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

vi) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

vii) Earnings per share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2024

Note 3 Other Non-Current Tax Assets

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2024
Other Non-Current Tax Assets		
(Net of provisions up to the reporting date)	**3.91**	5.56
Total	**3.91**	5.56

Note 4 Cash and Cash Equivalents

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks:		
- in current accounts	**1.86**	28.77
Total	**1.86**	28.77

Note 5 Other Bank Balances

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks:		
- deposits with original maturity of less than 12 months	**520.39**	481.58
Total	**520.39**	481.58

Note 6 Other Current Assets

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
- Deposits - NSDL	**0.20**	0.10
- Interest Accured but not Due	**32.62**	23.14
Total	**32.82**	23.24

Note 7

Share Capital

a) Authorised share capital

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
2,50,000 Equity Shares of Rs. 10/- each	**25.00**	25.00
2,50,000 Preference shares of Rs. 10/- each	**25.00**	25.00
Total	**50.00**	50.00

b) Issued, Subscribed and Paid up capital

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
25,410 Equity shares of Re. 10/- each	**2.54**	2.54
Total	**2.54**	2.54

c) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2024		As at 31st March, 2023	
Name of the shareholdrers	No. of shares	% Holding	No. of shares	% Holding
Equity shares of INR 10/- each fully paid				
M/s Mahindra Holidays & Resorts India Limited	**25,152**	**98.98%**	25,000	98.39%

d) Shares in the Company held by Promoters

Shares held by promoters at the end of the year

Promoter name	Year ended	No. of Shares	% of total shares	% Change during the year
Mahindra Holidays & Resorts India Limited	**March 31, 2024**	**25,152**	98.98%	0.60%
	March 31 , 2023	**25,000**	98.39%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2024

Note 8

Other Equity

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained Earnings	**530.81**	510.71
Total	**530.81**	510.71

Note 9 Other Financial Liabilities

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other payables	**25.61**	25.64
Total	**25.61**	25.64

Note 10 Other Current Liabilities

Rs. In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Taxes (excluding income taxes) and other statutory dues	**0.02**	0.26
Total	**0.02**	0.26

Note 11 Other Income

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Income		
- Interest on Fixed Deposits	**31.17**	39.79
Gain on Sale of Long Term Investment	**–**	5.00
Write Back of Excess Provision	**–**	395.38
Total	**31.17**	440.17

Note 12 Other expenses

Rs. In Lakhs

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Payment to Auditor		
- As audit fees	**0.50**	0.47
Legal & Professional Fees	**3.67**	46.67
Bank Charges	**0.01**	0.01
Other Misc Expenses	**0.12**	0.19
Total	**4.30**	47.34

Note 13 - Earnings Per Share

Rs. In Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Basic and Diluted Earnings per share	**79.10**	1,162.62

Rs. In Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profits used in the calculation of basic earnings per share and diluted earnings per share (Rs. In Lakhs)	**20.10**	295.42
Weighted average number of equity shares	**25,410**	25,410
Earnings per share - Basic and Diluted	**79.10**	1,162.62

Note 14 - Ratios

Particulars	Ratios	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% Variance
Current Ratio	Current Assets / Current Liabilities	**21.66**	20.60	5.11%
Return on Equity Ratio*	Profit after tax / Average total shareholders Equity	**0.01%**	0.81%	-98.81%
Return on Capital employed*	Earning before Interest and tax / Capital employed	**0.04%**	0.58%	-93.45%
Return on investment*	Net profit / Cost of investment	**7.91%**	116.26%	-93.20%

* Change more than 25% due to reduction in profit in current year as compared to previous year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2024

Note 15 - Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resort India Ltd (from 2nd December, 2022)
Subsidiary Company	Mahindra Hotels and Resorts Limited (till 30th November, 2022)

(ii) Related Party Transactions and balances

Rs. In Lakhs

Particulars	**31st March, 2024**	31st March, 2023
<u>**Subsidiary Company**</u>		
Transactions during the year:		
Trade Payables Paid	–	23.79

Note 16:

Pursuant to the conversion of 25,000 7% Non- cumulative redeemable participating optionally convertible preference shares of Rs. 10 each held by Mahindra Holidays & Resort India Ltd. (“MHRIL”) into 25,000 equity shares of Rs. 10 each on December 2, 2022, the company has become a subsidiary of MHRIL post this conversion.

Note 17:

During the previous year, the company has sold 50,160 equity shares of Mahindra Hotels and Resorts Limited (MHRL) at consideration of Rs. 10 each. Pursuant to the sale of this investment, MHRL ceased to become subsidiary company w.e.f 30th November, 2022.

Note 18:

The figures for the previous year have been regrouped/ reclassified to correspond with current year’s classification/ disclosure, wherever necessary.

The Financial Statements have been approved for issue by Company’s Board of Directors on 12th April, 2024.

As per our report of even date

M. B. Karadkar & Co.
Chartered Accountants
Firm Registration No.: 111797W

For and on behalf of the Board

M. B. Karadkar Proprietor M.No. 043643	**Salil Khare** Director DIN: 02935665	**Dhanraj Mulki** Director DIN: 08321516
Place : Mumbai Date : April, 12th 2024	Place : Mumbai Date : April, 12th 2024	Place : Mumbai Date : April, 12th 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **MAHINDRA HOLIDAYS & RESORTS HARIHARESHWAR LIMITED**

Report on the Financial Statements.

Opinion

We have audited the accompanying financial statements of **MAHINDRA HOLIDAYS & RESORTS HARIHARESHWAR LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, the statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss for the year ended on that date, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the Provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2017.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the audit of the financial statements:

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
   e) On the basis of the written representations received from the directors of the Company as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   g) The Company has not paid/provided for managerial remuneration for the year ended March 31 2024.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      1. The Company does not have any pending litigations which would impact its financial positions.
      2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      3. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
      4. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      5. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and,
      6. Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
      7. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
      8. Based on our examination which included test checks, the company has used the accounting software which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of tampering of audit trail feature and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **M/s CAGK And Co.**
Chartered Accountants
FRN: 152566W

Ankit R Chheda
Partner
M.No. 138182
UDIN: 24138182BKAFVU2128

Place: Mumbai
Date: 12th April, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Mahindra Holidays & Resorts Harihareshwar Limited. ('the Company')

1) **In respect of the Company's fixed assets:**

   a) The Company does not have any Fixed Assets. Hence reporting under clause 3(i)(a) of the order is not applicable.

   b) The Company does not have any Fixed Assets. Hence reporting under clause 3(i)(b) of the order is not applicable.

   c) According to the information and explanation given to us, there are no immovable properties held in the name of the Company.

   d) The Company does not have any Fixed Assets. Hence reporting under clause 3(i)(d) of the order is not applicable.

   e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

2) **Inventories:**

   a) As informed by the management of the company, there are no inventories in the company, so reporting under this clause is not applicable.

   b) The company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of the current assets at any point of time during the year. Hence reporting under clause 3(ii)(b) of the order is not applicable.

3) During the year the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6) Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.

7) According to the information and explanations given to us, in respect of statutory dues:

   a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

   b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

8) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) The Company did not have any loans or borrowing, including debt securities from any lender during the year. Accordingly, clause 3(ix)(a) of the order is not applicable.

10) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x) of the Order is not applicable.

11) a) To the best of our knowledge and according to the information and explanations given to us, any fraud by the Company and or any fraud on the Company has not been noticed or reported during the year.

   b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

   c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company.

12) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

13) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14) In our opinion and based on our examination, the company does not have an internal audit system commensurate with the size and nature of its business and is not required to have an internal audit system as per the provisions of section 138 of the company's act, 2013

15) In our opinion and according to the information and explanations given to us, during the year the Company has

not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.

16) a) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of sub-clause (c) and (d) of clause 3(xvi) of the Order are not applicable.

17) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has incurred cash losses of ₹ 1.71 Lakhs during the current financial year and ₹ 1.13 lakhs in the immediately preceding financial year.

18) There has been change of the statutory auditor during the year. There are no issues, objections or concerns raised by outgoing auditor.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

20) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **M/s CAGK And Co.**
Chartered Accountants
FRN: 152566W

Ankit R Chheda
Partner
M.No. 138182
UDIN: 24138182BKAFVU2128

Place: Mumbai
Date: 12th April, 2024

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 (f) of the Independent Auditors Report of even date to the members of Mahindra Holidays & Resorts Harihareshwar Limited on the financial statements for year ended **March 31, 2024.**

Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Mahindra Holidays & Resorts Harihareshwar Limited as of **March 31, 2024** in conjunction with our audit of the financial statement of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Notes on Audit of Internal Financial Control over Financial Reporting issued by Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s CAGK And Co.**
Chartered Accountants
FRN: 152566W

Ankit R Chheda
Partner
M.No. 138182
UDIN: 24138182BKAFVU2128

Place: Mumbai
Date: 12th April, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

₹ in Lakhs

Particulars		Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS				
Non-Current Assets				
–Capital work-in-progress		2	**88.50**	–
Financial Assets				
–Other Financial Assets		3	**0.10**	0.10
	(A)		**88.60**	0.10
Current Assets				
Financial Assets				
–Cash and Cash Equivalents		4	**13.94**	4.60
	(B)		**13.94**	4.60
TOTAL ASSETS	**(A+B)**		**102.54**	4.70
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		5	**5.00**	5.00
Other Equity		6	**(2.84)**	(1.13)
Total Equity	**(A)**		**2.16**	3.87
Liabilities				
Non-current liabilities				
–Borrowings		7	**100.00**	–
			100.00	–
Current Liabilities				
Financial Liabilities				
–Trade Payables		8	**0.29**	0.83
Other Current Liabilities		9	**0.09**	–
			0.38	0.83
Total Liabilities	**(B)**		**100.38**	0.83
TOTAL EQUITY AND LIABILITIES	**(A+B)**		**102.54**	4.70
See accompanying notes to the financial statements		**1-17**		

In terms of our report attached

For M/S C A G K & CO
Chartered Accountants
Firm's Registration No. 152566W

CA Ankit Chheda
Partner
Membership Number: 138182

Place : Mumbai
Date : 12th April, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : 12th April, 2024

Salil Khare
Director
DIN- 02935665

Place : Mumbai
Date : 12th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

₹ in Lakhs

Particulars	Notes	For the year ended 31st March, 2024	For the period ended 31st March, 2023
CONTINUING OPERATIONS			
INCOME			
Other Income		**–**	–
EXPENSES			
Finance Costs	10	**0.91**	–
Other Expenses	11	**0.80**	1.13
Total Expenses		**1.71**	1.13
Profit/ (loss) before tax		**(1.71)**	(1.13)
Tax expense			
a) Current tax		**–**	–
b) Deferred tax		**–**	–
Profit/ (loss) after tax		**(1.71)**	(1.13)
Earnings per equity share (for continuing operations)	12		
a) Basic		**(3.42)**	(3.75)
b) Diluted		**(3.42)**	(3.75)
See accompanying notes to the financial statements	**1-17**		

In terms of our report attached

For M/S C A G K & CO
Chartered Accountants
Firm's Registration No. 152566W

CA Ankit Chheda
Partner
Membership Number: 138182

Place : Mumbai
Date : 12th April, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : 12th April, 2024

Salil Khare
Director
DIN- 02935665

Place : Mumbai
Date : 12th April, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

₹ in Lakhs

Particulars		For the year ended 31st March, 2024	For the period ended 31st March, 2023
OPERATING ACTIVITIES			
Profit/ (loss) before tax		**(1.71)**	(1.13)
Adjustments to reconcile profit before tax to net cash flows:			
Finance Cost		**0.91**	–
Operating profit before Working Capital changes		**(0.80)**	(1.13)
Adjustments for :			
(Increase)/Decrease in Trade Receivables		**–**	–
(Increase)/Decrease in Other Assets		**–**	(0.10)
(Increase)/Decrease in Trade payable		**(0.54)**	0.83
Increase/(Decrease) in Other Current Liabilities		**0.09**	–
Cash Generated from/(used in) operations			
Tax Paid		**–**	–
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**(A)**	**(1.25)**	(0.40)
INVESTING ACTIVITIES			
Purchases of Property, Plant and Equipment (including intangibles, CWIP and Capital Advances)		**(88.50)**	–
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	**(B)**	**(88.50)**	–
FINANCING ACTIVITIES			
Issue of Share Capital		**–**	5.00
Inter Corporate Deposit Received		**100.00**	–
Interest Payment		**(0.91)**	–
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**(C)**	**99.09**	5.00
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**(A+B+C)**	**9.34**	4.60
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**4.60**	–
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		**13.94**	4.60

See accompanying notes to the financial statements

In terms of our report attached

For M/S C A G K & CO
Chartered Accountants
Firm's Registration No. 152566W

CA Ankit Chheda
Partner
Membership Number: 138182

Place : Mumbai
Date : 12th April, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : 12th April, 2024

Salil Khare
Director
DIN- 02935665

Place : Mumbai
Date : 12th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

₹ in Lakhs

Particulars	Share Capital Equity Share Capital	Other Equity Reserves & Surplus Retained Earnings	Total
Balance at the beginning of reporting year April 1, 2022	–	–	–
Additions during the year	5.00	–	5.00
Loss for the year	–	(1.13)	(1.13)
Balance at the end of reporting year March 31, 2023	5.00	(1.13)	3.87

₹ in Lakhs

Particulars	Share Capital Equity Share Capital	Other Equity Reserves & Surplus Retained Earnings	Total
Balance at the beginning of reporting year April 1, 2023	5.00	(1.13)	3.87
Additions during the year	–	–	–
Loss for the year	–	(1.71)	(1.71)
Balance at the end of reporting year March 31, 2024	5.00	(2.84)	2.16

See accompanying notes forming part of the financial statements

In terms of our report attached

For M/S C A G K & CO
Chartered Accountants
Firm's Registration No. 152566W

CA Ankit Chheda
Partner
Membership Number: 138182

Place : Mumbai
Date : 12th April, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : 12th April, 2024

Salil Khare
Director
DIN- 02935665

Place : Mumbai
Date : 12th April, 2024

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

1(A) Corporate information

The Company was incorporated on August 23, 2022 and has not yet started to generate revenue. The Company has entered into an agreement with Maharashtra Tourism Development Corporation for the purpose of development and operation of resort.

1(B) Material accounting policies

i Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

ii Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

iii Cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

iv Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

v Earnings per share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

2 Capital work-in-progress

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Work in Progress	88.50	–
	88.50	–

CWIP Ageing

CWIP	As at March 31, 2024 amount in CWIP for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	88.50	–	–	–	88.50
Projects temporarily suspended	–	–	–	–	–
	88.50	–	–	–	88.50

3 Other non-current financial assets

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Other Financial Assets</u>		
– Deposits - NSDL	0.10	0.10
	0.10	0.10

4 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Cash and Cash Equivalents</u>		
Balances with Banks:		
– in current accounts	13.94	4.60
	13.94	4.60

5 Share Capital

a) Authorised share capital

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
50,000 Equity Shares of Re. 10/- each	5.00	5.00
	5.00	5.00

b) Issued, Subscribed and Paid up capital

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
50,000 Equity shares of Re. 10/- each	5.00	5.00
	5.00	5.00

c) Details of shareholders holding more than 5% shares in the company

₹ in Lakhs

Name of the shareholders	As at 31st March, 2024: No. of shares	Percentage
Equity shares of INR 10/- each fully paid		
Mahindra Holidays & Resorts India Limited	49,994	99.99%

₹ in Lakhs

Name of the shareholders	As at 31st March, 2023: No. of shares	Percentage
Equity shares of INR 10/- each fully paid		
Mahindra Holidays & Resorts India Limited	49,994	99.99%

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

d) Shareholding of promoters in the company

Shares held by promoters at the end of 31st March, 2024	No of shares	% of total shares	% change during the year
Promoter name			
Mahindra Holidays & Resorts India limited	**49,994**	**99.99%**	**0.00%**

Shares held by promoters at the end of 31st March,2023	No of shares	% of total shares	% change during the year
Promoter name			
Mahindra Holidays & Resorts India limited	49,994	99.99%	99.99%

6 Other Equity

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Reserves & Surplus - Retained Earnings	**(2.84)**	(1.13)
TOTAL	**(2.84)**	(1.13)

7 Borrowings - Non current

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loans from related parties*	**100.00**	–
	100.00	–

* The loan (Inter Corporate Deposit) is taken from Mahindra Holidays & Resorts India Limited and carries an interest rate of 10.05% p.a..

8 Trade Payables

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Payable	**0.29**	0.83
	0.29	0.83

Trade Payables ageing

₹ in Lakhs

Trade Payables	Outstanding as at March 31,2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	**0.29**	–	–	–	**0.29**
Total	**0.29**	–	–	–	**0.29**

₹ in Lakhs

Trade Payables	Outstanding as at March 31,2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	0.83	–	–	–	0.83
Total	0.83	–	–	–	0.83

9 Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other payables	**0.09**	–
	0.09	–

10 Finance Costs

₹ in Lakhs

Particulars	For the year ended 31st March, 2024	For the period ended 31st March, 2023
Interest on ICD	**0.91**	–
	0.91	–

11 Other Expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2024	For the period ended 31st March, 2023
<u>**Other expenses**</u>		
Rent Expenses	**–**	**–**
Payment to Auditor		
– As audit fees	**0.20**	0.15
– For reimbursement of expenses	**–**	–
Legal & Professional Fees	**0.59**	0.98
Bank Charges	**0.01**	0.00
	0.80	1.13

12 Earnings per Share

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Basic and Diluted Earnings per share	**(3.42)**	(3.75)
<u>**Earnings per share**</u>		
Profits used in the calculation of basic earnings per share and diluted	**(1.71)**	(1.13)
Weighted average number of equity shares	**50,000**	30,274
Earnings per share from continuing operations - Basic and Diluted	**(3.42)**	(3.75)

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

13 Categories of financial assets and financial liabilities

₹ in Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Categories of financial assets and financial liabilities		
Non-Current Assets		
Capital work-in-progress	**88.50**	–
Other Financial Assets	**0.10**	0.10
Current Assets		
Cash and Cash Equivalents	**13.94**	4.60
Non-current liabilities		
Borrowings	**100.00**	–
Current Liabilities		
Trade Payables	**0.29**	0.83
Other Current Liabilities	**0.09**	–
	202.92	5.53

14 Fair Value Measurement

Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

₹ in Lakhs

Particulars	As at 31st March, 2024	
	Carrying amount	Fair value
Fair Value Measurement		
Financial Assets		
Non-Current Assets	**0.10**	**0.10**
Cash and Cash Equivalents	**13.94**	**13.94**
Financial Liabilities		
Non-Current Borrowings	**100.00**	**100.00**
Current Borrowings	**–**	**–**
Trade Payables	**0.29**	**0.29**
	114.33	**114.33**

₹ in Lakhs

Particulars	As at 31st March, 2023	
	Carrying amount	Fair value
Fair Value Measurement		
Other Financial Assets	0.10	0.10
Cash and Cash Equivalents	4.60	4.60
	4.70	4.70

15 Related Party Transactions and balances

₹ in Lakhs

Particulars		As at 31st March, 2024
Related Party Transactions		
(i) Names of related parties and nature of relationship where control exists:		
Nature of Relationship	**Name of the Related Party**	
Holding Company	Mahindra Holidays & Resorts India Limited	
(ii) Related Party Transactions and balances		
Transactions during the year:		
Interest expense on ICD		**0.91**
ICD availed		**88.50**
Balances as at:		
ICD Outstanding		**100.00**
Equity Share Capital		**5.00**

₹ in Lakhs

Particulars		As at 31st March, 2023
(i) Names of related parties and nature of relationship where control exists:		
Nature of Relationship	**Name of the Related Party**	
Holding Company	Mahindra Holidays & Resorts India Limited	
(ii) Related Party Transactions and balances		
Transactions during the year:		
Investment made by Mahindra Holidays & Resorts India Limited in the company		5.00
Balances as at:		
Equity Share Capital		5.00

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

16 Ratios

Ratios	**Formula**	**For the year ended March 31, 2024**	For the year ended March 31, 2023	% Variance
Current Ratio*	Current Asset/Current Liability	**36.68**	5.54	562.30%
Debt-Equity Ratio	Total Debt/Shareholders equity	**46.38**	–	NA
Debt Service Coverage Ratio	Net operating income/Debt (principal + Interest)	**0.01**	–	NA
Return on Equity Ratio	Net income / Average total shareholders Equity	**-0.14%**	-0.15%	-3.20%
Return on Capital employed*	Earning before Interest and tax/capital employed	**-0.37%**	-0.29%	26.50%
Return on investment*	Net Profit/ Cost of investment	**-0.34%**	-0.23%	50.79%

* Change more than 25% is due to Companys plan to start operation soon

17 The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure, wherever necessary. The Financial Statements have been approved for issue by Company's Board of Directors on 12th April 2024.

In terms of our report attached

For M/S C A G K & CO
Chartered Accountants
Firm's Registration No. 152566W

CA Ankit Chheda
Partner
Membership Number: 138182

Place : Mumbai
Date : 12th April, 2024

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN- 08321516

Place : Mumbai
Date : 12th April, 2024

Salil Khare
Director
DIN- 02935665

Place : Mumbai
Date : 12th April, 2024

AUDITOR'S REPORT

To the Annual General Meeting of Holiday Club Resorts Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Holiday Club Resorts Oy (business identity code 2033337-1) for the year ended 31 March, 2024. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 22 April 2024

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET OF THE GROUP AS AT MARCH 31, 2024

Particular	Note	Eur As at March 31, 2024	Eur As at March 31, 2023
ASSETS			
NON CURRENT ASSETS			
Intangible assets	10	**7,938,741**	7,031,411
Group goodwill	10	**627,877**	740,176
Tangible assets	11	**26,992,940**	26,933,248
Investments	12	**5,095,035**	6,550,676
TOTAL NON CURRENT ASSETS		**40,654,594**	41,255,510
CURRENT ASSETS			
Inventories	14	**59,410,416**	56,712,477
Long-term receivables	15	**692,812**	513,859
Deferred tax receivables	18	**4,658,284**	4,527,073
Short-term receivables	16	**17,815,440**	12,632,697
Financial instruments		**3,558**	3,558
Cash and cash equivalents		**7,110,843**	9,138,755
TOTAL CURRENT ASSETS		**89,691,353**	83,528,419
TOTAL ASSETS		**130,345,946**	124,783,929
EQUITY AND LIABILITIES			
EQUITY	17		
Share capital		**11,959,146**	11,959,146
Other reserves		**42,395,175**	42,395,175
Profit/ (Loss) from previous years		**(8,924,038)**	(8,324,348)
Profit/ (Loss) for the financial year		**(798,831)**	(524,353)
TOTAL EQUITY		**44,631,451**	45,505,620
STATUTORY PROVISIONS	19	**508,505**	798,416
LIABILITIES			
Deferred tax liabilities	18	**8**	627
Long-term liabilities	20	**16,478,104**	14,946,886
Short-term liabilities	21	**68,727,877**	63,532,381
TOTAL LIABILITIES		**85,205,989**	78,479,893
TOTAL EQUITY AND LIABILITIES		**130,345,946**	124,783,929

INCOME STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2024

Particular	Note	Eur Year ended March 31, 2024	Eur Year ended March 31, 2023
REVENUE	1	**135,140,912**	136,661,591
Other operating income	2	**7,064,018**	7,520,432
Share of Associated Company Profit (Loss)		**177**	(5,334)
Materials and services	3	**(33,908,752)**	(36,687,458)
Personnel expenses	4	**(41,441,296)**	(40,414,202)
Depreciations and impairments	5	**(3,531,337)**	(4,256,923)
Other operating expenses	6	**(61,851,953)**	(61,913,886)
PROFIT/ (LOSS)		**1,471,768**	904,220
Financial income and expenses	7	**(2,070,207)**	(1,421,277)
PROFIT/ (LOSS) BEFORE APPROPRIATIONS AND TAXES		**(598,439)**	(517,057)
Income taxes	9	**(200,392)**	(7,296)
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		**(798,831)**	(524,353)

CASH FLOW STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2024

Particular	Eur Year ended March 31, 2024	Eur Year ended March 31, 2023
Cash flow from operating activities		
Profit/loss before appropriations and taxes	**(598,439)**	(517,057)
Adjustments:		
Depreciations	**3,531,337**	4,256,923
Other non-cash items	**(1,019,421)**	350,973
Financial income and expenses	**1,983,467**	1,135,138
Cash generated from operations before net working capital	**3,896,944**	5,225,978
Change in net working capital		
Change in non-interest-bearing receivables	**(5,337,820)**	183,141
Change in inventories	**(2,657,215)**	(594,251)
Change in non-interest-bearing liabilities	**(5,466,900)**	7,322,222
Change in provisions	**(289,910)**	(306,005)
Cash generated from operations before financial items and taxes	**(9,854,901)**	11,831,085
Interest expenses paid and other financial expenses	**(1,310,685)**	(876,178)
Income taxes paid	**(25,893)**	(5,922)
Net cash flow from operating activities	**(11,191,478)**	10,948,985
Cash flow from investments activities		
Investments in tangible and intangible assets	**(3,805,160)**	(2,790,944)
Proceeds from sale of tangible and intangible assets	**1,783,947**	516,203
Investments in other investments	**–**	(8,000)
Proceeds from disposals of other investments	**–**	11,826
Net cash flow from investing activities	**(2,021,213)**	(2,270,915)
Cash flow from financing activities		
Proceeds from short-term borrowings	**30,106,172**	7,152,493
Repayments in short-term borrowngs	**(10,022,056)**	(8,723,760)
Proceeds from long-term borrowing	**500,000**	6,000,000
Repayments in long-term borrowings	**(9,306,723)**	(6,307,887)
Loans granted	**(26,479)**	–
Proceeds from repayments of loans	**3,000**	–
Net cash used in financing activities	**11,253,914**	(1,879,154)
Net increase/decrease in cash and cash equivalents	**(1,958,777)**	6,798,916
Cash and cash equivalents at the beginning of period	**9,142,313**	2,505,438
Effects of exchange rate fluctuations on cash held	**(71,224)**	(162,043)
Cash and cash equivalents at the end of period	**7,114,401**	9,142,313
Change in net cash	**(1,958,777)**	6,798,916

PARENT COMPANY BALANCE SHEET AS AT MARCH 31, 2024

Particular	Note	Eur As at March 31, 2024	Eur As at March 31, 2023
ASSETS			
NON CURRENT ASSETS			
Intangible assets	10	**7,878,404**	7,031,411
Tangible assets	11	**10,219,754**	9,937,690
Investments			
Shares of the group companies	12	**1,101,063**	1,110,005
Shares of the associated companies	12	**217,500**	1,551,500
Receivables from group companies	12	**10,563,991**	10,792,961
Other shares	12	**4,714,275**	4,838,243
Other receivables	12	**64,549**	64,549
TOTAL NON CURRENT ASSETS		**34,759,537**	35,326,358
CURRENT ASSETS			
Inventories	14	**46,865,326**	44,059,073
Long-term receivables	15	**10,016,942**	11,224,204
Short-term receivables	16	**17,397,757**	13,294,836
Financial instruments		**3,558**	3,558
Cash and cash equivalents		**5,411,910**	4,555,337
TOTAL CURRENT ASSETS		**79,695,493**	73,137,007
TOTAL ASSETS		**114,455,030**	108,463,365
EQUITY AND LIABILITIES			
EQUITY	17		
Share capital		**11,959,146**	11,959,146
Reserve for invested non-restricted equity		**42,395,175**	42,395,175
Profit/ (Loss) from previous years		**(21,160,919)**	(15,490,898)
Profit/ (Loss) for the financial year		**(2,075,211)**	(5,670,021)
TOTAL EQUITY		**31,118,191**	33,193,402
ACCUMULATED DEPRECIATION		**–**	3,114
STATUTORY PROVISIONS	19	**465,751**	149,214
LIABILITIES			
Long-term liabilities	20	**10,536,656**	20,474,138
Short-term liabilities	21	**72,334,432**	54,643,498
TOTAL LIABILITIES		**82,871,088**	75,117,636
TOTAL EQUITY AND LIABILITIES		**114,455,030**	108,463,365

PARENT COMPANY INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particular	Note	Eur Year ended March 31, 2024	Eur Year ended March 31, 2023
REVENUE	1	**113,612,940**	112,341,738
OTHER OPERATING INCOME	2	**6,258,883**	6,789,022
Materials and services	3	**(30,366,209)**	(32,712,501)
Personnel expenses	4	**(34,061,980)**	(32,863,543)
Depreciations and impairments	5	**(2,451,759)**	(3,132,013)
Other operating expenses	6	**(54,061,395)**	(55,282,138)
PROFIT/ (LOSS)		**(1,069,520)**	(4,859,436)
Financial income and expenses	7	**(1,634,805)**	(810,585)
PROFIT/ (LOSS) BEFORE APPROPRIATIONS AND TAXES		**(2,704,325)**	(5,670,021)
Appropriations	8	**629,114**	–
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		**(2,075,211)**	(5,670,021)

CASH FLOW STATEMENT OF THE PARENT COMPANY FOR THE YEAR ENDED MARCH 31, 2024

Particular	Eur Year ended March 31, 2024	Eur Year ended March 31, 2023
Cash flow from operating activities		
Profit/ (Loss) before appropriations and taxes	**(2,704,325)**	(5,670,021)
Adjustments:		
Amortizations and depreciations	**2,451,759**	3,132,013
Sales Profit / Loss from the Sales of Non-Current Assets	**(1,121,174)**	51,300
Unrealized foreign exchange gains and losses	**77,408**	40,838
Other non-cash items	**1,830,318**	2,875,876
Financial income and expenses	**1,557,397**	769,747
Cash generated from operations before net working capital	**2,091,384**	1,199,754
Change in working capital		
Change in non-interest-bearing receivables	**(3,732,802)**	127,331
Change in inventories	**(2,682,285)**	(422,623)
Change in non-interest-bearing liabilities	**(4,607,537)**	6,950,616
Change in provisions	**316,538**	–
Cash generated from operations before financial items and taxes	**(8,614,703)**	7,855,077
Interest expenses paid and other financial expenses	**(1,121,690)**	(884,256)
Income taxes paid	**–**	2,316
Net cash flow from operating activities	**(9,736,393)**	6,973,137
Cash flow from investments activities		
Investments in tangible and intangible assets	**(4,111,782)**	(2,612,645)
Proceeds from sale of tangible and intangible assets	**1,699,137**	516,204
Investments in equity investments	**–**	(8,000)
Proceeds from other investments	**–**	11,826
Interest received from investments	**–**	46,704
Dividends received from investments	**–**	1,162
Net cash flow from investing activities	**(2,412,645)**	(2,044,750)
Cash flow from financing activities		
Proceeds from short-term borrowings	**30,022,106**	7,079,520
Repayments of short-term borrowings	**(10,022,056)**	(8,650,787)
Proceeds from long-term borrowings	**–**	6,000,000
Repayments of long-term borrowings	**(7,974,851)**	(4,994,448)
Loans given	**(426,479)**	–
Repayments of loan receivables	**1,306,235**	–
Net cash used in financing activities	**12,904,955**	(565,715)
Net increase/decrease in cash and cash equivalents	**755,917**	4,362,673
Cash and cash equivalents at the beginning of period	**4,558,895**	178,970
Cash received from group internal rearrangements	**(100,657)**	17,252
Cash and cash equivalents at the end of period	**5,415,468**	4,558,895
Change in net cash	**755,917**	4,379,924

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information of the Group

The Group's main branch of business is to sell and rent the timeshare weeks and Villas apartments constructed by the Group. The Group also operates in the Spa hotel business. Group has activities in three countries: Finland, Sweden and Spain.

Holiday Club Resorts Oy is a parent company for the Group, having its registered domicile in Helsinki at Konepajankuja 5 C, FI-00510 Helsinki.

Holiday Club Resorts Oy is a subsidiary of Covington S.a.r.l. The Company's registered domicile is in Luxembourg. Covington S.a.r.l owns 100% of the company's shares. Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited (domicile in India) and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited (domicile in India).

Consolidation principles

Intragroup ownership

Subsidiaries are consolidated using the acquisition method. The subsidiaries' acquisition cost and the corresponding share of the difference in shareholder's equity has been allocated partly to fixed assets, partially presented as goodwill and as group reserve. The acquired subsidiaries are consolidated from the moment the control has been obtained and divested subsidiaries until the day that the control has ceased to exist.

The consolidated financial statements include the parent company, Holiday Club Resorts Oy and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. This does not include timeshare and Villas apartment companies as they are represented in the current assets. Also, according to the Finnish Accounting Act's chapter six, companies which do not have a material impact on the group's result and financial position, have been left out of the consolidated financial statements.

Intra-group transactions, unrealized internal margin, receivables, liabilities and dividends between group companies are eliminated in consolidation.

The subsidiaries' financial statements are prepared in correspondence of the accounting principles used by the group.

Associated companies and joint ventures

Associated companies and joint ventures are consolidated using the equity method in accordance with the instructions of the Finnish Accounting Board. The group's share of the results of the associated companies are shown under other operating income.

All timeshare and Villas apartment companies, including the ones of which the group owns more than 20%, are presented in the current assets as they are actively traded.

Foreign Currency Translation

Transactions in foreign currencies

Items in the subsidiaries' financial statements are valued in the currency, which is used in each subsidiary's main operating environment (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the group. Assets and liabilities are translated into euros at the closing rate of the balance sheet date. Exchange differences resulting from sales and purchases are recorded as adjustments to the corresponding items above the operating profit. At the company level, exchange gains from foreign currency denominated loans are presented in the accrued expenses according to the principle of prudence. Exchange losses are recognized through profit and loss. At the group level, exchange gains and losses are recognized in equity as retained earnings.

Foreign subsidiaries

Foreign subsidiaries' income statements are translated into euros using the average exchange rates for the period. All balance sheet items, except profit for the period, are translated into euros using the closing exchange rates. The translation differences arising from the translation of income statement and balance sheet at different exchange rates and from eliminating the foreign subsidiaries equity is recognized in the group's equity. When a subsidiary is divested entirely or partially, the cumulative translation difference is recognized in the income statement as a part of the gain or loss from the sale.

Valuation and depreciation of non-current assets

Non-current assets

Goodwill

Goodwill represents the excess of the acquisition cost and the acquired company's net assets at the fair value at the date of the acquisition. Goodwill is allocated to cash-generating units, if such can be designated. As a main rule, goodwill is amortized and if the expected future operating cash flow is lower than the carrying amount of the goodwill, an impairment loss is recognized as an expense in the income statement.

Other intangible assets

Intangible assets are recorded in the balance sheet at their original acquisition cost, if the cost can be measured reliably and if it is probable that the expected benefits of the asset will benefit the company. Significant renovations are capitalized and amortized over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company.

Intangible assets mainly include software licenses and renovation investments.

Tangible assets

The subsidiaries' tangible assets have been valued in the balance sheet at historical cost less accumulated, straight-line depreciations and possible impairment losses. Land areas are not depreciated.

Residual values and useful lifetimes are reviewed at each balance sheet date and, if necessary, adjusted to reflect the changes of expected economic benefits.

Additional investments are capitalized and depreciated over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company. Capital gains are presented in other operating income and losses under other operating expenses. The interest expenses related to the acquisition of the asset are expensed.

Fixed asset amortization and depreciation periods

The useful lives of the different asset categories are as follows:

Intangible rights	5-10 years
Goodwill and group goodwill	5-10 years
Long-term expenses	5-10 years
Buildings	50-60 years
Other constructions	10 years
Machinery and equipment	5-10 years
Renovations	5-10 years
Other tangible assets	10 years

Investments

Investments have been valued with original acquisition cost less possible impairments in the balance sheet.

Group reserve

The group reserve is allocated, in accordance with the share of ownership, to those assets and liabilities of the subsidiary that the group reserve is considered to derive from. The unallocated portion is recognized in the group's balance sheet as a separate item before liabilities. The group reserve is recognized as income when the corresponding expenditure or loss is recorded as an expense in the income statement of the subsidiary or where it corresponds to a realized return. The unallocated group reserve is recognized as income over time. These procedures are in accordance with the Finnish Accounting Act.

Received grants

Grants received by the company are recorded as other operating income in the income statement during the periods in which the related expenses are incurring. Investment grant for the acquisition of fixed assets is recorded in the balance sheet as accrued expense and recognized in the income statement as revenue over the asset's systematical depreciation period.

Inventory

Inventory is valued at the original acquisition cost or the lower net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and selling in the ordinary course of business. The cost of finished and unfinished products comprises of raw materials, direct labor costs and other direct costs. The costs of selling and financing are not allocated to the acquisition cost.

Receivables

Receivables are valued at the nominal value or the lower probable value.

Financial assets

The group's cash and cash equivalents consist of cash, bank deposits and other short-term highly liquid investments. Cash and cash equivalents have a maximum maturity of three months from the acquisition date. Financial assets are recognized on the settlement date and derecognized when the group has lost its contractual rights to the cash flows or when it has transferred substantial part of all the risks and rewards of ownership to parties outside the group.

Liabilities

Liabilities are valued at the nominal value. Transaction costs are expensed as incurred.

Deferred tax assets and liabilities

Deferred tax assets and liabilities of the Group are calculated with a current tax rate as temporary differences between taxation and financial statements. Deferred tax assets are recognized at the probable amount in the balance sheet. The deferred tax assets have been booked only to the amount of confirmed tax losses in the local taxation.

Deferred taxes are not recognized in parent company income statement nor balances sheet.

Ordinary repair and maintenance

Ordinary repair and maintenance costs are expensed as they incur.

External services

External services include among other things expenses from rented personnel and expenses from cleaning and laundry services used by the hotel.

Pensions

Payments for defined contribution plans are made to a pension insurance company. Payments made for defined con- tribution plans are recognized as expenses in the income statement for the financial period to which the debit relates.

Direct taxes

Taxes based on taxable income for the period are calculated on taxable income using the tax rate that is in force in the country in which the particular subsidiary is based. The amount of tax is adjusted for any taxes concerning previous periods.

Revenue recognition

Revenue from services is recognized as income when the service is rendered to the customer. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. At that time, the group has no longer any supervision or control power over the good sold.

Rental income from holiday homes and revenue from hotels are recognized when the customer has accommodated. Income from restaurants and from other services related to hotel activities are recognized as revenue when the service is rendered. Rental income from retail premises is recognized on a straight-line basis over the rental period.

Income from Villas apartments, and starting end of financial year 2020-2021, also income from Timeshare apartments, is recognized by using the stage of completion method in accordance with the guidelines of the Confederation of Finnish Construction Industries and the Finnish Accounting Board. The percentage of completion is defined based on the percentage of the completion of the construction project and the percentage of the shares sold.

At the closing of the Timeshare deal, the company will record a so-called cancellation provision in case of future cancelation of deals. This is done based on previous experience and statistics on customer behavior. Statutory cancellation time is 14 days from the moment the deal was signed.

Use of estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions regarding future events. Actual results may differ from these estimates and assumptions. In addition, management must exercise judgment in applying accounting principles. Estimates are based on management's best knowledge at the time. Possible changes in estimates and assumptions are recognized during the period in which the estimates or assumptions are adjusted and in all subsequent financial periods.

The key assumptions and uncertainties concerning the future, which may cause significant changes in the carrying values of assets and liabilities within the next financial year are as follows:

Impairment losses

The group reviews fixed assets and inventory annually and evaluates indications of impairment as set out above in the accounting policies. The deferred tax assets have been booked only to the amount of confirmed tax losses in the local taxation.

Revenue recognition

Timeshare weeks have a 14-day cancellation right stated by the Consumer Protection Act. The cancellation policy is taken into account in profit recognition by taking advantage of the experience and statistics on customer behavior.

Receivables

From uncertain loans and any permanent impairments, the group recognizes a credit loss in accordance with the principal of prudence.

Support received

In financial year 2022- 2023 the Group received subsidies totaling to EUR 1,002,042. The amount includes EUR 1,000,000 received from the state to the parent company Holiday Club Resorts Oy due to the Covid-19. In financial year 2023 - 2024 no prominent subsidies were received. The subsidies received by the company are recognized in the income statement for the financial year in other operating income.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

TURNOVER BY BUSINESS AREAS

Eur

Business area review	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Timeshare	**38,618,180**	36,725,979	**38,112,206**	35,597,515
Service sector	**71,469,976**	75,784,655	**62,871,580**	64,089,101
Renting	**12,444,868**	11,490,113	**7,610,948**	7,269,434
Real Estate Management	**6,600,549**	6,206,797	**3,388,274**	3,154,385
Villas	**1,230,708**	2,487,866	**1,238,888**	2,414,864
Other Sales	**4,776,631**	3,966,180	**391,045**	(183,561)
Total	**135,140,912**	136,661,591	**113,612,940**	112,341,738

Eur

Partial revenue recognition	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Share of turnover recorded as revenue according to the percentage of completion method	**–**	1,540,047	**–**	1,540,047

TURNOVER BY MARKET AREAS

Eur

Geographical review	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Finland	**113,354,550**	112,190,527	**113,612,940**	112,341,738
Sweden	**12,360,970**	15,815,733	**–**	–
Spain	**9,425,391**	8,655,332	**–**	–
Total	**135,140,912**	136,661,591	**113,612,940**	112,341,738

2. OTHER OPERATING INCOME

Eur

	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Profit from the sales of fixed assets	**1,106,709**	1,667	**1,121,174**	1,667
Rental income	**1,101,338**	1,389,775	**948,018**	1,238,571
Commissions	**1,131,319**	1,043,323	**1,126,415**	1,038,049
Service income	**700,171**	734,360	**160,096**	154,627
Other income	**3,024,481**	4,351,307	**2,903,180**	4,256,380
Profit from mergers	**–**	–	**–**	99,727
Total	**7,064,018**	7,520,432	**6,258,883**	6,789,022

In financial year 2022-2023 other income included subsidies related to the Covid-19 pandemic paid to the parent entity amounting to Eur 1,00,00,00/Rs. 89,639,000.

3. MATERIALS AND SERVICES

Eur

Materials and supplies	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Purchases during the financial year	**27,819,502**	26,088,607	**26,029,345**	23,729,025
Change in inventory	**(4,521,093)**	(346,428)	**(4,661,533)**	(180,263)
Total	**23,298,409**	25,742,179	**21,367,812**	23,548,762
External services	**10,610,343**	10,945,279	**8,998,396**	9,163,739
Materials and services total	**33,908,752**	36,687,458	**30,366,209**	32,712,501

4. PERSONNEL AND MEMBERS OF THE BOARD

PERSONNEL EXPENSES

Eur

	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Salaries, wages, comissions	**34,511,307**	33,314,214	**28,405,525**	27,040,951
Pension expenses	**4,885,217**	4,903,611	**4,706,461**	4,725,935
Other indirect employee expenses	**2,044,773**	2,196,377	**949,994**	1,096,656
Total	**41,441,296**	40,414,202	**34,061,980**	32,863,543

EXECUTIVE REMUNERATION

Eur

	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Management board	**1,886,817**	1,582,852	**1,886,817**	1,582,852
Members of the board of directors	**70,000**	76,667	**70,000**	76,667
Total	**1,956,817**	1,659,519	**1,956,817**	1,659,519

THE AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

	Group	Group	Parent	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Employees	**962**	936	**692**	667
Total	**962**	936	**692**	667

NOTES TO THE BALANCE SHEET

5. AMORTIZATIONS, DEPRECIATIONS AND IMPAIRMENTS

Eur

	Group March 31, 2024	Group March 31, 2023	Parent March 31, 2024	Parent March 31, 2023
Intangible assets	**749,562**	921,958	**747,430**	921,958
Goodwill	**–**	–	**–**	–
Other long-term expenses	**962,941**	1,005,734	**962,941**	1,005,734
Buildings and structures	**826,259**	844,858	**94,731**	94,730
Machinery and equipment	**777,085**	1,267,718	**537,966**	1,001,442
Other tangible assets	**118,612**	113,649	**108,691**	108,149
Total	**3,434,460**	4,153,917	**2,451,759**	3,132,013
Group goodwill	**96,877**	103,007	**–**	–
Total	**3,531,337**	4,256,923	**2,451,759**	3,132,013

6. OTHER OPERATING EXPENSES

Eur

	Group March 31, 2024	Group March 31, 2023	Parent March 31, 2024	Parent March 31, 2023
Voluntary employee expenses	**672,153**	699,909	**642,169**	673,730
Rents	**21,589,583**	20,902,996	**17,350,573**	16,757,617
Maintenance fees	**7,571,922**	7,397,537	**7,341,866**	7,148,405
Marketing expenses	**7,314,692**	6,966,923	**6,630,175**	6,343,714
Travel and entertainment expenses	**545,267**	647,624	**540,653**	639,693
Maintenance expenses	**6,055,610**	6,223,844	**5,371,221**	5,493,926
Real estate expenses	**9,926,437**	9,690,443	**8,031,856**	8,060,035
Consulting and other services	**2,580,721**	2,951,541	**2,052,271**	2,449,178
Other operating expenses	**5,595,568**	6,433,070	**6,100,612**	7,715,840
Total	**61,851,953**	61,913,886	**54,061,395**	55,282,138

AUDITING FEES

Eur

	Group March 31, 2024	Group March 31, 2023	Parent March 31, 2024	Parent March 31, 2023
Auditing services	**315,985**	206,709	**255,419**	138,029
Tax consultancy	**27,600**	43,241	**–**	19,235
Other fees	**10,960**	7,562	**10,960**	7,562
Total	**354,545**	**257,511**	**266,378**	**164,826**

7. FINANCIAL INCOME AND EXPENSE

Eur

	Group March 31, 2024	Group March 31, 2023	Parent March 31, 2024	Parent March 31, 2023
Dividends	**1,065**	1,162	**1,065**	1,162
Other interest and financial income				
Interest income				
Group companies	**–**	–	**752,364**	515,754
Others	**70,636**	74,292	**45,831**	39,720
financial income				
Others	**2,066,166**	1,739,033	**10,023**	–
Total interest and financial income	**2,137,867**	1,814,486	**809,283**	556,635
Interest expenses and other financial expenses				
Interest expenses				
Group companies	**–**	–	**353,881**	220,684
Others	**761,367**	581,327	**660,936**	499,387
Other financial expenses				
Group companies	**–**	–	**86,356**	–
Reversal of impairment losses from financial securities	**546**	(4,000)	**9,488**	(4,000)
Foreign exchange loss (other items), unrealised	**2,144,147**	2,021,335	**87,291**	40,838
Others	**1,302,015**	637,101	**1,246,136**	610,311
Total interest expenses and other financial expenses	**4,208,075**	3,235,763	**2,444,089**	1,367,220
Financial income and expense	**(2,070,207)**	(1,421,277)	**(1,634,805)**	(810,585)

8. APPROPRIATIONS

Eur

	Group March 31, 2024	Group March 31, 2023	Parent March 31, 2024	Parent March 31, 2023
Change in accumulated depreciation	**–**	–	**3,114**	–
Group contribution	**–**	–	**626,000**	–
Total	**–**	–	**629,114**	–

9. INCOME TAXES

Eur

	Group March 31, 2024	Group March 31, 2023	Parent March 31, 2024	Parent March 31, 2023
Income taxes from operating activities	**(338,836)**	(17,410)	**–**	–
Income taxes, previous financial year	**–**	–	**–**	–
Change in deferred tax receivables	**137,825**	(8,174)	**–**	–
Change in deferred tax liabilities	**619**	18,288	**–**	–
Total	**(200,392)**	(7,296)	**–**	–

FIXED ASSETS

10. INTANGIBLE ASSETS AND GROUP GOODWILL, GROUP

March 31, 2023

Eur

	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Group goodwill	Total
Acquisition cost April 1, 2022	7,934,417	14,820,450	6,816,971	–	1,547,363	31,119,202
Translation difference	(757)	–	(26,461)	–	(90,079)	(117,296)
Additions	228,417	558,895	–	1,206,412	–	1,993,724
Deductions	(118,017)	(22,469)	(580,992)	(40,433)	–	(761,912)
Transfers between items	156,808	45,109	–	405,024	–	606,941
Acquisition cost March 31, 2023	8,200,868	15,401,985	6,209,518	1,571,003	1,457,284	32,840,658
Accumulated amortizations April 1, 2022	(5,884,523)	(10,471,473)	(6,816,971)	–	(631,929)	(23,804,897)
Translation difference	757	–	26,461	–	17,828	45,046
Accumulated amortizations from transfers/ deductions	118,017	22,470	580,992	–	–	721,479
Amortizations	(921,958)	(1,005,734)	–	–	(103,007)	(2,030,699)
Accumulated amortizations March 31, 2023	(6,687,708)	(11,454,737)	(6,209,518)	–	(717,108)	(25,069,071)
Book value March 31, 2023	1,513,160	3,947,248	–	1,571,003	740,176	7,771,587

March 31, 2024

Eur

	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Group goodwill	Total
Acquisition cost April 1, 2023	8,200,868	15,401,985	6,209,518	1,571,003	1,457,284	32,840,658
Translation difference	–	–	–	–	(20,937)	(20,937)
Additions	140,031	199,918	–	2,289,885	–	2,629,833
Deductions	–	–	–	(3,557)	–	(3,557)
Transfers between items	704,895	(263,398)	–	(447,939)	–	(6,442)
Acquisition cost March 31, 2024	**9,045,794**	**15,338,504**	**6,209,518**	**3,409,392**	**1,436,347**	**35,439,555**
Accumulated amortizations April 1, 2023	(6,687,708)	(11,454,737)	(6,209,518)	–	(717,108)	(25,069,071)
Translation difference	–	–	–	–	5,515	5,515
Accumulated amortizations from transfers/ deductions	–	–	–	–	–	–
Amortizations	(747,430)	(965,073)	–	–	(96,877)	(1,809,381)
Accumulated amortizations March 31, 2024	**(7,440,934)**	**(12,414,014)**	**(6,209,518)**	**–**	**(808,470)**	**(26,872,936)**
Book value March 31, 2024	**1,604,860**	**2,924,490**	**–**	**3,409,392**	**627,877**	**8,566,618**

10. INTANGIBLE ASSETS, PARENT COMPANY

March 31, 2023

Eur

	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Total
Acquisition cost April 1, 2022	7,917,048	14,771,529	2,701,524	–	25,390,101
Additions	228,417	558,895	–	1,206,412	1,993,724
Transfers between items	156,808	45,109	–	405,024	606,941
Acquisition cost March 31, 2023	8,200,868	15,372,758	2,701,524	1,571,003	27,846,152
Accumulated amortizations April 1, 2022	(5,867,154)	(10,422,551)	(2,701,524)	–	(18,991,229)
Amortizations	(921,958)	(1,005,734)	–	–	(1,927,692)
Accumulated amortizations March 31, 2023	(6,687,708)	(11,425,510)	(2,701,524)	–	(20,814,741)
Book value March 31, 2023	1,513,160	3,947,248	–	1,571,003	7,031,411

March 31, 2024

	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Total
					Eur
Acquisition cost April 1, 2023	8,200,868	15,372,758	2,701,524	1,571,003	27,846,152
Additions	140,031	137,449	–	2,289,885	2,567,364
Deductions	–	–	–	(3,557)	(3,557)
Transfers between items	704,895	(263,398)	–	(447,939)	(6,442)
Acquisition cost March 31, 2024	**9,045,794**	**15,246,808**	**2,701,524**	**3,409,392**	**30,403,517**
Accumulated amortizations April 1, 2023	(6,687,708)	(11,425,510)	(2,701,524)	–	(20,814,741)
Accumulated amortizations from transfers/deductions	(5,796)	5,796	–	–	–
Amortizations	(747,430)	(962,941)	–	–	(1,710,371)
Accumulated amortizations March 31, 2024	**(7,440,934)**	**(12,382,655)**	**(2,701,524)**	**–**	**(22,525,113)**
Book value March 31, 2024	**1,604,860**	**2,864,153**	**–**	**3,409,392**	**7,878,404**

11. TANGIBLE ASSETS, GROUP

March 31, 2023

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
						Eur
Acquisition cost April 1, 2022	13,317,216	21,831,361	25,082,678	3,345,627	818,015	64,394,897
Translation difference	(18,161)	(354,188)	(93,509)	–	–	(465,858)
Additions	–	–	797,221	–	–	797,221
Deductions	(527,400)	(16,192)	(433,271)	(1,619)	–	(978,481)
Transfers between items	–	–	120,013	–	(726,953)	(606,941)
Acquisition cost March 31, 2023	12,771,655	21,460,981	25,473,131	3,344,009	91,062	63,140,837
Accumulated amortizations April 1, 2022	(2,895,129)	(8,107,914)	(22,095,743)	(1,568,035)	–	(34,666,821)
Translation difference	–	159,424	82,822	–	–	242,246
Accumulated amortizations from transfers/ deductions	–	11,874	429,718	1,619	–	443,210
Amortizations	–	(844,859)	(1,267,718)	(113,649)	–	(2,226,226)
Accumulated amortizations March 31, 2023	(2,895,129)	(8,781,475)	(22,850,921)	(1,680,065)	–	(36,207,590)
Book value March 31, 2023	9,876,526	12,679,506	2,622,210	1,663,944	91,062	26,933,248

March 31, 2024

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
						Eur
Acquisition cost April 1, 2023	12,771,655	21,512,581	25,473,131	3,344,009	91,062	63,192,438
Translation difference	(4,221)	(83,098)	(21,045)	–	–	(108,364)
Additions	2,318,123	–	680,294	75,604	6,356	3,080,377
Deductions	(574,406)	–	(18,191)	–	(5,520)	(598,118)
Transfers between items	–	–	6,442	–	–	6,442
Acquisition cost March 31, 2024	**14,511,150**	**21,378,168**	**26,120,632**	**3,419,613**	**91,897**	**65,521,460**
Accumulated amortizations April 1, 2023	(2,895,129)	(8,781,475)	(22,850,921)	(1,680,065)	–	(36,207,590)
Translation difference	–	40,750	17,599	–	–	58,349
Accumulated amortizations from transfers/ deductions	–	–	18,191	–	–	18,191
Amortizations	(652,083)	(826,323)	(777,246)	(141,818)	–	(2,397,470)
Accumulated amortizations March 31, 2024	**(3,547,212)**	**(9,567,048)**	**(23,592,377)**	**(1,821,883)**	–	**(38,528,520)**
Book value March 31, 2024	**10,963,938**	**11,811,120**	**2,528,255**	**1,597,730**	**91,897**	**26,992,940**

11. TANGIBLE ASSETS, PARENT COMPANY

March 31, 2023

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
						Eur
Acquisition cost April 1, 2022	3,646,373	2,339,680	18,563,756	3,179,009	807,182	28,536,001
Additions	–	–	618,922	–	–	618,922
Deductions	(527,070)	–	(4,817)	–	–	(531,887)
Transfers between items	3,041,525	321,796	125,013	–	(726,953)	2,761,381
Acquisition cost March 31, 2023	6,160,828	2,661,477	19,302,873	3,179,009	80,229	31,384,416
Accumulated depreciations and impairments April 1, 2022	(583,298)	(859,517)	(16,666,392)	(1,518,291)	–	(19,627,498)
Accumulated depreciations from deductions and transfers	(577,229)	(42,495)	4,817	–	–	(614,907)
Depreciations for the financial year	–	(94,730)	(1,001,442)	(108,149)	–	(1,204,321)
Accumulated depreciations and impairments March 31, 2023	(1,160,527)	(996,742)	(17,663,017)	(1,626,440)	–	(21,446,726)
Book value March 31, 2023	5,000,301	1,664,734	1,639,856	1,552,569	80,229	9,937,690

March 31, 2024

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
						Eur
Acquisition cost April 1, 2023	6,160,828	2,661,477	19,302,873	3,179,009	80,229	31,384,416
Additions	1,059,766	–	482,838	75,604	6,356	1,624,564
Deductions	(574,406)	–	(18,191)	–	(5,520)	(598,118)
Transfers between items	–	–	6,442	–	–	6,442
Acquisition cost March 31, 2024	**6,646,188**	**2,661,477**	**19,773,962**	**3,254,613**	**81,064**	**32,417,305**
Accumulated depreciations and impairments April 1, 2023	(1,160,527)	(996,742)	(17,663,017)	(1,626,440)	–	(21,446,726)
Accumulated depreciations from deductions and transfers	–	–	18,191	–	–	18,191
Depreciations for the financial year	–	(94,731)	(537,966)	(136,318)	–	(769,015)
Accumulated depreciations and impairments March 31, 2024	**(1,160,527)**	**(1,091,473)**	**(18,182,792)**	**(1,762,758)**	**–**	**(22,197,550)**
Book value March 31, 2024	**5,485,661**	**1,570,004**	**1,591,170**	**1,491,855**	**81,064**	**10,219,755**

12. INVESTMENTS, GROUP

March 31, 2023

	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
					Eur
Acquisition cost April 1, 2022	5,052,866	1,551,556	64,549	–	6,668,971
Additions	–	8,000	–	–	8,000
Deductions	(11,826)	–	–	–	(11,826)
Share of associated companies' results	–	(5,334)	–	–	(5,334)
Transfers between items	–	–	93,603	–	93,603
Exchange rate differences	(4,175)	–	–	–	(4,175)
Acquisition cost March 31, 2023	5,036,865	1,554,222	158,152	–	6,749,239
Accumulated impairments April 1, 2022	(206,797)	–	–	–	(206,797)
Reversal of impairments	4,000	–	–	–	4,000
Exchange rate differences	4,175	–	–	–	4,175
Accumulated impairments March 31, 2023	(198,621)	–	–	–	(198,621)
Book value March 31, 2023	4,838,243	1,554,222	158,152	–	6,550,617

March 31, 2024

Eur

	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Acquisition cost April 1, 2023	5,036,865	1,554,222	158,152	–	6,749,239
Deductions	(123,968)	(1,331,849)	–	–	(1,455,817)
Share of associated companies' results	–	177	–	–	177
Exchange rate differences	(970)	–	–	–	(970)
Acquisition cost March 31, 2024	**4,911,926**	**222,550**	**158,152**	**–**	**5,292,629**
Accumulated impairments April 1, 2023	(198,621)	–	–	–	(198,621)
Exchange rate differences	970	–	–	–	970
Accumulated impairments March 31, 2024	**(197,651)**	–	**–**	**–**	**(197,651)**
Book value March 31, 2024	**4,714,275**	**222,550**	**158,152**	**–**	**5,094,978**

12. INVESTMENTS, PARENT COMPANY

March 31, 2023

Eur

	Shares in group companies	Shares in associated companies	Other shares	Capital Loan Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost April 1, 2022	8,987,956	2,422,725	5,002,914	11,778,079	18,000	103,190	28,312,865
Additions	–	8,000	–	–	–	–	8,000
Deductions from group internal rearrangements	(7,574,508)	–	–	–	–	–	(7,574,508)
Exchange rate differences	–	–	–	(985,117)	–	–	(985,117)
Acquisition cost March 31, 2023	1,413,448	2,430,725	4,991,088	10,792,961	18,000	103,190	19,749,413
Accumulated depreciations and impairments April 1, 2022	(1,529,608)	(879,225)	(156,845)	–	(18,000)	(38,642)	(2,622,320)
Accumulated depreciations and impairments March 31, 2023	(303,442)	(879,225)	(152,845)	–	(18,000)	(38,642)	(1,392,154)
Book value March 31, 2023	1,110,006	1,551,500	4,838,243	10,792,961	–	64,549	18,357,259

March 31, 2024

Eur

	Shares in group companies	Shares in associated companies	Other shares	Capital Loan Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost April 1, 2023	1,413,448	2,430,725	4,991,088	10,792,961	18,000	103,190	19,749,413
Deductions	(8,942)	(1,334,000)	(123,968)	–	–	–	(1,466,910)
Exchange rate differences	–	–	–	(228,970)	–	–	(228,970)
Acquisition cost March 31, 2024	**1,404,506**	**1,096,725**	**4,867,121**	**10,563,991**	**18,000**	**103,190**	**18,053,533**
Accumulated depreciations and impairments April 1, 2023	(303,442)	(879,225)	(152,845)	–	(18,000)	(38,642)	(1,392,154)
Accumulated depreciations and impairments March 31, 2024	**(303,442)**	**(879,225)**	**(152,845)**	**–**	**(18,000)**	**(38,642)**	**(1,392,154)**
Book value March 31, 2024	**1,101,064**	**217,500**	**4,714,275**	**10,563,991**	**–**	**64,549**	**16,661,379**

13. GROUP COMPANIES

Consolidated	Domicile	Group ownership %	Parent ownership %
Holiday Club Canarias Investment S.L.	Las Palmas	100.00	0.00
Holiday Club Canarias Resort Management S.L.	Las Palmas	100.00	0.00
Holiday Club Canarias Sales & Marketing S.L.	Las Palmas	100.00	0.00
Holiday Club CanariasVacation Club S.L.	Las Palmas	100.00	0.00
Holiday Club Rus LLC	Pietari	100.00	100.00
Holiday Club Sweden AB	Åre	100.00	100.00
Ownership Services AB	Åre	100.00	0.00
Åre Villas 3 AB	Åre	100.00	0.00
Holiday Club Sport and Spa Hotels AB	Åre	100.00	0.00
Kiinteistö Oy Rauhan Liikekiinteistöt	Lappeenranta	100.00	100.00
Kiinteistö Oy Vierumäen Kaari*	Vierumäki	100.00	100.00

The company marked with * merged with its parent company Holiday Club Resorts Oy on 31.3.2024

Associated companies and joint ventures	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Seniori-Saimaa	Lappeenranta	31.15	31.15
Tropiikin Rantasauna Oy	Kuusamo	50.00	50.00

All associated companies have been consolidated into the group financial statements.

14. INVENTORY

				Eur
	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Materials and supplies	**665,493**	773,906	**534,604**	612,086
Timeshare	**50,095,767**	47,829,930	**37,930,019**	35,671,919
Unfinished construction projects	**906,787**	976,155	**707,960**	693,293
Other inventory	**2,572,913**	2,576,100	**2,559,898**	2,562,803
Villas apartments	**5,169,456**	4,556,387	**5,132,845**	4,518,972
Total	**59,410,416**	56,712,477	**46,865,326**	44,059,073

RECEIVABLES

15. LONG-TERM RECEIVABLES

				Eur
	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Sales receivables	**692,812**	513,859	**584,447**	418,473
Loan receivables from group companies	**–**	–	**9,432,495**	10,805,730
Deferred tax receivable	**4,658,284**	4,527,073	**–**	–
Total	**5,351,096**	5,040,931	**10,016,942**	11,224,204

16. SHORT-TERM RECEIVABLES

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Sales receivables	**11,585,297**	8,936,316	**8,149,822**	6,265,578
Receivables from group companies				
Sales receivables	**–**	–	**90,622**	11,293
Loan receivables	**–**	–	**3,347,060**	2,957,060
Accrued income	**–**	–	**1,059,700**	1,502,514
Receivables from group companies, total	**–**	–	**4,497,382**	4,470,867
Receivables from others				
Loan receivables	**172,307**	148,827	**172,307**	148,827
Accrued income	**3,538,767**	2,342,807	**3,085,338**	2,023,169
Other receivables	**2,519,070**	1,204,747	**1,492,908**	386,395
Total	**17,815,440**	12,632,697	**17,397,757**	13,294,836

RELEVANT ACCRUED INCOME (excluding receivables from group and associated companies)

Eur

	Group	Group	**Parent**	Parent
	Year ended March 31, 2024	Year ended March 31, 2023	**Year ended March 31, 2024**	Year ended March 31, 2023
Accrued expenses	**2,616,639**	1,549,900	**2,392,442**	1,500,429
Accrued income	**684,057**	508,457	**644,426**	442,101
Tax receivables	**64,556**	116,398	–	–
Social security receivables	**45,857**	56,932	**45,857**	56,932
Others	**127,659**	111,119	**2,614**	23,706
Total	**3,538,767**	2,342,807	**3,085,338**	2,023,169

17. EQUITY

Eur

	Group	Group	**Parent**	Parent
	Year ended March 31, 2024	Year ended March 31, 2023	**Year ended March 31, 2024**	Year ended March 31, 2023
RESTRICTED SHAREHOLDERS' EQUITY				
Share capital at the beginning of the financial year	**11,959,146**	11,959,146	**11,959,146**	11,959,146
Share capital at the end of financial year	**11,959,146**	11,959,146	**11,959,146**	11,959,146
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**11,959,146**	11,959,146	**11,959,146**	11,959,146
NON-RESTRICTED SHAREHOLDERS' EQUITY				
Reserve for invested non-restricted equity at the beginning of the financial year	**42,395,175**	42,395,175	**42,395,175**	42,395,175
Reserve for invested non-restricted equity at the end of the financial year	**42,395,175**	42,395,175	**42,395,175**	42,395,175
Profit from previous financial years at the beginning of the financial year	**(8,848,701)**	(8,027,809)	**(21,160,919)**	(15,490,898)
Translation differences	**(75,337)**	(296,539)	**–**	–
Profit from previous financial years at the end of financial year	**(8,924,037)**	(8,324,348)	**(21,160,919)**	(15,490,898)
Profit for the period	**(798,831)**	(524,353)	**(2,075,211)**	(5,670,021)
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**32,672,305**	33,546,474	**19,159,045**	21,234,256
SHAREHOLDERS' EQUITY TOTAL	**44,631,451**	45,505,620	**31,118,191**	33,193,402

The Shareholders' equity of the Group includes Rs 223,333 (FY22-23: Rs 224,722) from appropriations and other voluntary provisions.

CALCULATION FOR DISTRIBUTABLE FUNDS

	Parent Year ended March 31, 2024 (Eur)	Parent Year ended March 31, 2023 (Eur)
Reserve for invested non-restricted equity	**42,395,175**	42,395,175
Profit from the previous financial years	**(21,160,919)**	(15,490,898)
+Profit for the period	**(2,075,211)**	(5,670,021)
- Received business cost support from the government for the period November 1, 2020 - February 28, 2022	**–**	(1,000,000)
Total	**19,159,045**	20,234,256

18. DEFERRED TAX RECEIVABLES AND LIABILITIES

	Group Year ended March 31, 2024 (Eur)	Group Year ended March 31, 2023 (Eur)	**Parent** Year ended March 31, 2024 (Eur)	Parent Year ended March 31, 2023 (Eur)
Deferred tax receivables:				
from unused losses in taxation	**3,945,395**	3,809,327	**–**	–
from other temporary differences	**712,889**	717,746	**–**	–
Total	**4,658,284**	4,527,073	**–**	–
Deferred tax liabilities:				
from appropriations	**8**	627	**–**	–
Total	**8**	627	**–**	–
Deferred not booked tax receivables:				
from unused losses in taxation	**6,018,924**	6,467,767	**–**	–
from other temporary differences	**1,545,846**	1,545,846	**–**	–
Total	**7,564,770**	8,013,613	**–**	–

19. STATUTORY PROVISIONS, GROUP

Eur

Year ended March 31, 2023	**Litigation provision**	**Other provisions**	**Total**
Opening balance April 1, 2022	736,127	368,715	1,104,842
Additional provisions recognised	90,000	4,176,431	4,266,431
Amounts used during the period	(203,696)	(4,802,034)	(5,005,730)
Unused amounts reversed during the period	–	429,043	429,043
Translation differences	–	(421)	(421)
Other movement	4,251	–	4,251
Book value March 31, 2023	626,682	171,734	798,416

Eur

Year ended March 31, 2024	**Litigation provision**	**Other provisions**	**Total**
Opening balance April 1, 2023	**626,682**	**171,734**	**798,416**
Additional provisions recognised	**20,000**	**4,541,782**	**4,561,782**
Amounts used during the period	**(648,358)**	**(5,159,447)**	**(5,807,805)**
Unused amounts reversed during the period	**–**	**956,055**	**956,055**
Other movement	**1,676**	**(1,617)**	**58**
Book value March 31, 2024	**–**	**508,505**	**508,505**

19. STATUTORY PROVISIONS, PARENT COMPANY

Year ended March 31, 2023	Litigation provision	Other provisions	Total
			Eur
Opening balance April 1, 2022	–	344,424	344,424
Additional provisions recognised	–	3,811,390	3,811,390
Amounts used during the period	–	(4,717,239)	(4,717,239)
Unused amounts reversed during the period	–	710,639	710,639
Book value March 31, 2023	–	149,214	149,214

Year ended March 31, 2024	Litigation provision	Other provisions	Total
			Eur
Opening balance April 1, 2023	**–**	**149,214**	**149,214**
Additional provisions recognised	**–**	**4,401,380**	**4,401,380**
Amounts used during the period	**–**	**(5,114,447)**	**(5,114,447)**
Unused amounts reversed during the period	**–**	**1,031,223**	**1,031,223**
Book value March 31, 2024	**–**	**465,751**	**465,751**

20. LONG-TERM LIABILITIES

	Group	Group	**Parent**	Parent
				Eur
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Loans from financial institutions	**474,814**	4,937,682	**–**	3,788,739
Other long-term loans	**3,240**	9,204	**–**	7,064
Loans from group companies	**4,000,000**	10,000,000	**10,536,656**	16,678,335
Total	**4,478,054**	14,946,886	**10,536,656**	20,474,138

Holiday Club Resort Oy has loan from its parent company Covington S.a.r.l, amounting to EUR 19,151,337 (Rs 1,178,130,470), in total. The loans are unsecured and their interest rates are between 2.2% and 6.2% p.a.

The Group and the parent company have no loans from financial institutions maturing in more than five years.

21. SHORT-TERM LIABILITIES

	Group	Group	**Parent**	Parent
				Eur
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Loans from financial institutions	**15,137,020**	5,480,875	**14,000,000**	4,186,112
Received advance payments	**9,826,878**	11,329,979	**9,076,319**	10,331,778
Accounts payable	**11,956,824**	12,568,786	**10,802,463**	11,130,591
Loans from group companies				
Accounts payable	**–**	–	**319,356**	208,084
Unsecured loans	**15,151,387**	3,151,337	**15,151,387**	3,151,337
Accrued liabilities	**–**	–	**390,070**	666,072
Total	**15,151,387**	3,151,337	**15,860,813**	4,025,493
Other loans	**7,491,501**	9,037,792	**5,502,059**	6,837,230
Accrued liabilities	**21,164,317**	21,963,612	**17,092,777**	18,132,294
Short-term liabilities, total	**80,727,927**	63,532,381	**72,334,432**	54,643,498

RELEVANT ACCRUED LIABILITIES (excluding receivables from group and associated companies)

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Personnel and social expenses	**7,333,922**	7,412,148	**6,747,456**	6,795,428
Accrued interests	**1,116,391**	460,942	**1,099,599**	444,920
Sales comissions	**1,236,242**	544,677	**1,197,315**	498,798
Taxes	**331,867**	69,484	**–**	–
Deferred discounts related to TS and Villas sales	**3,614,507**	3,539,523	**3,614,507**	3,539,523
Deferred revenue	**2,161,585**	2,161,585	**–**	–
Real estate tax accrual	**1,501,983**	1,622,555	**1,448,358**	1,567,768
Leases	**1,231,651**	2,310,072	**1,231,651**	2,310,072
Other*	**2,636,170**	3,842,625	**1,753,891**	2,975,784
Total	**21,164,317**	21,963,612	**17,092,777**	18,132,294

OTHER NOTES TO THE FINANCIAL STATEMENTS

COMMITMENTS AND CONTINGENT LIABILITIES

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Loans from financial institutions	**1,000,000**	9,974,851	**–**	7,974,851
Total	**1,000,000**	9,974,851	**–**	7,974,851
Property under mortgages	**10,000,000**	19,050,000	**–**	9,050,000
Mortgage on company assets	**–**	28,445,638	**–**	28,445,638
Pledged assets	**–**	40,726,766	**–**	40,726,766
Total	**10,000,000**	88,222,404	**–**	78,222,404

OTHER COLLATERAL FOR OWN COMMITMENTS

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Deposits, rent guarantees	**1,779,249**	1,546,936	**1,779,249**	1,546,936
Total	**1,779,249**	1,546,936	**1,779,249**	1,546,936

COLLATERAL FOR GROUP COMPANIES' LIABILITIES

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Guarantees given	**1,000,000**	2,000,000	**1,000,000**	2,000,000
Total	**1,000,000**	2,000,000	**1,000,000**	2,000,000

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

LEASING CONTRACT COMMITMENTS

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Due during the next financial year	**1,123,555**	978,169	**971,436**	806,203
Due thereafter	**1,463,825**	1,109,824	**1,244,674**	773,755
Total	**2,587,381**	2,087,993	**2,216,110**	1,579,957

RENTAL COMMITMENTS

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Due during the next financial year	**19,099,449**	18,296,543	**14,812,602**	14,154,320
Due thereafter	**188,423,645**	196,393,063	**186,397,779**	190,285,235
Total	**207,523,094**	214,689,606	**201,210,381**	204,439,556

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Eur

	Group	Group	**Parent**	Parent
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Investing commitments	**–**	1,996,780	**–**	1,996,780
Responsibility to review tax deductions related to real estate investments	**769,634**	1,289,630	**769,077**	1,059,476
Purchase and sales commitments	**382,000**	1,800,377	**382,000**	1,800,377
Other liabilities and guarantees	**4,327,289**	4,090,862	**4,327,289**	4,090,862

Investing commitments

Investing commitment to Fennia has been fulfilled as the Katinkulta resorts has been constructed. Holiday Club Resorts Oy has given completion commitments to Fennia in relation to the land areas sold. If the completion commitments are not met, Fennia has the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been build on the plots.

Holiday Club Resorts Oy has a commitment in the construction of two timeshare buildings to Levi. Valid until the project is completed, includes two exit possibilities. HCR's liability in case of exit is annual real estate rents of approximately 250k€/a capped on max 1m€ and land use interest annual payment of approximately 50k€ paid until exit.

Responsibility to review tax deductions related to real estate investments

Holiday Club Resorts Oy and Koy Rauhan Liikekiinteistöt 1 are responsible to annually review vat deductions made from the real estate investments and from renovation costs made to leased properties. Responsibility is for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year period.

Purchase and sales commitments

According to the agreement made between Holiday Club Resorts Oy, Sunborn Oy and Sunborn Saga Oy, Holiday Club Resorts Oy is obliged to sell annually 75 Sunborn timeshares. If Holiday Club Resorts Oy doesn't achieve its yearly target, Holiday Club is obliged to purchase the missing amount of timeshares with a price related to the agreement. This commitment was fulfilled for year 2023-2024.

Holiday Club Resorts Oy has committed to purchase back the shares of Kiinteistö Oy Salla Star -named company from the buyer no later than 30.6.2025. The new date was agreed upon on in August 2020.

In the course of the Holiday Club Åre asset deal the commitment given by Holiday Club Spa Hotels AB to purchase a multi-purpose arena from Åre Kongress AB in 2023, if Åre Kongress AB has not sold the arena before that, transferred to Holiday Club Sport And Spa Hotels AB. Holiday Club Resorts Oy and Holiday Club Sport And Spa Hotels AB are jointly responsible for the sales price of the arena towards Åre Kongress AB. The first payment of the purchase price has been made and the final payment will be made as the ownership to the property transfers on 30.4.2024.

Other liabilities and guarantees

Other liabilities and guarantees contain a surety that the parent has given regarding the lease obligations of Holiday Club Sport and Spa Hotels AB. The surety equates the lease obligation of 12 months.

Liabilities from customer finance agreements

Holiday Club Resorts Oy has agreed in the customer financing agreement made in 2022 between Holiday Club Resorts Oy and OP Corporate Bank Oyj (OP Financing) the following:

In secured finance, the Property will be pledged with OP in security for finance and HCR will sign the pledge agreement for the Property with customers on OP's account. If, due to the customer's delinquency or other breach of the agreement, OP has the right to demand repayment of the customer's remaining loan or cancel the customer's financing agreement, HCR, upon OP's demand, undertakes to redeem the price of said Property, which equals 50% of the sale price of the Property under the deed of sale based on the sale price and to remit the redemption price to OP.

In loan applications where OP is not prepared to take credit risk, a 100% repurchase commitment for the entire loan amount is required of HCR to receive an approved loan decision, in other words HCR will sign a separate repurchase commitment of the debt receivable and OP will have the right to transfer the debt receivable to HCR.

In loan applications where the customer has existing finance and OP is not prepared to increase credit risk arising from the additional purchase, a repurchase commitment in euros is required of HCR to receive an approved loan decision. In such a situation, HCR will sign a separate repurchase commitment.

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Danske Bank Oyj the following:

If Danske Bank terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies:

If Danske Bank claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement. The purchase price is 30% of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue. For the timeshares Holiday Club Resorts Oy has financed on its own risk, 100% buyback commitment is applied.

RELATED PARTY TRANSACTIONS

Eur

	Group	Group	**Parent**	Parent
	Year ended March 31, 2024	Year ended March 31, 2023	**Year ended March 31, 2024**	Year ended March 31, 2023
MHR Holdings Mauritius Ltd. (Parent company of Covington S.a.r.l.)				
Financial expenses	**52,795**	50,027	**50,027**	50,027
Received Guarantee	**3,166,136**	3,166,136	**3,166,136**	3,166,136
Mahindra Holiday & Resorts India Limited				
Other income	**2,676**	–	**2,676**	–
Other expense	**5,081**	–	**5,081**	–
Covington S.a.r.l. (Parent company of Holiday Club Resorts Oy)				
Interest expenses	**635,618**	234,078	**234,078**	234,078
Interest liabilities	**1,068,618**	432,928	**432,928**	432,928
Loans	**19,151,337**	13,151,337	**13,151,337**	13,151,337
Subsidiaries				
Sales of Services / Materials	**–**	–	**390,155**	338,793
Purchases of Services / Materials	**–**	–	**98,770**	76,273
Rent expenses	**–**	–	**906,500**	818,768
Interest income	**–**	–	**752,364**	515,754
Interest expenses	**–**	–	**449,725**	220,684
Other operating expenses	**–**	–	**581,443**	220,685
Associated companies				
Rental expenses	**66,043**	62,636	**66,043**	62,636

List of ledgers, materials and corresponding safekeeping methods

Financial statements

The financial statements will be saved as PDF files and kept in the root folder.

List of ledgers and balances lists

The ledger-specific income statements, balance sheets and list of ledgers will be saved as PDF files and kept in the root folder.

Ledgers, voucher types and corresponding safekeeping methods

The daily and main ledgers of the Hansa accounting system will be saved as PDF files and kept in the root folder.

Summary of subsidiary ledgers

Subsidiary ledgers	System	Voucher types	Voucher series	Safekeeping method
Accounts receivables, share and other business areas	Hansa	Sales invoices	multiple, based on the sale type	Electronic
Accounts receivables, SPA business area	Hotellinx Cloud	Sales invoices, SPA	multiple for each spa	Electronic
Accounts receivables, renting	Cabinlinx Cloud	Sales invoices, renting	multiple for each resort	Electronic
Accounts receivables, shares and other business areas	Hansa	Sales invoice payments	SUOR.24000000-SUOR.24011210	Electronic
Accounts receivables, SPA and renting	Hansa	Sales invoice payments	bank receipts	Electronic
Accounts payables	Basware/Palette	Purchase invoices	OL.22400001-OL.22447914	Electronic
	Hansa	Purchase payments	MAKS.20240001-MAKS.20243937	Electronic
Payroll accounting	Mepco	Summary of payroll system	2024.940000-2024.940232	Electronic
Travel invoices accounting	M2	Travel invoice	2024.950000-2024.950051	Electronic
Cash book	Excel	Memo voucher	-	As PDF files in the root folder
Hotels' stock records	Hotellinx and excel	Memo voucher	-	Electronic
Share sales' stock records	SPI	Memo voucher	-	Printed

Other voucher types	Voucher series	Storage method
Memo vouchers	multiple	Electronic
Bank receipts	2024.100000 -2024.157597	Electronic
Notes vouchers	LTT01-	As PDF files in the root folder

A more detailed description of the methods used for the safekeeping of accounting records and backup procedures is provided in a separate company document.

This document also contains a listing of all voucher types.

DATE AND SIGNATURES

Signatures of the financial statements and annual report

Helsinki, April 22, 2024

Chander Prakash Gurnani
Chairman of the Board

Kavinder Singh
Member of the Board

Harri Pärssinen
Member of the Board

Diwakar Gupta
Member of the Board

Maisa Romanainen
Member of the Board, CEO

AUDITOR'S NOTE

Auditor's report has been issued today.

Helsinki, 22 April 2024

KPMG Oy Ab

Esa Kailiala
Authorised Public Accountant

AUDITOR’S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan Liikekiinteistöt 1

Opinion

We have audited the financial statements of Kiinteistö Oy Rauhan Liikekiinteistöt 1 (business identity code 2535232-8) for the year ended 31 March, 2024. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, 18 April 2024

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2024

	Appendix	**Eur** **As at March 31, 2024**	Eur As at March 31, 2023
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**7**		
Land areas		**329,375.58**	329,375.58
Buildings		**6,631,991.54**	6,993,999.06
Machines and equipment		**0.00**	243.10
Other tangible assets		**105,875.00**	111,375.00
Total tangible assets		**7,067,242.12**	7,434,992.74
Other receivables	**8**	**93,603.26**	93,603.26
NON-CURRENT ASSETS TOTAL		**7,160,845.38**	7,528,596.00
CURRENT ASSETS			
Short-term receivables	**9**		
Receivables from companies in the same Group		**174,720.00**	177,283.60
Accrued income		**6,442.99**	2,338.28
Total short-term receivables		**181,162.99**	179,621.88
Cash and cash equivalents			
Cash at bank		**883.65**	1,464.57
Total cash and cash equivalents		**883.65**	1,464.57
TOTAL CURRENT ASSETS		**182,046.64**	181,086.45
TOTAL ASSETS		**7,342,892.02**	7,709,682.45
LIABILITIES			
EQUITY	**10**		
Share capital		**100,000.00**	100,000.00
Invested unrestricted equity fund		**2,850,825.84**	2,850,825.84
Profit(loss) from previous years		**(827,337.57)**	(947,283.71)
Profit(loss) for the financial year		**40,579.18**	119,946.14
TOTAL EQUITY		**2,164,067.45**	2,123,488.27
Appropriations	**11**		
Cumulative accelerated depreciation		**40.29**	20.05

BALANCE SHEET AS AT MARCH 31, 2024

	Appendix	Eur As at March 31, 2024	Eur As at March 31, 2023
CREDITORS			
Liabilities to credit institutions			
Long term	**12**	**0.00**	1,000,000.00
Short term		**1,000,000.00**	1,000,000.00
Total liabilities to credit institutions		**1,000,000.00**	2,000,000.00
Short-term borrowed capital	**13**		
Trade creditors		**7,482.83**	248.68
Liabilities for companies in the same Group		**4,088,187.17**	0.00
Other liabilities		**39,222.11**	27,542.69
Accruals and deferred income		**43,892.17**	47,487.43
		5,178,784.28	1,075,278.80
TOTAL BORROWED CAPITAL		**5,178,784.28**	2,075,278.80
TOTAL LIABILITIES		**7,342,892.02**	4,198,787.12

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

	Appendix	**Eur** **Year ended March 31, 2024**	Eur Year ended March 31, 2023
TURNOVER	**1**	**906,500.00**	818,390.00
Total turnover		**906,500.00**	818,390.00
Materials and services	**2**	**(3,975.12)**	(3,014.34)
		(3,975.12)	(3,014.34)
Depreciation and impairments	**3**		
Planned depreciation		**(367,750.62)**	(368,479.92)
Other operating expenses	**4**		
Other operating expenses		**(224,126.76)**	(234,308.21)
		(591,877.38)	(602,788.13)
Profit(loss)		**310,647.50**	212,587.53
Financial income and expenses	**5**		
Interest income			
Interest income in the same group		**0.00**	527.61
Interest charges			
for companies in the same group		**(187,291.84)**	(111,431.93)
for others		**(82,756.24)**	(73,054.52)
Tax increases and increases, non-deductible		**0.00**	(124.00)
Total financial income and expenses		**(270,048.08)**	(184,082.84)
Profit/loss before extraordinary items		**40,599.42**	28,504.69
Profit before appropriations and taxes		**40,599.42**	28,504.69
Appropriations	**6**		
Change in cumulative accelerated depreciation			
Store and warehouse buildings		**(0.01)**	(46,933.54)
Building elements		**(350.60)**	(43,535.51)
Machines and equipment		**370.85**	(972.40)
Total change in cumulative accelerated depreciation		**20.24**	(91,441.45)
Profit/loss for the financial year		**40,579.18**	119,946.14

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Konepajankuja 5 C, 00510 Helsinki. The business operations of the company have ceased in spring 2020. Koy Rauhan Liikekiinteistöt 1 (2384842-6) has merged to Supermarket Capri Oy 8.4.2022 and the new name of the company is Kiinteistö Oy Rauhan Liikekiinteistöt 1.

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the finacial statements of a small undertaking and micro-undertaking, 1753/2015)

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

– buildings	20-30 years
– machines and equipment	5-10 years
– other tangible assets	30 years

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 90,2355 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that the profit of 40 579,18 EUR (Rs 3 661 682,60) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE PROFIT AND LOSS STATEMENT

	Eur	Eur
1. TURNOVER BY SECTOR	**Year ended March 31, 2024**	Year ended March 31, 2023
Rent revenues	**906,500.00**	818,390.00

2. MATERIALS AND SERVICES		
Outsourced services	**3,975.12**	3,014.34
Other personnel expenses		
Total	**3,975.12**	3,014.34

3. DEPRECIATION AND OTHER IMPAIRMENTS	**Eur**	Eur
	March 31, 2024	March 31, 2023
Store and warehouse buildings	**314,372.00**	314,372.01
Civil defence shelters	**4,100.00**	4,100.00
Building elements	**43,535.52**	43,535.51
Machines and equipment	**243.10**	972.40
Other tangible assets	**5,500.00**	5,500.00
	367,750.62	368,479.92

4. OTHER OPERATING EXPENSES	**Eur**	Eur
	March 31, 2024	March 31, 2023
Operating expenses	**(5,539.59)**	(1,242.74)
Maintenance expenses	**(209,363.18)**	(216,240.14)
Other expenses	**(9,223.99)**	(16,825.33)
Total	**(224,126.76)**	(234,308.21)

5. FINANCIAL INCOME AND EXPENSES	**Eur**	Eur
	March 31, 2024	March 31, 2023
Interest income in the same group	**0.00**	527.61
Total	**0.00**	527.61
Interest expenses to companies in the same Group	**(187,291.84)**	(111,431.93)
Other interest expenses	**(82,756.24)**	(73,054.52)
Tax Increases and increases, non-deductible	**0.00**	(124.00)
Total interest expenses	**(270,048.08)**	(184,610.45)
Total financial income and expenses	**(270,048.08)**	(184,082.84)

6. APPROPRIATIONS	**Eur**	Eur
	March 31, 2024	March 31, 2023
Change in cumulative accelerated depreciation		
Building elements	**(0.01)**	(43,535.51)
Machines and equipment	**(350.60)**	(972.40)
Store and warehouse buildings	**370.85**	(46,933.54)
Total	**20.24**	(91,441.45)

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

7. TANGIBLE ASSETS

Eur

	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost April 1, 2023	329,375.58	10,542,489.36	111,741.31	165,000.00	11,148,606.25
Acquisition cost March 31, 2024	**329,375.58**	**10,542,489.36**	**111,741.31**	**165,000.00**	**11,148,606.25**
Depreciation for the financial year	0.00	(3,910,497.82)	(111,741.31)	(59,125.00)	(4,081,364.13)
Impairments	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation March 31, 2024	**0.00**	**(3,910,497.82)**	**(111,741.31)**	**(59,125.00)**	**(4,081,364.13)**
Book value March 31, 2024	**329,375.58**	**6,631,991.54**	**0.00**	**105,875.00**	**7,067,242.12**

8. OTHER RECEIVABLES

	Eur March 31, 2024	Eur March 31, 2023
Acquisition cost April 1	**93,603.26**	0.00
Additions	**0.00**	93,603.26
Acquisition cost March 31	**93,603.26**	93,603.26
Book value March 31	**93,603.26**	93,603.26

9. SHORT-TERM RECEIVABLES

	Eur March 31, 2024	Eur March 31, 2023
Receivables from companies in the same group	**174,720.00**	177,283.60
Accrued income	**6,442.99**	2,338.28
Total	**181,162.99**	179,621.88

LIABILITIES

10. EQUITY

	Eur March 31, 2024	Eur March 31, 2023
Share capital April 1	**100,000.00**	100,000.00
Share capital March 31	**100,000.00**	100,000.00
Reserve for invested unrestricted equity April 1	**2,850,825.84**	2,850,825.84
Reserve for invested unrestricted equity March 31	**2,850,825.84**	2,850,825.84
Profit/loss from prev. financial period April 1	**(827,337.57)**	(947,283.71)
Profit/loss for the financial year	**40,579.18**	119,946.14
Total equity	**2,164,067.45**	2,123,488.27

CALCULATION OF DISTRIBUTABLE FUNDS	Eur	Eur
	March 31, 2024	March 31, 2023
Profit/loss from prev. financial period April 1	**(827,337.57)**	(947,283.71)
Profit/loss from prev. financial period March 31	**(827,337.57)**	(947,283.71)
Profit/loss for the financial year	**40,579.18**	119,946.14
Total	**(786,758.39)**	(827,337.57)

11. ACCUMULATED APPROPRIATIONS	Eur	Eur
	March 31, 2024	March 31, 2023
Depreciation difference retail and warehouse buildings	**(20,569.01)**	(20,569.00)
Depreciation difference on building elements	**75,429.37**	75,779.97
Depreciation difference on machines and equipment	**(54,820.07)**	(55,190.92)
Total accumulated depreciation difference	**40.29**	20.05

12. LONG-TERM BORROWED CAPITAL	Eur	Eur
	March 31, 2024	March 31, 2023
Loans from financial institutions	**0.00**	1,000,000.00
Total long-term borrowed capital	**0.00**	1,000,000.00

13. SHORT-TERM BORROWED CAPITAL	Eur	Eur
	March 31, 2024	March 31, 2023
Loans from financial institutions	**1,000,000.00**	1,000,000.00
Trade payables	**7,482.83**	248.68
Liabilities for companies in the same Group	**4,088,187.17**	3,510,895.33
Other liabilities	**39,222.11**	27,542.69
Accruals and deferred income	**43,892.17**	47,487.43
Total short-term borrowed capital	**5,178,784.28**	4,586,174.13

ESSENTIAL ITEMS OF ACCRUALS AND DEFERRED INCOME	Eur	Eur
	March 31, 2024	March 31, 2023
Accrued interest expense	**16,792.53**	16,022.22
Reserve for missing purchase invoices	**27,099.64**	31,465.21
Total	**43,892.17**	47,487.43

GUARANTEES GIVEN

LOANS FOR WHICH MORTGAGE ON PROPERTY HAS BEEN GIVEN AS A GUARANTEE

	Eur	Eur
	March 31, 2024	March 31, 2023
Loans from financial institutions	**1,000,000.00**	2,000,000.00
Total	**1,000,000.00**	2,000,000.00
Mortgages	**10,000,000.00**	10,000,000.00
Total	**10,000,000.00**	10,000,000.00

OTHER NOTES

The company is obligated to audit VAT deductions made on its property investments every year for 10 years after completion of the investment, to the extent that the value added taxable use of the property decreases during the period under review.

The maximum liability is EUR 556,63 (Rs 50.227,79) as of 31 March 2024.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 40.579,18 (Rs 3.661.682,60). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 18, 2024

Puntala Pauli
Chair of the Board of Directors

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 18, 2024

KPMG OY AB

Esa Kailiala
KHT

AUDITOR'S REPORT

To the general meeting of the shareholders of Ownership Service Sweden AB, corporate identity number 559137-7659

Report on the annual accounts

Opinions

We have audited the annual accounts of Ownership Service Sweden AB for the financial year April 1, 2023 to March 31, 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Ownership Service Sweden AB as of 31 March 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Ownership Service Sweden AB for the financial year April 1, 2023 to March 31, 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 18, 2024

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	**Note**	**March 31, 2024 SEK**	March 31, 2023 SEK
Assets			
Current assets			
Current receivables			
Other receivables		**2,372,954**	2,372,954
Receivables from Group Companies		**541,622**	2,167,396
Total current receivables		**2,914,576**	4,540,350
Cash and bank balances			
Cash and bank balances		**13,046,995**	10,033,910
Total cash and bank balances		**13,046,995**	10,033,910
Total current assets		**15,961,570**	14,574,260
Total assets		**15,961,570**	14,574,260
Equity and liabilities			
Equity			
Restricted equity			
Share capital		**100,000**	100,000
Total restricted equity		**100,000**	100,000
Non-restricted equity			
Profit bought forward		**1,845,084**	1,853,947
Profit/ (Loss) for the year		**(9,871)**	(8,863)
Total non-restricted equity		**1,835,213**	1,845,084
Total equity		**1,935,213**	1,945,084
Current liabilities			
Other liabilities		**14,022,707**	12,629,175
Accrued expenses and deferred income		**3,650**	–
Total current liabilities		**14,026,357**	12,629,175
Total equity and liabilities		**15,961,570**	14,574,259

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note	**Year ended March 31, 2024 SEK**	Year ended March 31, 2023 SEK
Operating expenses			
Other external expenses		**(9,871)**	(8,863)
Total operating expenses		**(9,871)**	(8,863)
Operating profit/ (loss)		**(9,871)**	(8,863)
Financial items			
Other interest income and similar profit/loss items		**–**	–
Total financial items		**–**	–
Profit/ (Loss) after financial items		**(9,871)**	(8,863)
Profit/ (Loss) before tax		**(9,871)**	(8,863)
Profit/ (Loss) for the year		**(9,871)**	(8,863)

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016:10 Annual Accounts of Small Limited Companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets..

Note 2 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland. The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent-och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2024-04-18

Åre April 18, 2024

Pauli Puntala

Our auditor’s report has been submitted 2024-04-18
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson

Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Åre Villa 3 AB, corporate identity number 559137-7659

Report on the annual accounts

Opinions

We have audited the annual accounts of Åre Villa 3 AB for the financial year April 1, 2023 to March 31, 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 3 AB as of 31 March 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Åre Villa 3 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Åre Villa 3 AB for the financial year April 1, 2023 to March 31, 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 3 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 18, 2024
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2024

	Note	**March 31, 2024 SEK**	March 31, 2023 SEK
Assets			
Non-current assets			
Financial non-current assets			
Other non-current receivables	3	**–**	–
Total non-current assets		**–**	–
Current assets			
Current receivables			
Other receivables		**–**	–
Total current receivables		**–**	–
Cash and bank balances			
Cash and bank balances		**52,434**	4,653,984
Total cash and bank balances		**52,434**	4,653,984
Total current assets		**52,434**	4,653,984
Total assets		**52,434**	4,653,984
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 50,000 shares		**50,000**	50,000
Total restricted equity		**50,000**	50,000
Non-restricted equity			
Retained earnings		**3,984**	4,555,534
Profit/ (Loss) for the year		**(1,550)**	(1,550)
Total non-restricted equity		**2,434**	4,553,984
Total equity		**52,434**	4,603,984
Current liabilities			
Other liabilities		**–**	50,000
Total current liabilities		**–**	50,000
Total equity and liabilities		**52,434**	4,653,984

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

	Note	**March 31, 2024 SEK**	March 31, 2023 SEK
Operating income, changes in inventory, etc.			
Net sales		**–**	–
Total operating income, changes in inventory, etc.		**–**	–
Operating expenses			
Raw materials and consumables		**–**	–
Other external expenses		**(1,550)**	(1,550)
Total operating expenses		**(1,550)**	(1,550)
Operating Profit/ (Loss)		**(1,550)**	(1,550)
Profit from shares in group companies		**–**	–
Profit/ (Loss) after financial items		**(1,550)**	(1,550)
Profit/ (Loss) before tax		**(1,550)**	(1,550)
Profit/ (Loss) for the year		**(1,550)**	(1,550)

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company shall own and manage shares in subsidiaries and thus compatible business.

The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.8478 = FC 1 wich is the Bloomberg rate as on 31st March 2024.

	2023/24	2022/23
Multi-year review	**kSEK**	kSEK
Net sales	**–**	–
Profit/ (Loss) after financial items	**(2)**	(2)
Equity/ assets ratio	**100.0%**	98.9%

Proposed appropriation of profits	SEK
The following profits are at the disposal of the Annual General Meeting:	
Profit bought forward	3,984
Profit/ (Loss) for the year	(1,550)
Total	2,434

Changes in equity

	Share capital	**Profit/loss brought forward**	**Net profit/ loss**	**Total**
Share capital	50,000SEK	4,555,534SEK	(1,550SEK)	4,603,984SEK
Appropriation of profits as resolved by the AGM	–	–	–	–
Dividends	–	(4,550,000SEK)	–	(4,550,000SEK)
To be carried forward	–	(1,550SEK)	1,550SEK	–
Net profit/loss for the year	–	–	(1,550SEK)	(1,550SEK)
Balance at year-end	50,000SEK	3,984SEK	(1,550SEK)	52,434SEK

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2016:10 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/ assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 3 Other non-current receivables

	March 31, 2024 SEK	March 31, 2023 SEK
Additional receivables	**–**	4,611,434
- Deductible receivables	**–**	(4,611,434)
Carrying amount	**–**	4,611,434

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2024-04-18

Åre 2024-04-18

Pauli Puntala

Our auditor’s report has been submitted 2024-04-18
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sweden AB, corporate identity number 556683-0385

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sweden AB for the financial year April 1, 2023 to March 31, 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sweden AB as on March 31, 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sweden AB for the financial year April 1, 2023 to March 31, 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 18, 2024

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note	March 31, 2024 kSEK	March 31, 2023 kSEK
Non-current assets			
Property, plant and equipment			
Land and buildings	5	**3,727**	3,838
Equipment and tools	6	**–**	–
Current new developements	7	**2,291**	3,191
Total property, plant and equipment		**6,019**	7,029
Financial non-current assets			
Participations in Group companies	8,9	**60,773**	60,773
Receivables from Group companies	10	**84,198**	77,100
Other non-current receivables		**–**	–
Total financial assets		**144,971**	137,873
Total non-current assets		**150,990**	144,902
Current assets			
Inventories etc.			
Raw materials and consumables		**39,571**	39,945
Other inventory assets		**–**	–
Total inventories		**39,571**	39,945
Current receivables			
Trade receivables		**14**	725
Receivables from Group companies		**2,639**	16,611
Other receivables		**391**	360
Prepaid expenses and accrued income		**258**	275
Total current receivables		**3,302**	17,970
Cash and bank balances			
Cash and bank balances		**429**	4,001
Total cash and bank balances		**429**	4,001
Total current assets		**43,301**	61,916
Total assets		**194,291**	206,818

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note	March 31, 2024 kSEK	March 31, 2023 kSEK
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 1000 shares		**100**	100
Total restricted equity		**100**	100
Non-restricted equity			
Profit/ (Loss) brought forward		**115,802**	120,391
Profit/ (Loss) for the year		**300**	(4,588)
Total Non-restricted equity		**116,102**	115,802
Total equity		**116,202**	115,902
Non-current liabilities	11		
Liabilities to Group companies		**75,748**	88,142
Other liabilities		**–**	–
Total non-current liabilities		**75,748**	88,142
Current liabilities			
Advances from customers		**–**	–
Trade creditors		**210**	436
Liabilities to Group companies		**1**	–
Other liabilities		**1,271**	1,338
Accrued expenses and deferred income		**859**	1,000
Total current liabilities		**2,341**	2,773
Total equity and liabilities		**194,291**	206,818

INCOME STATEMENT

Particulars	Note	**Year ended March 31, 2024 kSEK**	Year ended March 31, 2023 kSEK
Operating income, changes in inventory, etc.			
Net sales		**7,076**	12,074
Other operating income		**5,985**	6,262
Total operating income, changes in inventory, etc.		**13,061**	18,336
Operating expenses			
Raw materials and consumables		**(3,673)**	(4,417)
Other external expenses		**(10,180)**	(11,374)
Personnel costs	2	**(3,375)**	(4,367)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		**(111)**	(128)
Total operating expenses		**(17,339)**	(20,286)
Operating Profit/ (Loss)		**(4,278)**	(1,950)
Financial items			
Share of profits from interests in associates		**4,550**	–
Other interest income and similar Profit/ (Loss) items	3	**7,611**	5,433
Interest and similar expenses	4	**(7,583)**	(8,072)
Total financial items		**4,578**	(2,638)
Profit/ (Loss) after financial items		**300**	(4,588)
Profit/ (Loss) before tax		**300**	(4,588)
Profit/ (Loss) for the year		**300**	(4,588)

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016: 10 Annual Accounts of Small Limited Companies.

Service assignments and contract work

The Company's income from assignments undertaken on a fixed price basis is recognised according to the main rule.

Amortisation

Land and buildings	30 years
Equipment and tools	5 years

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Personnel

	March 31, 2024	March 31, 2023
Average number of employees	**6**	8

Note 3 Other interest income and similar profit/loss items

	Year ended March 31, 2024 kSEK	Year ended March 31, 2023 kSEK
Of which from Group companies	**7,601**	5,432

Note 4 Interest expense and similar profit/loss items

	Year ended March 31, 2024 kSEK	Year ended March 31, 2023 kSEK
Of which from Group companies	**6,485**	4,537

Note 5 Land and buildings

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost of acquisition	**5,571**	5,571
Sales	**–**	–
Closing cost of acquisition	**5,571**	5,571
Opening depreciation/amortisation	**(1,733)**	(1,622)
- Depreciation for the year	**(111)**	(111)
Closing depreciation	**(1,844)**	(1,733)
Carrying amount	**3,727**	3,838

Note 6 Equipment and tools

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost of acquisition	**80**	80
Purchase	**–**	–
Closing cost of acquisition	**80**	80
Opening depreciation/amortisation	**(80)**	(63)
- Depreciation for the year	**–**	(17)
Closing depreciation	**(80)**	(80)
Carrying amount	**–**	–

Note 7 Current new developements

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost of acquisition	**3,191**	3,132
Purchase	**1,326**	59
Reclassification	**(2,225)**	–
	2,291	3,191
- Depreciation for the year	**–**	–
Closing depreciation	**–**	–
Carrying amount	**2,291**	3,191

Note 8 Participations in Group companies

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost of acquisition	**60,773**	60,773
- Purchases	**–**	–
- Provided shareholder contribution	**–**	–
- Sales	**–**	–
Carrying amount	**60,773**	60,773

Note 9 Specification participations in Group companies

	March 31, 2024 kSEK	**March 31, 2023 kSEK**
Name	**Equity kSEK**	**Net profit/loss kSEK**
Ownership Service AB 556676-0327 Åre	**1,935**	**(10)**
HC Canarias Investment S.L B-76081603 Las Palmas	**37**	**16**
HC Sport and Spahotels AB 559032-5733 Åre	**32,717**	**(11,780)**
Åre Villa 3 AB 559137-7659 Åre	**52**	**(2)**
Total	**34,742**	**(11,775)**

Name	Number of shares	Share of equity, %	Carrying amount, March 31, 2024 SEK
Ownership Service AB	**1,000**	**100**	**100**
HC Canarias Investment	**1**	**100**	**129**
Holiday Club Sport and Spa Hotels AB	**1,000,000**	**100**	**60,494**
Åre Villa 3 AB	**50,000**	**100**	**50**
			60,773

Note 10 Receivables from Group companies

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost of acquisition	**77,100**	80,651
Ductible receivables	**3,996**	6,449
- Deductible receivables	**(5,898)**	–
- Reclassification	**9,000**	(10,000)
Carrying amount	**84,198**	77,100

Note 11 Non-current liabilities

	March 31, 2024 kSEK	March 31, 2023 kSEK
Non-current liabilities maturing more than five years after the balance sheet date:		
Liabilities to Group companies	**75,748**	88,142
Total	**75,748**	88,142

Note 12 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 13 Pledged assets

	March 31, 2024 kSEK	March 31, 2023 kSEK
Mortgages	**–**	–
Guarantee commitments subsidiary	**–**	–
Other pledged assets	**39,050**	39,424
Total pledged assets	**39,050**	39,424

Note 14 Significant events after the financial year

Sweden has been in a recession for a year now. However, it is positive that inflation has fallen back recently, and we expect inflation to continue to be lower in 2024 and that economic activity will begin to recover at the end of the year, with consumption becoming an important driver of the recovery through e.g. lower interest rates. We are already seeing early signs of a turnaround in the economic situation and we are seeing a great deal of interest in the mountains, Åre and not least Holiday Club. The liquidity of the company is considered to be good and liquidity forecasts are prepared on an ongoing basis.

Stockholm April 18, 2024

Maisa Romanainen

Pauli Puntala

Andreas Sand
Managing Director

Our auditor's report has been submitted 2023-04-18
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sport and Spa Hotels AB, corporate identity number 559032-5733

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sport and Spa Hotels AB for the financial year April 1, 2023 to March 31, 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sport and Spa Hotels AB as of 31 March 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sport and Spa Hotels AB for the financial year April 1, 2023 to March 31, 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 18, 2024
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET

	Note	**March 31, 2024 kSEK**	March 31, 2023 kSEK
Fixed assets			
Intangible fixed assets			
Goodwill	8	**–**	–
Software	8	**–**	–
Total intangible fixed assets		**–**	–
Tangible assets			
Ongoing investment building	9	**1,667**	–
Equipment, tools, fixtures and fittings	10	**19,058**	20,955
Improvement fees on the property of others	11	**1,458**	1,583
Total tangible fixed assets		**22,183**	22,538
Financial fixed assets			
Receivables group companies	12	**40,000**	40,000
Total financial fixed assets		**40,000**	40,000
Total fixed assets		**62,183**	62,538
Current assets			
Inventories etc.			
Raw materials and consumables		**1,086**	1,375
Finished goods and goods for resale		**303**	310
Total inventories		**1,389**	1,685
Current receivables			
Accounts receivable		**9,696**	7,640
Receivables group companies		**1**	–
Current tax assets	13	**284**	283
Other receivables		**2,361**	638
Prepaid expenses and accrued income	14	**3,029**	3,915
Total current receivables		**15,371**	12,475
Cash and bank balances			
Cash and bank balances		**2,041**	24,552
Total cash and bank balances		**2,041**	24,552
Total current assets		**18,802**	38,712
Total assets		**80,985**	101,250

BALANCE SHEET

	Note	**March 31, 2024 kSEK**	March 31, 2023 kSEK
Equity and liabilities			
Equity	15,16		
Restricted equity			
Share capital		**1,000**	1,000
Total restricted equity		**1,000**	1,000
Non-restricted equity			
Share premium reserve		**12,000**	12,000
Retained earnings		**31,497**	11,358
Profit/(Loss) for the year		**(11,780)**	20,138
Total Non-restricted equity		**31,717**	43,497
Total equity		**32,717**	44,497
Non-current liabilities	17		
Liabilities to Group companies		**9,000**	–
Other liabilities		**3,225**	4,418
Total non-current liabilities		**12,225**	4,418
Current liabilities	17		
Liabilities to credit institutions		**–**	–
Advances from customers		**6,259**	10,724
Accounts payable		**8,512**	12,408
Liabilities to Group companies		**1,026**	11,030
Other liabilities		**9,440**	7,704
Accrued expenses and deferred income	18	**10,806**	10,469
Total current liabilities		**36,043**	52,336
Total equity and liabilities		**80,985**	101,250

INCOME STATEMENT

	Note	**March 31, 2024 kSEK**	March 31, 2023 kSEK
Operating income			
Net sales	3,4	**135,779**	159,464
Other operating income		**3,982**	4,710
Total operating income		**139,762**	164,174
Operating expenses			
Raw materials and consumables		**(17,566)**	(17,885)
Other external expenses	5,6	**(92,334)**	(85,472)
Personnel costs	7	**(37,110)**	(36,540)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		**(3,705)**	(3,483)
Other operating expenses		**(8)**	(85)
Total operating expenses		**(150,724)**	(143,465)
Operating Profit/ (Loss)		**(10,962)**	20,709
Financial items			
Interest expenses to Group companies		**(263)**	(384)
Interest income		**–**	1
Interest expenses and similar Profit/ (Loss) items		**(555)**	(187)
Total financial items		**(818)**	(570)
Profit/ (Loss) after financial items		**(11,780)**	20,138
Profit/ (Loss) before tax		**(11,780)**	20,138
Profit/ (Loss) for the year		**(11,780)**	20,138

CASH-FLOW STATEMENT

	Note	**March 31, 2024 kSEK**	March 31, 2023 kSEK
Operating activities			
Profit/(Loss) after financial items		**(11,780)**	20,138
Adjustments for items not included in cash flow	19	**3,713**	3,568
Income tax paid		**(1)**	(53)
Cash flow from operating activities before changes in working capital		**(8,068)**	23,654
Cash flow before changes in working capital			
Change in inventories		**295**	(435)
Change in accounts receivable		**(2,057)**	(2,130)
Change in current receivables		**(838)**	2,195
Change in accounts payable		**(3,896)**	357
Change in current liabilities		**(4,590)**	(4,614)
Cash flow from operating activities		**(19,152)**	19,028
Investing activities			
Net investments in tangible assets		**(3,358)**	(1,277)
Cash flow from investing activities		**(3,358)**	(1,277)
Financing activities			
Shareholder contribution		**–**	–
Repayment of debt		**–**	–
Cash flow from financing activities		**–**	–
Cash flow for the year		**(22,510)**	17,751
Cash and cash equivalents at beginning of the year			
Opening cash and cash equivalents		**24,552**	6,801
Closing cash and cash equivalents		**2,041**	24,552

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

General information

This annual report has been prepared in accordance with the Swedish Annual Accounts and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting policies remain unchanged as compared to the previous year.

Revenue recognition

Revenue has been measured at the fair value of consideration received or receivable. The Company therefore recognises revenue at nominal value (invoice amount) of remuneration received in cash and cash equivalents directly upon delivery. Deduction is made for discounts granted.

Fixed assets

Intangible and tangible assets are recognised at cost less accumulated amortisation/depreciation and any impariment.

Amortisation/depreciation takes place on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following periods of depreciation/amortisation are applied:

Intangible fixed assets	
Software	20%
Tangible assets	
Improvement fees on the property of others	5%
Equipment, tools, fixtures and fittings	5-20%

Accounts receivable/ current receivables

Accounts receivable and current receivables are recognised as current assets at the amount expected to be paid after deduction of individually assessed doubtful receivables.

Leases

The Company recognises all leases, both financial and operating, as operating leases. Operating leases are recognised as a cost straight-line over the leasing period.

Inventories

Inventories are valued at the lower of cost and net realisable value on the balance sheet date. The net realisable value refers to the calculated sales price of the products less selling costs. The selected valuation method means that the inventory obsolescence has been taken into consideration.

Income tax

Current tax

Current tax refers to income tax for the current financial year and the portion of previous income tax which has not yet been recognised. Current tax is calculated based on the tax rate applicable on the balance sheet date.

Definitions of key performance indicators

Equity/assets ratio (%)
Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

Note 2 Significant events after the end of the financial year

The company predicts that with a continued weak Swedish crown and a high interest in Swedish mountain holidays, there is a possibility to increase the business and widen the target groups. Those factors together with a more stable Swedish economy and our own product development will increase turnover and demand.

Note 3 Distribution of sales

	March 31, 2024 kSEK	March 31, 2023 kSEK
Net sales by business segment		
Hotel operations	**135,779**	159,464
	135,779	159,464

Note 4 Intra-Group purchases and sales

	March 31, 2024	March 31, 2023
Percentage of total purchases during the year from other companies in the Group	**1.59%**	0.30%
Percentage of total sales during the year from other companies in the Group	**0.56%**	0.96%

Note 5 Leases - Operating leases lessee

Lease costs for the year amounted to SEK 47.855.175

Future lease payments, for non-cancellable leases, fall due for payment as follows:

	31 Mar 2024 kSEK	31 Mar 2023 kSEK
Within one year	**49,788**	41,290
Between one and five years	**195,286**	170,358
Later than five years	**48,814**	42,587
	293,888	254,235

Note 6 Auditors' fees

The audit assignment relates to the review of the annual report and accounts as well as the administration by the Board of Directors, other duties to be performed by the Company's auditor and advisory services or other assistance in response to observations during such examination or implementation or such other duties. Other services are such services as are not included in the audit assignment, auditing activities or tax advisory services.

	March 31, 2024 kSEK	March 31, 2023 kSEK
PwC		
Audit assignment	**171**	170
Tax advisory	**–**	–
Other services	**–**	–
	171	170

Note 7 Employees and personnel costs

	March 31, 2024	March 31, 2023
Average number of employees		
Women	**31**	33
Men	**24**	25
	55	58
Salaries and other remuneration		
Board of Directors and Managing Director	**2,182**	1,521
Other employees	**24,186**	24,998
	26,368	26,519
Social security expenses		
Pension costs for Board and Managing Director	**514**	463
Pension costs for other employees	**1,352**	1,210
Statutory and contractual other social security contributions	**8,558**	7,834
	10,424	9,507
Total salaries, remuneration, social security expenses and pension costs	**36,791**	36,026

Note 8 Software

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost	**–**	180
Disposal	**–**	(180)
Closing accumulated cost	**–**	–
Opening amortisation	**–**	180
Disposal	**–**	180
- Amortisation for the year	**–**	–
Closing accumulated amortisation	**–**	–
Closing carrying amount	**–**	–

Note 9 Ongoing investment building

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost	**–**	–
Purchase	**1,667**	–
Closing accumulated cost	**1,667**	–

Note 10 Equipment, tools, fixtures and fittings

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost	**48,739**	50,054
Purchase	**1,691**	1,277
Disposal	**(8,920)**	(2,592)
Closing accumulated cost	**41,510**	48,739
Opening depreciation	**(27,785)**	(26,934)
Disposal	**8,912**	2,507
- Depreciation for the year	**(3,580)**	(3,358)
Closing accumulated depreciation	**(22,453)**	(27,785)
Closing carrying amount	**19,058**	20,955

Note 11 Improvement fees on the property of others

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost	**2,500**	2,500
	2,500	2,500
Opening depreciation	**(917)**	(792)
- Depreciation for the year	**(125)**	(125)
Closing depreciation	**(1,042)**	(917)
Carrying amount	**1,458**	1,583

Note 12 Receivables group companies

	March 31, 2024 kSEK	March 31, 2023 kSEK
Opening cost	**40,000**	40,000
	40,000	40,000

Note 13 Tax loss carryforward

No tax is found in the company due to a rolling tax loss carryforward.

	March 31, 2024 kSEK	March 31, 2023 kSEK
Tax loss carryforward	**26,631**	15,267
	26,631	15,267

Note 14 Prepaid expenses and accrued income

	March 31, 2024 kSEK	March 31, 2023 kSEK
Property rental	**–**	–
Other	**3,029**	3,915
Carrying amount	**3,029**	3,915

Note 15 Number of shares and quotient value

	Number of shares	Quotient value
Number of Class A shares	1,000,000	1
	1,000,000	

Note 16 Appropriation of profit or loss

The Board of Directors proposes that the profit available for distribution:

	31 Mar 2024 kSEK
accumulated loss	**31,497**
share premium	**12,000**
shareholder contribution	**–**
loss for the year	**(11,780)**
Total pledged assets	**31,717**

Note 17 Liabilities recognised in several items

Temporary payment defferals of kSEK 10.200 are recognised under the following items in the balance sheet.

	March 31, 2024 kSEK	March 31, 2023 kSEK
Non-current liabilities		
Other liabilities to the tax authority	**3,225**	4,418
Total pledged assets	**3,225**	4,418
Current liabilities		
Other liabilities to the tax authority	**6,975**	5,632
Total pledged assets	**6,975**	5,632

Note 18 Accrued expenses and deferred income

	March 31, 2024 kSEK	March 31, 2023 kSEK
Personnel-related items	**7,271**	6,824
Other	**3,535**	3,645
Total pledged assets	**10,806**	10,469

Note 19 Adjustments for non-cash items

	March 31, 2024 kSEK	March 31, 2023 kSEK
Depreciation	**3,705**	3,483
Loss on disposal of fixed assets	**8**	85
Total pledged assets	**3,713**	3,568

Note 20 Pledged assets

	March 31, 2024 kSEK	March 31, 2023 kSEK
Liabilities to credit institutions:		
Chattel mortgages	**19,000**	19,000
Total pledged assets	**19,000**	19,000
Liabilities for which security is provided		
Chattel mortgages	**–**	–
Total pledged assets	**–**	–

Åre April 18, 2024

Maisa Romanainen
Chairman

Pauli Puntala

Andreas Sand
Managing Director

Our auditor's report has been submitted 2024-04-18
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

INDEPENDENT AUDITOR'S REPORT

To: Members of Holiday Club Resorts Rus, OOO

Opinion

We have audited the accompanying annual financial statements of Holiday Club Resorts Rus, OOO (Primary State Registration Number (OGRN) 5067847052301), which comprise the balance sheet as of December 31, 2023, the statement of financial results for 2023, the appendices to the balance sheet and the statement of financial results, including the statement of changes in equity for 2023 and the statement of cash flows for 2023, and notes to the balance sheet and the statement of financial results for 2023, including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of Holiday Club Resorts Rus, OOO as of December 31, 2023, and its financial performance and its cash flows for 2023 in accordance with the Russian financial reporting rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Annual Financial Statements* section of our report. We are independent of the auditee in accordance with the Rules of Independence for Auditors and Auditing Firms and the Code of Professional Ethics for Auditors that is in compliance with the International Code of Ethics for Professional Accountants (including the international standards of independence) established by the International Ethics Standards Board for Accountants and have fulfilled our other responsibilities in accordance with these professional ethics requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter—A Resolution on Liquidation and Adjusted Financial Statements

We draw attention to para. 2 'A Resolution on Liquidation' of the Notes to the financial statements for 2023, which describes that the sole member of Holiday Club Resorts Rus, OOO adopted a resolution to liquidate Holiday Club Resorts Rus, OOO. These events indicate that it is inappropriate to use the going concern basis of accounting in relation to Holiday Club Resorts Rus, OOO, and the financial statements were prepared without using this basis of accounting. Assets, liabilities, equity, income, and expenses are reported in the financial statements with account taken of these events.

We draw attention to para. 3 'Adjusted Financial Statements' of the Notes to the financial statements of Holiday Club Resorts Rus, OOO for 2023, which describes that the financial statements are adjusted in relation to the financial statements signed on March 29, 2024. The reason for the adjustment of the financial statements was the disclosure of the resolution on the liquidation of Holiday Club Resorts Rus, OOO and the making of necessary adjustments and disclosures.

Our opinion is not modified in respect of this matter.

Responsibilities of the Auditee's Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Russian financial reporting rules and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the auditee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the auditee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the auditee's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the auditee's management.

d) Conclude on the appropriateness of the auditee's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the auditee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

e) Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We exchange information with those charged with governance of the audited company, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify in the audit process.

Ekaterina Aleksandrovna Vostokova (Principal Registration Number of Entry (ORNZ) 22006156228)
Head of the Audit Department, OOO P&B GROUP
Ekaterina Aleksandrovna Vostokova (Principal Registration Number of Entry (ORNZ) 22006156228)
Auditor in charge of the audit resulting in this auditor's report

Audit Firm

P & B Group, Limited Liability Company

Primary State Registration Number (OGRN): 1167746808305

6 (Bldg. 2) Presnenskaya Embankment, Floor 16, Suite 1, Room 20, Office 22, Moscow, Russia, 123112

A member of the *Sodruzhestvo* Association (Self-Regulatory Organization of Auditors), Principal Registration Number of Entry (ORNZ) 12006145405

April 12, 2024

BALANCE SHEET AS OF DECEMBER 31, 2023

Company	**Holiday Club Resorts Rus LLC**
Taxpayer's ID number	**7801409574**
Line of business	**Activities of hotels and other places for temporary accommodation**
Form of incorporation/Form of ownership **Limited liability company/ ownership of a foreign entity**	
Unit of measurement: **thousand RUR**	
Location (address) **192007, Saint-Petersburg. Ligovskiy pr., 266. str.1, pom.2.1-N.50 working place 19**	

Item	Code	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
ASSETS				
I. NON-CURRENT ASEETS				
Intangible assets	1110	**–**	–	–
Results of research and development	1120	**–**	–	–
Intangible development assets	1130	**–**	–	–
Tangible development assets	1140	**–**	–	–
Fixed assets	1150	**–**	–	–
Income-bearing investments in tangible assets	1160	**–**	–	–
Financial investments	1170	**–**	–	–
Deffered tax assets	1180	**1,721**	–	–
Other non-current assets	1190	**–**	–	–
Total section I	1100	**1,721**	–	–
II. CURRENT ASSETS				
Inventories	1210	**–**	–	–
Value-added tax on acquired assets	1220	**–**	444	–
Receivables	1230	**10**	18	245
Financial investments (except for monetary equivalents)	1240	**–**	–	–
Cash and cash equivalents	1250	**–**	585	231
Other current assets	1260	**–**	–	–
Total section II	1200	**10**	1,047	476
BALANCE	1600	**1,731**	1,047	476

Item	Code	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
LIABILITIES				
III. EQUITY AND RESERVES				
Authorized capital	1310	**300**	300	300
Treasury stock	1320	**–**	–	–
Non-curent asset revaluation	1340	**–**	–	–
Capital surplus (without revaluation)	1350	**–**	–	–
Reserve capital	1360	**–**	–	–
Retained earnings	1370	**(56,044)**	(42,967)	(45,490)
Total section III	1300	**(55,744)**	(42,667)	(45,190)
IV. LONG-TERM LIABILITIES				
Loans	1410	**–**	5,598	4,203
Deffered tax liabilities	1420	**–**	972	–
Estimated liabilities	1430	**–**	–	–
Other liabilities	1450	**–**	–	–
Total section IV	1400	**–**	6,570	4,203
V. SHORT-TERM LIABILITIES				
Loans	1510	**8,577**	–	167
Payables	1520	**48,898**	37,144	41,296
Prepaid income	1530	**–**	–	–
Estimated liabilities	1540	**–**	–	–
Other liabilities	1550	**–**	–	–
Total section V	1500	**57,475**	37,144	41,463
BALANCE	1700	**1,731**	1,047	476

Kovalev Dmitriy Vladimirovich
Director

April 10, 2024

FINANCIAL RESULTS STATEMENT FOR JANUARY - DECEMBER 2023

Company	**Holiday Club Resorts Rus LLC**
Taxpayer's ID number	**7801409574**
Line of business	**Activities of hotels and other places for temporary accommodation**
Form of incorporation/Form of ownership **Limited liability company/ownership of a foreign entity**	
Unit of measurement: **Thousand RUR**	

Item	Code	January - December 2023	January - December 2022
Revenue	2110	**–**	2
Cost of sales	2120	**–**	–
Gross profit (loss)	2100	**–**	2
Commercial expenses	2210	**–**	–
Administrative expenses	2220	**–**	–
Sales profit (loss)	2200	**–**	2
Income from participation in other organizations	2310	**–**	–
Interest receivable	2320	**–**	–
Interest payable	2330	**(231)**	(140)
Other income	2340	**5,055**	26,842
Other expenses	2350	**(20,593)**	(23,209)
Profit (loss) before taxation	2300	**(15,769)**	3,495
Profit tax	2410	**2,692**	(972)
Including			–
Current profit tax	2411		–
Deferred profit tax	2412	**2,692**	(972)
Other	2460	**–**	–
Including		**–**	–
Write–off deferred tax assets		**–**	–
Net Profit (Loss)	2400	**(13,077)**	2,523
FOR REFERENCE			
Revaluation of non-current assets not included in net profit (loss) for the period	2510	**–**	**–**
Result of other transactions not included in net profit (loss) for the period	2520	**–**	**–**
Comprehensive financial result for the period	2500	**(13,077)**	2,523
Basic earnings (loss) per common share	2900	**–**	**–**
Diluted earnings (loss) per common share	2910	**–**	**–**

Kovalev Dmitriy Vladimirovich
Director

April 10, 2024

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Shareholders of HOLIDAY CLUB CANARIAS INVESTMENT, SLU:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS INVESTMENT, SLU, (the Company) which comprise the balance sheet as at 31 March 2024, the income statement and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at 31 March 2024 and of its results for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on *"Responsibilities of the auditor in connection with the audit of the financial statements"*.

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Balances with related parties

As shown in the balance sheet, the items of assets and liabilities with the highest amount correspond to "Short-term investments in Group, Multigroup and Associate companies", amounting to 2,577,960 Euros, and" Short term debts with Group and Associated Companies", amounting to 2,607,976 Euros, respectively (see note 10 of the report). These items represent practically the total assets and liabilities of the balance sheet. Due to the monetary relevance of said items and the balance connection, the valuation of said credits has been considered a relevant aspect, especially the collectability of the asset figure.

Our procedures included the analysis of the reconciliation of the balances with the group companies, as well as the collectability of the asset's item. To this end, the Annual Accounts of the group companies have been audited.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Director intends to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.

- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Director.
- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(n° ROAC S2158)

JAVIER ALVAREZ CABRERA
(n° ROAC 16092)

Las Palmas de Gran Canaria,
on April 18, 2024

BALANCE SHEET AS AT MARCH 31, 2024

ASSET	Notes	(Euros) March 31, 2024	(Euros) March 31, 2023
NON CURRENT ASSET			
Long-Term investments in group companies and associates	5	**6,203**	6,203
TOTAL		**6,203**	6,203
CURRENT ASSETS			
Trade and other receivables	5	**571**	56,704
Other debtors		**571**	56,704
Short-term investments in group, multigroup and associate companies	5-10	**2,877,960**	2,582,005
Cash and equivalent liquid assets	5	**58,397**	149
TOTAL		**2,936,928**	2,638,858
TOTAL ASSET		**2,943,131**	2,645,061
TOTAL EQUITY AND LIABILITIES			
Capital			
Share Capital	7	**3,100**	3,100
Reserves		**1,901**	1,901
Profit & loss from previous periods		**(13,204)**	(12,040)
Partner Contributions		**10,033**	10,033
Result for the period	3-8	**1,418**	(1,164)
TOTAL		**3,247**	1,830
CURRENT LIABILITIES			
Short term debts with group and associated companies	6-10	**2,607,976**	2,573,578
Trade Creditors and other Accounts payable			
Sundry Creditors	6	**331,908**	69,654
TOTAL		**2,939,884**	2,643,232
TOTAL EQUITY AND LIABILITIES		**2,943,131**	2,645,061

PROFIT AND LOSS ACCOUNT AT MARCH 31, 2024

	Notes	(Euros) March 31, 2024	(Euros) March 31, 2023
Revenue	10	5,000	0
Other operating expenses	9	(3,997)	(1,308)
Other results		(54)	(226)
OPERATING INCOME		949	(1,534)
PROFIT BEFORE TAXES		949	(1,534)
Corporate income Tax	8	468	370
PROFIT & LOSS IN THE PERIOD		1,417,75	(1,164)

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING ON MARCH 31, 2024

1. THE COMPANY'S BUSINESS

1.1. HOLDAY CLUB CANARIAS INVESTMENT, S.L.U was set up as a limited corporation on December 9, 2010, before the Notary Public Valentín Concejo Arranz, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Maspalomas, under his Protocol Number 1525.

On March 3, 2011, it acquired its current status as a Sole Proprietor Limited Liability Company and on July 22, 2011, a corporate decision was notarised in which the accounting year initially established in the Corporate By-Laws from October 1 to September 30 was changed. However, in February 1, 2016 the General Meeting of the company decided to modify the beginning and the end of the financial period in the Company Bylaws and now is from April 1 till March 31 every year.

1.2. The main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use.

1.3. The Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.4. The Company is dominant in the Holiday Club Canarias group under the terms of the article 42 of the Commercial Code. However, it does not prepare consolidated annual accounts because it does not exceed the limits set forth in the Capital Companies Law, so the following annual accounts refer exclusively to Holiday Club Canarias Investment, S.L.U. Furthermore, the company is a member of a group whose parent company is Holiday Club Resort OY, located in an EU Member State, Finland, that presents consolidated Financial Statements in that country. in addition, Holiday Club Resort OY is a member of a group whose holding company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- HOLDAY CLUB CANARIAS INVESTMENT, S.L.U
- HOLDAY CLUB CANARIAS SALES & MARKETING, SLU
- HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU
- HOLIDAY CLUB CANARIAS VACATION CLUB, SLU

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90.2355= FC:EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on March 31, 2024.

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Non-Mandatory Accounting Principles Applied

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.3 Critical Aspects in the Valuation and Judgement of Uncertainty

Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.4. Comparison of the Information

The figures corresponding to the Financial Year ending on March 31, 2024 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period ending on March 31, 2023.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90.2355= FC:EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on March 31, 2024.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2024 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2023, is as follows:

	Euros	
Distribution Balance	**March 31, 2024**	March 31, 2023
Financial period Losses	**1,418**	(1,164)
Total	**1,418**	(1,164)
Distribution		
Losses accumulated from previous Financial Periods	**1,418**	(1,164)
Total	**1,418**	(1,164)

4. RECOGNITION AND MEASUREMENT

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Equity instruments acquired from other companies: shares, participations in institutions of collective investment and other equity instruments

Long and short-term financial investments

Financial Assets at Amortized cost. A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company. That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.
- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost. This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.
- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and other creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.

  Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost. All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.

- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.2. Tax on Profits

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of title 7 of the Law 274/2014 of November 27 of Corporate Tax. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

A deferred tax asset has been recognized on negative tax bases.

4.3. Income and Expenses

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.4. Transactions between related parties

Transactions between related parties are accounted by their reasonable value which is the same value for transactions with not related third parties.

5. FINANCIAL ASSETS

5.1. Categories of financial assets (except investments in equity of group companies, multigroup and associates)

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

	Equity Instruments		Debt Securities		Credits / Derivatives / Others	
					Euros	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Short-term Financial Assets						
Activos financieros a coste amortizado	**–**	–	**–**	–	**2,877,960**	2,582,005
Liquid Assets	**–**	–	**–**	–	**58,397**	149
Totals	**–**	–	**–**	–	**2,936,357**	2,582,154

5.2. Breakdown by maturity:

The classification by maturity of the different financial assets is all related to the short term and all the loans and receivables with companies of the group and associated, for the amount of 2,582,005 Euros.

5.3. Companies of the group, multigroup and associated:

a) The information of companies of the group and associated referred to March 31, 2024 is detailed below:

	GROUP COMPANIES									
	Balance as at March 31, 2024						Participation value			Euros
Sociedad	%	Share Capital	Reserves	Profit & loss from previous periods	Result for the period	Grants	Participatory loan	Theoretical	Accountant	Deterioration
Holiday Club Canarias Sales & Marketing, S L U. Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is the sale of use rights per shift of properties of the complexes Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma.	100	3,100	5,396,060	(7,056,380)	(14,269)	62,646	2,000,000	391,157	3,100	–
Holiday Club Canarias Resort Management, SLU Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores y Puerto Calma)	100	3,100	7,421,717	–	574,931	–	–	7,999,748	3,100	–

Euros

Sociedad	GROUP COMPANIES									
	Balance as at March 31, 2024						Participation value			
	%	Share Capital	Reserves	Profit & loss from previous periods	Result for the period	Grants	Participatory loan	Theoretical	Accountant	Deterioration
Holiday Club Canarias Vacation Club, S.L Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is that of tourist accommodation and other short-stay accommodation	**100**	**3,000**	**1,630,122**	**(0)**	**423,480**	**–**	**–**	**2,056,601**	**3**	**–**
TOTAL GROUP COMPANIES									**6,203**	

b) There are not movements during 2023-24 and 2022-23 in equity instruments in companies of the Group and associated.

6. FINANCIAL LIABILITIES

6.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

Euros

	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives / Others	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Short-term Financial Liabilities						
Financial liabilities at amortized cost	**–**	–	**–**	–	**2,607,976**	2,573,748
Totals	**–**	–	**–**	–	**2,607,976**	2,573,748

6.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to "Debts with companies of the Group and associates in the short term" for the amount of 2,607,976 Euros.

7. EQUITY

7.1. The Share Capital comes to 3,100 Euros, divided into thirty-one shares at face value of 100 Euros each.

7.2. The Company has the sole proprietorship status, being its unique partner the entity Holiday Club Sweden AB.

8. FISCAL POSITION

8.1 Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27 of the profit tax, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club S.L.

8.2. Individual tax base

The reconciliation of the net amount of incomes and expenses with the taxable base of the corporate tax is as follows:

	Euros	
	Profit and Loss account	**Expenses and income directly attributed to equity**
Balance of income and expenses for the year	**1,418**	–
Tax revenue	(468)	–
Non-deductible expenses	54	–
95% dividend exemption adjustment	(4,750)	–
Tax base	**(3,747)**	–
Integration 50% negative individual BIN for fiscal year 2023	1,873	
Tax base (tax result)	**(1,873)**	
Full fee (25% of tax result)	**(468)**	

Notwithstanding the aforesaid, the Company is taxed within a group in which it is the parent company, subject to the special tax system of consolidated taxation. The generated taxable income that would be offset in future periods is compensated with positive taxable bases generated in the Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 1,684,558 Euros. This base increases by the integration of the 50% of the individual negative BINs of the mother company in the year 2023 for the amount of 1,873 Euros, therefore the final tax base of the group amounts 1,686,432 Euros.

As per current legislation, taxes cannot be considered to have been settled until the returns presented have been inspected by the Revenue Service or the four-year statute of limitations has passed.

Therefore, at the date of closing, the Company has all taxes applicable corresponding to the last four years, including its Corporate Tax for the period 2023-24 available for inspection.

The Administrative body of the Company considers that the above mentioned taxes have all been adequately settled, for which, even in the event of discrepancies in the interpretation of current regulations in the fiscal treatment practised on the operations, possible resulting liabilities, in the event they should materialise, would not significantly affect the attached abridged annual accounts.

8.3 Profits or Tax Incentives

In the settlement of Corporate Taxes corresponding to the period 2023-24, the Company has not applied any tax incentives.

9. INCOME AND EXPENSES

The Company has carried out the following operations in this period, which are reflected in the corresponding heading in the Profit and Loss Account:

a) External services:

	Euros	
	March 31, 2024	March 31, 2023
Professional services	**2,923**	234
Local Tax	**1,074**	1,074
Totals	**3,997**	1,308

10. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2024 and 2023 with related companies are as follows:

				Euros
	2024		2023	
	Debit Balances	**Credit Balances**	Debit Balances	Credit Balances
Company				
Holiday Club Canarias Sales & Marketing, SLU	–	**2,607,976**	–	2,573,578
Holiday Club Canarias Resort Management, SLU	**2,224,427**	–	2,030,465	–
Holiday Club Canarias Vacation Club, SL	**653,533**	–	551,540	–
Totals	**2,877,960**	**2,607,976**	2,582,005	2,573,578

11. OTHER INFORMATION

11.1. Average number of Employees

The Company has not had employees during this period or the period before.

11.2. Information about the Environment and Greenhouse Gas Emission Rights.

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

Mogán
April 12, 2024

Miguel Angel Munoz Martin
Sole Administrator
Holiday Club Resorts Oy Representative

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU, (the Company) which comprise the balance sheet as at 31 March 2024, the income statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at 31 March 2024 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "Responsibilities of the auditor in connection with the audit of the financial statements".

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Inventories

As shown in the liquid assets in the balance sheet, the Company has registered inventories for the net of 7.8 million euros. In note 10 is shown that 99% of the stocks are made up of the weeks not sold in *timeshare* regime for each of the complexes and type of room. The valuation of the unsold weeks can be of two types: The valuation of few weeks is the cost of the original acquisition that it had for the Company in April 2011 (see note 1.4). Other weeks, which were sold at the time and the Company had them back at rest due to contractual breach by customers, are valued at the cost of their repossession. The Entity maintains inventory control at the close of the fiscal year, both for the weeks acquired at the origin, as well as for the weeks repossessed. Due to the large number of none sold weeks, the diversity of room types by the complex and the results for which these weeks are activated in stock, the proof of the laborious work is correct and the units of the stocks, the integrity and the valuation of the inventories has been considered to be subject to significant risk.

Our procedures included, among others, the verification of the inventory of weeks not sold and the costs associated to each one of them, validating the possible types of valuation, based on the reason for registration in stock. In addition, it has carried out verifications in weeks sold in the year to verify that they have not been sold below cost and that they do not appear in the Company's stock at the end of the year.

Directors' responslbllltles

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Director intends to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.

- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Director.

- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.

- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 18, 2024

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Notes	**(Euros) As at March 31, 2024**	(Euros) As at March 31, 2023
ASSETS			
Non-current assets			
Intangible assets	**5**	**361,599**	542,398
Fixed assets	**6**	**499,065**	558,115
Long-term financial investments	**7**	**578,267**	479,410
Deferred tax assets	**12**	**13,886**	23,010
		1,452,816	1,602,933
LIQUID ASSETS			
Inventories	**10**	**7,805,844**	7,727,519
Commercial debtors and other accounts receivables		**727,733**	600,383
Trade receivables	**7**	**525,783**	492,786
Trade receivables / long term		**108,365**	40,884
Trade receivables / short term		**417,418**	451,903
Trade receivable from group and associated	**7-18**	**129,570**	30,800
Other debtors		**72,380**	76,797
Short-term Investments in affiliated group and associated companies	**7-18**	**3,180,673**	7,786,444
Short-term financial investments	**7**	**5,040**	4,872
Short term accruals	**7**	**1,639,565**	1,614,679
Cash and other equivalent liquid assets	**7**	**74,845**	36,529
		13,433,699	17,770,425
TOTAL ASSETS		**14,886,516**	19,373,358

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Notes	(Euros) As at March 31, 2024	(Euros) As at March 31, 2023
EQUITY AND LIABILITIES			
EQUITY		**(1,671,489)**	(1,657,219)
Capital	**9**	**3,100**	3,100
Shared capital		**3,100**	3,100
Reserves	**9**	**5,396,060**	5,396,060
Profit & loss from previous periods		**(7,056,380)**	(6,878,068)
Losses for the period	**3**	**(14,269)**	(178,312)
Grants, donations and legacies received	**16**	**62,646**	72,944
		(1,608,843)	(1,584,276)
Non-current liabilities.			
Long-term provisions	**14**	**–**	626,682
Long-term debts with group and associated companies	**8-18**	**6,524,753**	6,834,764
Deferred tax liabilities	**12-16**	**412,817**	419,863
		6,937,569	7,881,309
Current liabilities			
Short-term provisions	**14**	**86,008**	66,766
Short-term debts	**8**	**2,928**	5,443
Other financial liabilities		**2,928**	5,443
Short-term debts with group and associated companies	**8-18**	**9,191,601**	12,824,896
Trade Creditors and other accounts payable		**277,252**	179,219
Suppliers, group companies and associates	8-18	**83,591**	11,293
Other payables		**193,661**	167,926
		9,557,789	13,076,325
TOTAL EQUITY AND LIABILITIES		**14,886,516**	19,373,358

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Notes	(Euros) Year ended March 31, 2024	(Euros) Year ended March 31, 2023
Continuing operations			
Turnover		**4,133,904**	4,264,074
Variation in inventories of products finished and being manufactured	10	**80,751**	110,490
Supplies	13	**(337,525)**	(348,336)
Personnel expenses		**(935,759)**	(966,145)
Other operating expenses	13	**(3,037,490)**	(2,730,641)
Depreciation of fixed assets	5-6	**(290,840)**	(327,904)
Allocation of subsidies for non-financial fixed assets and others	16	**13,731**	13,731
Other incomes and expenses	13	**603,425**	(101,650)
Operating Income (LOSS)		**230,196**	(86,382)
Financial incomes	7	**11,046**	15,440
Financial expenses	8-18	**(283,478)**	(231,370)
Exchange differences	11	**(771)**	(2,729)
Financial profit & loss (LOSS)		**(273,203)**	(218,660)
Profit before taxes (LOSS)		**(43,007)**	(305,042)
Corporate Income Tax	12	**28,737**	126,730
Profit & loss in the period (LOSS)		**(14,269)**	(178,312)

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDING ON MARCH 31, 2024

1. The company's business activity

1.1. Holiday Club Canarias Sales & Marketing, S.L.U. was founded as a limited corporation on December 9, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his protocol number 1524.

On March 03, 2011 the Company acquired its current condition as a Sole Proprietor Limited Liability Company. On July 22, 2011 a social agreement changes the financial year that in the corporate statutes was from October the 1st till September the 30th. However, on February 01, 2016 in the annual general meeting was agreed to modify the dates of starting and ending of the financial year to April the 1st till March the 31st.

1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the sale of rotational enjoyment rights of holiday units in the five resorts called Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the management of a theme park in the municipality of Mogán, in Gran Canaria.

1.3. The Corporate offices are located at Avenida Anna Lindh 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria).

1.4. On April 06, 2011 the Public Deed was signed, by means of which the Company, together with its related company Holiday Club Canarias Resort Management, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned the unsold weeks, which were recorded in the inventory for the amount of 3,730,000 Euros; the rights to client's' loans recorded as financial assets for the amount of 2,251,656 Euros, and the Goodwill corresponding to the main business of "Timeshare" for the amount of 1,967,742 Euros. The remaining assets (real-estate property and goodwill from the administration and maintenance business) was assigned to the abovementioned related Company. On June 1, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above, which caused amongst other things, goodwill to be adjusted to 1,807,995 Euros.

1.5. The Company is a part of a Group whose parent Company is Holiday Club Canarias Investment, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in a EU country, Finland, which presents yearly consolidated accounts. Furthermore, the mentioned company belongs to a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

– Holiday Club Canarias Investment, SLU

– Holiday Club Canarias Sales & Marketing, SLU

– Holiday Club Canarias Resort Management, SLU

– Holiday Club Canarias Vacation Club, SL

2. Basis used for the presentation of the annual accounts

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation. Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90,2355 = FC. EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31, March 2024.

2.1. **True and fair view**

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. **Non-mandatory accounting principles applied**

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, considering all mandatory accounting regulations and principals which carry a significant effect. There is no principle which, if mandatory, has not been applied.

2.3. **Critical aspects in the valuation and judgement of uncertainty**

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the asset's impairment, estimation of the asset's useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

At the end of the financial year the company has a negative net equity for an amount of 1,608,843 Euros. It means that, according to the article 363 of the Law on corporations, the company is in cause of dissolution. However, on January 31, 2022 a participating loan was signed with the company of the group Holiday Club Sweden AB for the amount of 2,000,000 euros (see notes 8.3 and 9.5). It means a higher value of the net equity.

However, shareholders consider that there are some mitigating factors, based on the fact that the reasonable value of the week's inventory owned by the company is much bigger than the accounted value. It means that the real net equity is very positive (See Notes 10.1 and 10.2). During the financial year 2022-23 the company has requested an appraisal of the weeks from a specialized company. The value of the weeks on 31, March 2023 is 150,000,000 euros according to that company.

2.4. **Comparing information**

The figures corresponding to the Financial Year ending on March 31, 2024 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2022-23.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90.2355 = FC: EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31, March 2024.

3. Application of results

The proposal for the application of the results of the financial period ending March 31, 2024 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2023 is as follows:

		Euros
Particulars	**2023-24**	2022-23
Distribution balance		
Financial period losses	**(14,269)**	(178,312)
Distribution		
Losses accumulated from previous Financial periods	**(14,269)**	(178,312)
Total	**(14,269)**	(178,312)

4. Recognition and measurement regulations

The main accounting principles and practices applied in the drafting of the Annual Accounts follow current legislation, highlighting as most important the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance.

The most significant accounting criteria applied in the drafting of the Annual Accounts is the following ones:

4.1. Intangible fixed assets

The intangible fixed assets are comprised of goodwill and computer applications which are valued at their acquisition price, including necessary additional expenses to get them up and running. The computer applications are amortised at 33 per cent according to their useful lives and the goodwill is amortised at 10 per cent since the entry of the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value.

4.2. Tangible fixed assets

These have been appraised at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during its operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings.	12-14 %
Machinery.	11 %
Other installations.	10 - 25%
Furniture.	10 - 16 %
IT equipment	14- 25 %
Other intangible assets.	10 - 33 %

On November 1, 2021 has been renovated the Angry Birds´ rental contract for a period of 8.5 years. Due to this renovation, the fixed assets assigned to this rental have been recalculated, provided that they were not fully depreciated at the renewal date.

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Financial instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Debt securities of other companies acquired: such as obligations, bonds and promissory notes
- Equity instruments of other companies acquired: shares, shares in collective investment institutions and other equity instruments;
- Derivatives with a favorable valuation for the company: among them, futures or term operations, options, financial swaps, and forward foreign currency trading, and
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

Long and short term financial investments

Financial assets at amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.

- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and different creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.
- Debts with credit institutions

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial liabilities at amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.4. Inventories

The Company's commercial stocks correspond to rotational enjoyment rights of rooms in the possession of the Company and merchandise stock in Angry Birds Park. Both are valued at acquisition price.

The Company's Administrators consider that the book value of the inventories does not exceed their recoverable value.

4.5. Transactions in foreign currency

The accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, differences both positive and negative that did not occur are carried over to the profit and loss account.

4.6. Profit tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an income during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income has also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation.

4.7. Income and expenses

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- **Common aspects**

  The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- **Recognition**

  The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

  The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

  For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

  The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

  The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- **Assessment**

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.8. Provisions and contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

4.9. Personnel expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, Donations and Legacies

Capital grants, which are non-refundable, are recorded directly in Equity as revenue, excluding the tax effect and are attributed to the Financial Period's results in proportion to the allocation of depreciation in the period for the assets pertaining to the grant.

The operating grants are attributed to the financial period for the granted amount.

4.11. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. Intangible fixed assets

5.1. The transactions that occurred during the 2022-23 and 2023-24 periods were the following:

Euros

Particulars	Balance March 31, 2022	Acquisitions	Disposals	Balance March 31, 2023
Gross costs				
Goodwill	1,807,995	–	–	1,807,995
IT applications	29,227	–	–	29,227
Totals	1,837,222	–	–	1,837,222
Accumulated amortization				
Goodwill	1,084,797	180,799	–	1,265,596
IT applications	29,227	–	–	29,227
Totals	1,114,024	180,799	–	1,294,823
Net totals	723,198			542,398

Euros

Particulars	Balance March 31, 2023	Acquisitions	Disposals	Balance March 31, 2024
Gross costs				
Goodwill	1,807,995	–	–	1,807,995
IT applications	29,227	–	–	29,227
Totals	1,837,222	–	–	1,837,222
Accumulated amortization				
Goodwill	1,265,596	180,799	–	1,446,396
IT applications	29,227	–	–	29,227
Totals	1,294,823	180,799	–	1,475,623
Net totals	542,398			361,599

5.2. As indicated in Note 1.5, The Company acquired the Goodwill corresponding to the main "Timeshare" business in 2011 for the amount of 1,967,742 Euros, Said price was adjusted in the Purchase Deed granted in June 2012, for the amount of 159,747 Euros.

5.3. There is no evidence of impairment through March 31, on any of the elements in the Intangible Fixed Assets.

5.4. There are fully depreciated software applications in use on March 31, 2024 and March 31, 2023 for the amount of 29,226 Euros respectively.

6. Tangible fixed assets

6.1. The transactions occurring during the 2022-23 and 2023-24 periods were the following:

Euros

Particulars	Balance March 31, 2022	Acquisitions	Transfers	Disposals	Balance March 31, 2023
Gross costs					
Buildings	1,125,496	–	–	–	1,125,496
Machinery	72,631	1,920	–	–	74,551
Other facilities	2,895,159	–	–	–	2,895,159
Furniture	252,159	–	–	–	252,159
IT equipment	95,347	13,121	–	–	108,468
Vehicles	27,994	–	–	–	27,994
Other tangible fixed assets	368,372	33,045	–	–	401,417
Advances and fixed assets in progress	10,832	1,637	–	–	12,469
Totals	4,847,991	49,723	–	–	4,897,715
Accumulated amortization					
Buildings	1,047,105	8,247	–	–	1,055,352
Machinery	64,054	8,387	–	–	72,441
Other installations	2,466,189	58,469	–	–	2,524,658
Furniture	246,092	2,872	–	–	248,964
IT equipment	88,570	3,833	–	–	92,403
Vehicles	27,994	–	–	–	27,994
Other tangible fixed assets	252,492	65,296	–	–	317,788
Totals	4,192,496	147,104	–	–	4,339,600
Net totals	655,496				558,115

Euros

Particulars	Balance March 31, 2023	Acquisitions	Transfers	Disposals	Balance March 31, 2024
Gross costs					
Buildings	**1,125,496**	**–**	**–**	**–**	**1,125,496**
Machinery	**74,551**	**10,980**	**–**	**–**	**85,531**
Other facilities	**2,895,159**	**3,646**	**–**	**–**	**2,898,805**
Furniture	**252,159**	**3,280**	**–**	**–**	**255,439**
IT equipment	**108,468**	**–**	**–**	**–**	**108,468**
Vehicles	**27,994**	**–**	**–**	**–**	**27,994**
Other tangible fixed assets	**401,417**	**22,366**	**–**	**–**	**423,783**
Advances and fixed assets in progress	**12,469**	**12,355**	**–**	**(1,637)**	**23,187**
Totals	**4,897,715**	**52,627**	**–**	**(1,637)**	**4,948,705**
Accumulated amortization					
Buildings	**1,055,352**	**8,247**	**–**	**–**	**1,063,598**
Machinery	**72,441**	**2,551**	**–**	**–**	**74,992**
Other installations	**2,524,658**	**56,256**	**–**	**–**	**2,580,914**
Furniture	**248,964**	**2,308**	**–**	**–**	**251,272**
IT equipment	**92,403**	**3,548**	**–**	**–**	**95,951**
Vehicles	**27,994**	**–**	**–**	**–**	**27,994**
Other tangible fixed assets	**317,788**	**37,130**	**–**	**–**	**354,918**
Totals	**4,339,600**	**110,040**	**–**	**–**	**4,449,640**
Net totals	**558,115**				**499,065**

6.2 There are no signs of impairment through March 31st, for the elements in the Tangible Fixed Assets.

6.3. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

6.4. There are fully depreciated elements in use on March 31, 2024 and March 31, 2023 for the amount of 1,598,671 Euros and 1,351,280 Euros respectively.

7. Financial assets

Information related to the Balance Sheet

7.1 Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, jointly controlled group and associated companies) by categories and classes is as follows:

Euros

Particulars	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
	As at March 31, 2024	As at March 31, 2023	**As at March 31, 2024**	As at March 31, 2023	**As at March 31, 2024**	As at March 31, 2023
Long-term financial assets						
Financial assets at amortized cost	**–**	–	**–**	–	**686,632**	520,293
Totals	**–**	–	**–**	–	**686,632**	520,293
Short- term financial assets						
Financial assets at amortized cost	**–**	–	**–**	–	**3,735,408**	8,278,115
Liquid assets	**–**	–	**–**	–	**74,845**	36,529
Totals	**–**	–	**–**	–	**3,810,252**	8,314,644

7.2. **Classification by maturity:**

The ratings depending on the maturity of different financial assets are as follows:

							Euros
Financial assets	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**Next**	**Total l/t**
Financial investments	**5,040**	**–**	**–**	**–**	**–**	**578,267**	**578,267**
Other financial assets	5,040	–	–	–	–	578,267	578,267
Investments in group and associated companies	**3,180,673**	**–**	**–**	**–**	**–**	**–**	**–**
Loans to companies	3,180,673	–	–	–	–	–	–
Commercial debts and other receivables	**549,694**	**70,508**	**31,074**	**4,962**	**1,821**	**–**	**108,365**
Customer receivables for sales and services	532,863	70,508	31,074	4,962	1,821	–	108,365
Clients' impairment	(115,445)	–	–	–	–	–	–
Trade receivable from group and associated	129,570	–	–	–	–	–	–
Personnel	2,706	–	–	–	–	–	–
Cash and other liquid assets	**74,845**	**–**	**–**	**–**	**–**	**–**	**–**
Liquid assets	74,845	–	–	–	–	–	–
Totals	**3,810,252**	**70,508**	**31,074**	**4,962**	**1,821**	**578,267**	**686,632**

Long term financial investments for the amount of 578,267 Euros correspond to deposits on the court related to the claims commented in the note 14.1.

7.3. Corrections due to impairment caused by credit risk

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows:

	Euros
Particulars	**Amount**
Balance at March 31, 2022	**107,592**
Impairment Maturity (Note 13.1)	3,991
Impairment reversal (Note 13.1)	(11,158)
Balance at March 31, 2023	**100,425**
Impairment Maturity (Note 13.1)	17,859
Impairment reversal (Note 13.1)	(2,838)
Balance at March 31, 2024	**115,445**

Information relating to the profit and loss account

7.4. Financial income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and loss Account for the amounts of 11,046 Euros and 15,440 Euros for 2023-24 and 2022-23 Financial Periods respectively, correspond mainly to the accrual of default interest on late payments from clients.

Other information

7.5 Reasonable value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are valued at their cost.

Equity Instruments traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are measured at their reasonable value.

7.6 Information regarding the nature and level of risk from financial assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange, of interest rates and other price risks.

Credit risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit granted to clients and debtors are granted based on a preliminary solvency study and strict follow-up of loans and receivables. The client base is quite diversified.

Liquidity risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market rate risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum because the Company grants loans at a fixed interest rate.

7.7 Accrual adjustments

In January, every year, the company assumes the debt with the related company Holiday Club Canarias Resort Management SLU related to the yearly maintenance fees of the unsold weeks. At the end of the financial year there are, in the accrual adjustment balance, the proportional part of the not accrued months on March 31, 2024 for the amount of 1,619,443 Euros, 1,596,257 Euros in March 31, 2023.

8 Financial liabilities

Information related to the balance sheet

8.1. Categories of financial liabilities:

The breakdown of the financial liabilities by categories and classes is as follows:

Particulars	Debits with Credit Institutions As at March 31, 2024	Debits with Credit Institutions As at March 31, 2023	Bonds and Other Market Securities As at March 31, 2024	Bonds and Other Market Securities As at March 31, 2023	Derivatives/Others As at March 31, 2024	Derivatives/Others As at March 31, 2023
						Euros
Long-term financial liabilities						
Financial liabilities at amortized cost	**–**	–	**–**	–	**6,524,753**	6,834,764
Totals	**–**	–	**–**	–	**6,524,753**	6,834,764
Short- term financial liabilities						
Financial liabilities at amortized cost	**–**	–	**–**	–	**9,416,548**	12,958,011
Totals	**–**	–	**–**	–	**9,416,548**	12,958,011

8.2 Classification by maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Financial liabilities	2024-25	2025-26	2026-27	2027-28	2028-29	Next	Total l/t
							Euros
Debts	**2,928**	–	–	–	–	–	–
Other financial liabilities.	**2,928**	–	–	–	–	–	–
Debts with group and associated companies	**9,191,601**	2,000,000	–	–	–	**4,524,753**	**6,524,753**
Trade creditors and other accounts payable	**222,018**	–	–	–	–	–	–
Supplies, group companies and associates	**83,591**	–	–	–	–	–	–
Sundry creditors	**138,406**	–	–	–	–	–	–
Personnel (wages pending payment)	**22**	–	–	–	–	–	–
Totals	**9,416,548**	2,000,000	–	**–**	–	**4,524,753**	**6,524,753**

8.3 On January 31, 2022, the group company Holiday Club Sweden AB grants a participating loan to the Company for the amount of 2,000,000 euros (180,471,000) (see notes 2.3 and 9.5).

This participating loan expires on April 1, 2025 and has been established a fixed interest plus a variable one:

a) The variable interest is stipulated in 2% of the profit after taxes, as an exception, the profits from the first year will not be considered to calculate the first amount, so will be calculated as of March 31, 2022. If the loan is being amortized, the initial % will decrease in proportion to amortization.

b) The fixed interest will be calculated as the EURIBOR (12 months) + 2.5% per year.

Default interest is set at 5%.

Information relating to the profit and loss account and equity

8.4 Financial expenses

The heading for financial expenses corresponds, mainly, to debts with group and associated companies for the 2023-24 and 2022-23 financial years for the amounts of 283,380 Euros and 231,138 Euros, respectively, due to the accrual of interest on loans granted by group companies (See Note 18.3).

Other information.

8.5 Reasonable value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

8.6 Information on the nature and level of risk from financial liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9 Shareholders' equity

9.1 The share capital, for an amount of 3,100 Euros, comprises 31 shares of 100 Euros face value each.

9.2 As per the Revised Text of the Law of Share Capital Companies, a figure equal to 10% of the period's profit must be kept in a reserve fund until this reaches at least 20% of the share capital. During the 2011-12 financial period, 3,100 Euros were allocated to these reserves.

9.3 The Canary Islands Investments Reserve Fund for the amount of 3,093,871 Euros, is subject to the availability limitations established in the tax regulations.

9.4 The corporation Holiday Club Canarias Investment, S.L.U., owns 100 per cent of the share capital of the Company.

9.5 On January 31, 2022 the group company Holiday Club Sweden AB grants a participating loan to the company for the amount of 2,000,000 Euros (see notes 2.3 and 8.3)

9.6 The breakdown of the heading "reserves" from the Balance Sheet for the periods 2023-24 and 2022-23 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
		Euros
Legal reserve	**3,100**	3,100
Voluntary reserves	**1,892,290**	1,892,290
Canary islands investment reserves	**3,093,871**	3,093,871
Goodwill reserves	**406,799**	406,799
Totals	**5,396,060**	5,396,060

10 Inventories

10.1. Inventories show the following break-down:

Particulars	As at March 31, 2024	As at March 31, 2023
		Euros
Merchandise in stock, angry birds theme park	**23,357**	25,765
Unsold weeks in stock	**7,782,082**	7,701,331
Totals	**7,805,439**	7,727,096

10.2 The transactions of unsold weeks in stock during the 2022-23 & 2023-24 financial periods, have been as follows:

Particulars	As at March 31, 2023	Acquisitions	Disposals	As at March 31, 2024
				Euros
Unsold weeks in stock	7,701,331	254,517	(173,766)	**7,782,082**

Particulars	As at March 31, 2022	Acquisitions	Disposals	As at March 31, 2023
Unsold weeks in stock	7,590,841	336,109	(225,619)	7,701,331

Acquisitions of inventory during the 2023-24 and 2022-23 financial period correpond to the weeks sold in previous financial periods and exchanged for other weeks during the mentioned periods, due to weeks received from the related company RESORT OY or weeks that come back to the company due to a court ruling (See Note 14.1) or expired contract.

There are not commitments for sales or purchases or a future contract about the inventories or restraints on disposal.

10.3 There are suppliers advance payments for the amount of 405 Euros on March 31, 2024.

10.4 There are no signs of impairment to the inventories at the end of the financial periods 2023-24 and 2022-23

11 Foreign currency

11.1 Assets in foreign currency mostly correspond to commercial loans for the sale of weeks in stock. The most significant balances in the diverse foreign currencies are detailed below:

Foreign currency	As at March 31, 2021	Exchange Rate at March 31, 2021	Euros at As at March 31, 2021
- Pounds sterling	103,526	0,85378 libra/euro	121,256
Foreign currency	**As at March 31, 2022**	**Exchange Rate at March 31, 2022**	**Euros at March 31, 2022**
- Pounds sterling	14,635	0,84595 libra/euro	17,299
Foreign currency	**As at March 31, 2023**	**Exchange Rate at March 31, 2023**	**Euros at As at March 31, 2023**
- Pounds sterling	7,693	0,87920 libra/euro	8,750
Foreign currency	**As at March 31, 2024**	**Exchange Rate at March 31, 2024**	**Euros at As at March 31, 2024**
- Pounds sterling	11,602	0,85768 libra/euro	13,528

11.2. The exchange differences recognized in the financial year 2023-24 and 2022-23 with debit balance for the amount of 771 Euros and 2,729 Euros respectively are related to the settled transactions during the period.

12 Tax position

Profit tax

12.1. Tax consolidation regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of 27 November of the profit tax, which approved the revised text from the Law of Corporate Tax.

The tax group comprises the following corporations:

Parent: Holiday Club Canarias Investment, SL.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club S.L.U.

12.2 Individual tax base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax is the following:

Particulars	Profit & Loss Account	Income & expenditure directly attributable to Equity
		Euros
Balance of income and expenditure for the financial year	**(14,269)** **(28,737)**	**–** **–**
Profit tax	(34,248)	–
Current tax	5,511	–
Deferred tax		
Non-deductible expenses	6,748	–
Goodwill deduction	90,400	–
Participative loan interest	50,137	–
Temporary differences		
70% limit amortization	(30,413)	–
Tax Base (tax profit & loss)	**73,865**	**–**
Internal operations (eliminations / additions)	14,454	**–**
Tax base (tax result)	**88,318**	**–**

12.3. Corporate tax settlement

By applying the tax rate on the tax base, the total tax liability is obtained, which is reduced by the following concepts and amounts:

Particulars	Euros
Full fee (25% of taxable income)	**22,080**
DAFN 19/20	**(34,518)**
DAFN 21/22	**(6,956)**
DAFN 23/24	**(10,068)**
Temporary measures reversal deduction	**(4,786)**
Liquid fee	**(34,248)**

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Sales & Marketing, S.L.U., for a negative amount of 34,248 Euros, is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group. The group tax base includes the elimination and net addition for the amount of 14,454 Euros related to internal operations made by Holiday Club Canarias Sales & Marketing, SLU.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 1,684,558 Euros. This base is increased by the application of the 50% individual negative BINs generated in the previous year by the mother company for the amount of 1,873 Euros, therefore the final tax base of the group amounts 1,686,432 Euros on March 31, 2024.

12.4 Breakdown of expenditure on income tax

The expenditure on Income Tax accrued in the financial periods 2023-24 and 2022-23 is broken down as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
		Euros
1. Current Tax	**(34,248)**	(219,005)
2. Deferred tax	**5,511**	92,275
- Temporary differences, 70% limit fiscal amortisation	**9,124**	9,124
- Temporary differences from intragroup operations	**(3,613)**	83,151
3. Total expenditure on income tax	**(28,737)**	(126,730)

12.5. Deduction because of the investments

Investments in fix assets during the financial period subject to deduction amount 40,272 Euros. Using the deduction rate (25%) in the investments made during the financial year, a deduction for the amount of 10,068 Euros is obtained. It means that, at the end of the financial period, the outstanding deductions are as follows:

Exercise	Initial out-standing amount	Acquisitions	Applications	Balance March 31, 2024	Limit	Time limit
						Euros
2019-20	34,518	–	(34,518)	**–**	**50%**	**2034-35**
2021-22	6,956	–	(6.956)	**–**	**50%**	**2036-37**
2023-24	–	34,248	(34.248)	**–**	**50%**	**2038-39**
Totals	41,474	34,248	(75,722)	**–**		

12.6. Deferred tax asset.

Transactions during the 2022/2023 and 2023/2024 financial periods found in this heading have been the following:

Particulars	As at March 31, 2022	Acquisitions	Applications	As at March 31, 2023
				Euros
- Temporary differences, 70% limit fiscal amortisation	32,134	–	(9,124)	23,010
Totals	32,134	–	(9,124)	23,010
	As at March 31, 2023	**Acquisitions**	**Applications**	**As at March 31, 2024**
- Temporary differences, 70% limit fiscal amortisation	**23,010**	**–**	**(9,124)**	**13,886**
Totals	**23,010**	**–**	**(9,124)**	**13,886**

12.7 Deferred tax liabilities.

Transactions during the 2021-22 and 2022-23 financial periods found in this heading have been the following:

Particulars	As at March 31, 2022	Acquisitions	Applications	As at March 31, 2023
				Euros
Capital grant (Note 16.2)	27,746	–	(3,433)	24,313
Intragroup operations	312,397	115,723	(32,571)	395,548
Totals	**340,144**	**115,722**	**(36,004)**	**419,863**
	As at March 31, 2023	**Acquisitions**	**Applications**	**As at March 31, 2024**
Capital grant (Note 16.2)	**24,313**	**–**	**(3,433)**	**20,881**
Intragroup operations	**395,548**	**29,718**	**(33,332)**	**391,935**
Totals	**419,863**	**29,718**	**(36,765)**	**412,817**

12.8 The Canary Islands Investment Reserve.

The Canary Islands Investment Reserve was provided for from January 01, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial year 2023-24, the situation of the Canary Islands Investment Reserve is as follows:

			Euros
Item	**2011**	**2011-12**	**2012-13**
Provisions	**776,358**	**1,081,563**	**1,235,950**
Investments carried out			
Financial Period 2013-14	**(776,358)**	**(1,081,563)**	**(799,103)**
Financial Period 2014-15	**–**	**–**	**(263,916)**
Financial Period 2015-16	**–**	**–**	**(13,857)**
Financial Period 2016-17	**–**	**–**	**(159,074)**

The Company, during the financial period 2013-14, carried out the following investments, materialising the reserve in the following assets and on the indicated dates on the following table. This table shows the financial period for which the provisions were materialised by type of asset is indicated:

								Euros
Account	**Item**	**Date acquired**	**Acquisition amount**	**Grant deduction**	**Amount used**	**Provision 2011**	**Provision 2011-12**	**Provision 2012-13**
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	1,084,195	633,330	633,330	633,330	–	–
					633,330	**633,330**	**–**	**–**
21301001	ANGRY BIRDS ASSETS	01.11.2013	55,851	23,226	32,625	32,625	–	–
21301001	Machinery	12.06.2014	3,500		3,500	3,500	–	–
					36,125	**36,125**	**–**	**–**
21508001	ANGRY BIRDS ASSETS	01.11.2013	2,833,292	1,178,231	1,655,060	106,902	1,081,563	466,595
21508001	Other Facilities	21.11.2013	7,710	–	7,710	–	–	7,710
21508001	Other Facilities	01.02.2014	1,102	–	1,102	–	–	1,102
21508001	Other Facilities	01.02.2014	2,590	–	2,590	–	–	2,590
21508001	Other Facilities	18.02.2014	755	–	755	–	–	755
21508001	Other Facilities	26.02.2014	746	–	746	–	–	746
21508001	Other Facilities	08.04.2014	1,609	–	1,609	–	–	1,609
21508001	Other Facilities	07.05.2014	110	–	110	–	–	110
21508001	Other Facilities	09.05.2014	298	–	298	–	–	298
21508001	Other Facilities	09.05.2014	943	–	943	–	–	943
21508001	Other Facilities	14.05.2014	893	–	893	–	–	893
21508001	Other Facilities	19.05.2014	1,609	–	1,609	–	–	1,609
21508001	Other Facilities	20.05.2014	1,390	–	1,390	–	–	1,390
21508001	Other Facilities	21.05.2014	396	–	396	–	–	396
21508001	Other Facilities	31.05.2014	1,476	–	1,476	–	–	1,476
21508001	Other Facilities	31.05.2014	604	–	604	–	–	604
21508001	Other Facilities	05.06.2014	1,811	–	1,811	–	–	1,811
21508001	Other Facilities	06.06.2014	26	–	26	–	–	26
21508001	Other Facilities	06.06.2014	15	–	15	–	–	15
21508001	Other Facilities	06.06.2014	76	–	76	–	–	76
21508001	Other Facilities	01.08.2014	269	–	269	–	–	269
21508001	Other Facilities	01.08.2014	1,616	–	1,616	–	–	1,616
21508001	Other Facilities	01.08.2014	3,493	–	3,493	–	–	3,493
21508001	Other Facilities	08.08.2014	2,001	–	2,001	–	–	2,001
21508001	Other Facilities	01.09.2014	2,319	–	2,319	–	–	2,319
			–	**–**	**1,688,918**	**106,902**	**1,081,563**	**500,453**

Euros

Account	Item	Date acquired	Acquisition amount	Grant deduction	Amount used	Provision 2011	Provision 2011-12	Provision 2012-13
21601002	ANGRY BIRDS ASSETS	01.11.2013	83,856	34,871,61	48,984	–	–	48,984
21601002	Furniture	19.11.2013	783	–	783	–	–	783
21601002	Furniture	19.11.2013	175	–	175	–	–	175
21601002	Furniture	01.03.2014	600	–	600	–	–	600
21601002	Furniture	01.04.2014	690	–	690	–	–	690
21601002	Furniture	15.04.2014	690	–	690	–	–	690
21601002	Furniture	31.05.2014	356	–	356	–	–	356
21601002	Furniture	01.06.2014	199	–	199	–	–	199
21601002	Furniture	01.06.2014	63	–	63	–	–	63
21601002	Furniture	01.06.2014	175	–	175	–	–	175
21601002	Furniture	01.06.2014	1,142	–	1,142	–	–	1,142
21601002	Furniture	29.06.2014	814	–	814	–	–	814
					54,670	**–**	**–**	**54,670**
21701001	IT equipment	26.10.2013	1,347	–	1,347	–	–	1,346
21701001	IT equipment	04.12.2013	768	–	768	–	–	768
21701001	IT equipment	04.12.2013	749	–	749	–	–	749
21701001	IT equipment	04.12.2013	14,176	–	14,176	–	–	14,176
21701002	IT equipment	11.10.2013	1,224	–	1,224	–	–	1,224
					18,264	**–**	**–**	**18,264**
21801001	Vehicles	10.09.2014	19,509	–	19,509	–	–	19,509
21801001	Vehicles	12.09.2014	285	–	285	–	–	285
					19,794	**–**	**–**	**19,794**
21901008	Other tangible fixed assets	01.12.2013	1,400	–	1,400	–	–	1,400
21901008	Other tangible fixed assets	16.09.2014	64	–	64	–	–	64
21901008	Other tangible fixed assets	16.09.2014	2,500	–	2,500	–	–	2,500
21901008	Other tangible fixed assets	17.09.2014	64	–	64	–	–	64
					4,029	**–**	**–**	**4,029**

Also, at the time of the initial investment relating to the opening of the Angry Birds Park, the creation of jobs occurred, which caused an increase of the total average number of employees. This has resulted in the materialization of the reserve in the creation of jobs, which, as indicated in the Report for the 2013-14 Financial Period, amounted to 201,892 Euros.

During the financial period 2014-2015, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition date	Acquisition amount	Amount materialised	Provision 2012-13
21601002	Furniture	28.02.2015	220	220	220
21601002	Furniture	28.02.2015	715	715	715
21601002	Furniture	12.03.2015	298	298	298
21601002	Furniture	19.03.2015	1,060	1,060	1,060
21601002	Furniture	19.03.2015	60	60	60
21601002	Furniture	30.04.2015	2,373	2,373	2,373
21601002	Furniture	30.09.2015	571	571	571
		Furniture	**5,297**	**5,297**	**5,297**
21701001	IT equipment	31.10.2014	784	784	784
21701001	IT equipment	31.10.2014	645	645	645
21701001	IT equipment	30.11.2014	2,311	2,311	2,311
		IT equipment	**3,740**	**3,740**	**3,740**

Furthermore, on the occasion of the initial investment for the launch of the Angry Birds Park on November 1, 2013, jobs have been created which have determined an increase of the average total number of staff. This has resulted in the realization of the reserve due to the creation of jobs.

In particular, the increase to the average amount of staff pursuant to Article 27.4.C of Law 19/1994, July 6 and Article 10 of the Royal Decree of 1758/2007, was 1,056 employees.

During the financial period 2014-15, the amount of 24,136 Euros is the average cost of the gross wages and compulsory social contributions of employees connected to the park. Consequently, in accordance with Article 27.6 of Law 19/1994, the materialization of the reserve due to the increase of the number of employees at the initial investment, is 254,879 Euros

This investment, due to the creation of jobs materializes part of the reserve allocated in the Financial Period 2012-13.

During the financial period 2015-16, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.10.2015	6,898	6,898	6,898
21601002	Furniture	31.10.2015	320	320	320
		Furniture	**7,218**	**7,218**	**7,218**
21701002	IT equipment	25.11.2015	749	749	749
21701002	IT equipment	30.11.2015	460	460	460
		IT equipment	**1,209**	**1,209**	**1,209**
21508001	Other facilities	29.02.2016	1,260	1,260	1,260
21508001	Other facilities	29.02.2016	355	355	355
		Other facilities	**1,615**	**1,615**	**1,615**
20601001	IT applications	01.03.2016	3,816	3,816	3,816
		IT applications	**3,816**	**3,816**	**3,816**

During the financial period 2016-17, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition date	Acquisition amount	Amount materialised	Provision 2012-13
21601002	Furniture	01.06.2016	763	763	763
21601002	Furniture	28.06.2016	640	640	640
21608002	Furniture	01.03.2017	440	440	440
21608002	Furniture	23.03.2017	2,126	2,126	2,126
		Furniture	**3,969**	**3,969**	**3,969**
21701001	IT equipment	06.02.2017	930	930	930
21701001	IT equipment	01.03.2017	885	885	885
21701002	IT equipment	25.05.2016	460	460	460
		IT Equipment	**2,275**	**2,275**	**2,275**
21901008	Other tangible fixed assets	30.04.2016	35	35	35
21901008	Other tangible fixed assets	30.04.2016	37	37	37
21901008	Other tangible fixed assets	30.04.2016	12	12	12
21901008	Other tangible fixed assets	30.04.2016	3	3	3
21901008	Other tangible fixed assets	30.04.2016	4,749	4,749	4,749
21901008	Other tangible fixed assets	01.05.2016	239	239	239
21901008	Other tangible fixed assets	01.12.2016	48,551	48,551	48,551
21901008	Other tangible fixed assets	22.02.2017	11,921	11,921	11,921
21901008	Other tangible fixed assets	22.02.2017	86	86	86
21901008	Other tangible fixed assets	22.02.2017	66	66	66
21901008	Other tangible fixed assets	22.02.2017	113	113	113
21901008	Other tangible fixed assets	01.03.2017	3,589	3,589	3,589
21901008	Other tangible fixed assets	06.03.2017	6,603	6,603	6,603
21901008	Other tangible fixed assets	06.03.2017	172	172	172
21901008	Other tangible fixed assets	08.03.2017	1,340	1,340	1,340
21901008	Other tangible fixed assets	16.03.2017	1,060	1,060	1,060
21901008	Other tangible fixed assets	23.03.2017	34,200	34,200	34,200
21901008	Other tangible fixed assets	29.03.2017	828	828	828

					Euros
Account	**Item**	**Acquisition date**	**Acquisition amount**	**Amount materialised**	**Provision 2012-13**
21901008	Other tangible fixed assets	29.03.2017	3,700	3,700	3,700
21901008	Other tangible fixed assets	31.03.2017	22,253	22,253	22,253
		Other Tangible Fixed Assets	**139,558**	**139,557**	**139,558**
20601001	IT applications	01.05.2016	1,716	1,716	1,716
20601001	IT applications	01.03.2017	3,537	3,537	3,537
20601001	IT applications	29.03.2017	1,817	1,817	1,817
		IT applications	**7,070**	**7,070**	**7,070**
21508001	Other facilities	29.03.2017	6,202	6,202	6,202
		Other facilities	**6,202**	**6,202**	**6,202**

On March 31, 2017 the partners agreed to dispose part of the RIC 2012-13 special reserve, so that they agreed to transfer part of the special reserve to voluntary reserves, specifically for the amount pending to materialize at this date, the amount of 1,229,049 Euros. Consequently, one of the requirements established in the article 27 of the Law 19/1994 has been violated, integrating, in accordance with article 27.6 of Law 19/1994, this amount into the tax base of the corporate tax corresponding to 2016-17 period.

As a result of this breach, moratory interests have been paid to the administration for the amount of 53,975 Euros, of which 46,096 Euros were accrued as of 31 March 2017

The realization for the amount of 26,781 Euros in the annual report for the financial period 2016-17 that was booked in the account 21100001, has been reclassified during the financial period 2017-18 to the account 21901008, but the assets are still in the company with the same amount and all the requirements related to the realization have been fulfilled.

Finally, it must be reported that the Company has not carried out investments prior the provision and it has not been benefited from any other tax benefit accrued at the time of the Investments made as a result of the realization of the RIC.

12.9 Financial Periods Open to the Possibility of a Tax Inspection.

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Sole Administrator of the Company considered that liquidations of the mentioned taxes have been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the abridged annual accounts.

13 Incomes and expenses

13.1 Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding to the cost of the acquired weeks and with purchases of merchandise and merchandising for the Theme Park. The amounts are as follows:

		Euros
Particulars	**As at March 31, 2024**	As at March 31, 2023
Cost of weeks acquired	**134,865**	159,775
Merchandise purchased Theme Park	**200,253**	180,547
Change in inventory merchandise theme park	**2,408**	8,014
Totals	**337,525**	348,336

The purchase of acquired weeks has been carried out in Spanish territory and the theme park merchandise has been purchased from members countries of the European Union.

6.b) Social security: corresponds entirely with the business contribution whose amount totalled 220,501 Euros and 215,141 Euros for the Financial Periods 2022-23 and 2021-22, respectively.

7.a) External Services:

		Euros
Particulars	**As at March 31, 2024**	As at March 31, 2023
Leases and charges	**103,741**	77,765
Repair and maintenance	**2,201,476**	1,954,356
Independent professional services	**461,467**	423,779
Transport	**3,631**	2,847
Insurance	**27,343**	26,600
Bank services and similar	**15,947**	13,078
Publicity, advertising and public relations	**38,622**	52,819
Supplies	**80,875**	87,792
Other Services	**61,966**	32,131
Other taxes	**3,438**	3,637
Other current management losses	**–**	50
Totals	**2,998,508**	2,674,854

7.c) Losses on, impairment of and change in trade provisions:

		Euros
Particulars	**As at March 31, 2024**	As at March 31, 2023
Losses from bad debts	**4,720**	29,625
Trade provision	**17,859**	3,991
Excess trade provision	**(2,838)**	(11,158)
Provision sales-persons' commissions.	**1,369**	23,045
Provision RCI	**(2,361)**	2,381
Other provisions	**20,234**	7,903
Totals	**38,982**	55,787

13.2. Other results: these correspond to the net of Profit & Loss that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently. In the financial year 2022-23 they correspond, mainly, to the long-term provision for the amount of 90,000 Euros. In the financial year 2023-24 they correspond, mainly, to the reversion of the long-term provision for 626,682 Euros. (See note 14.1)

14 PROVISIONS AND CONTINGENCIES.

Provisions

14.1 The long-term provision for the amount of 626,682 Euros corresponds to judicial processes in favour of different clients for claims for weeks sold in previous periods. Transactions during the 2022-23 and 2023-24 financial periods are as follows:

Euros

Particulars	As at March 31, 2022	Acquisitions	Disposals	As at March 31, 2023	Acquisitions	Disposals	As at March 31, 2024
Long-term provisions	736,127	90,000	(199,445)	626,682	–	(626,682)	**–**

The company has been sued for several clients arguing that the contracts are null for de amount of 6.9 millions Euro. At the date of preparation of these annual accounts 167 claims have been received and 69 have been closed. From the 98 opened cases, 84 of them have a ruling from first instance and 57 of them have also a ruling from second instance. The amount to pay for the rulings can be the money received for the company minus the enjoyment of the weeks or a bigger amount. Although there are unfavourable rulings all of them have been appealed and two favourable rulings from the Supreme Court have been received for the contracts signed after July 2012, which are most cases. This is the reason why the company has reversed the whole amount of the legal claim provision (see note 13.2).

On the other hand, the Company presents a long-term financial asset in the amount of 578,267 euros corresponding to the deposits made in the court regarding these claims (see note 7.2.) The Company has begun to request refunds of the aforementioned claims. Management is aware that there is a non-quantifiable contingency, as it is possible that all amounts will not be recovered. However, no provision has been made because at this time it is not possible to make a reliable estimate, because the refund request procedures are in an early stage and there is still no basis to carry out a moderately rigorous calculation.

14.2 The short-term provision corresponds to the accrual of commissions pending payment to sales staff and provisions for the cancellation of sales. The balance at the end of the financial years 2023-24 and 2022-23 amounts 86,008 euros and 66,766 Euros, respectively.

Transactions during the 2021-22 and 2022-23 financial periods are as follows:

Euros

Particulars	As at March 31, 2022	Acquisitions	Disposals	As at March 31, 2023	Acquisitions	Disposals	As at March 31, 2024
Short-term provisions	34,937	267,566	(235,737)	66,766	191,876	(172,634)	**86,008**

Contingencies

14.3 The company provided a guarantee to a Finance company for the amount of 204,450 Euros to face all the trials commented in the note 14.1. being also endorsed by the company of the group Holiday Club Canarias Resort Management SLU (See Note 18.3)

14.4 As mentioned in note 14.1, there is a contingency on an asset in the amount of 578,267 euros

15. Environmental information

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

16. Grants, donations and bequests

16.1 On June 24 2014, a grant was given by the Ministry of Finance and other Public Administrations for the investment Project in the Angry Birds Theme Park, for the amount of 870,213 Euros. On April 2018 the company paid back 69,982 Euros because some conditions were not complied. In November 2021 the rental contract was renewed for 8.5 years, which means a new calculation of allocation of the capital grant.

16.2 Variations in the capital grant during the financial years 2022-23 and 2023-24 are as follows:

Euros

Particulars	Balance 30.03.22	Acquisitions	Disposals	Balance March 31, 2023
Capital Grant	110,988	–	(13,731)	97,257
Tax Effect	(27,746)	–	3,433	(24,313)
Totals	83,242	–	(10,298)	72,944

Euros

Particulars	Balance March 31, 2023	Acquisitions	Disposals	Balance March 31, 2024
Capital Grant	**97,257**	**–**	**(13,731)**	**83,527**
Tax Effect	**(24,313)**	**–**	**3,433**	**(20,881)**
Totals	**72,944**	**–**	**(10,298)**	**62,646**

17 Events after the closing of the year

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

18. Transactions between related parties

18.1 Regarding the managing board and key company staff

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvm Stuart Lucock, Administrator and Managing Director, left the company in October 2023
- Mr. Miguel Angel Munoz Martin, Administrator and Managing Director, started in December 2023

Remuneration paid to managers and key personnel of the company, during the financial periods 2023-24 and 2022-23, in their status as employees of the company, amounts 46,287 Euros and 52,867 Euros, respectively.

On the Balance Sheet there is a current account with partners and administrators on March 31, 2024, that amounts 2,928 Euros in favour of the manager. (5,443 Euros on March 31, 2023)

18.2 Information required by article 229 of the corporate enterprises act

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar, or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 17 July, that amended Law 24/1988, of July 28, in which the market values and the text revised from the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also, during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 18.1.

18.3 Transactions and balances with group companies:

The transactions carried out with Group companies during the financial periods 2022-23 and 2023-24, are the following:

Euros

Particulars	As at March 31, 2023			
Company	**Financial Expenses**	**Services received**	**Services rendered**	**Supplies**
Holiday Club Canarias Resort Management, SLU	**–**	**1,899,863**	**156,927**	**–**
Holiday Club Canarias Invesment, S.L.	**–**	**–**	**–**	**–**
Holiday Club Resort OY	**–**	**277,945**	**–**	**–**
Holiday Club Sweden AB	**231,138**	**–**	**–**	**–**
Holiday Club Canarias Vacation Club, SL	**–**	**–**	**2,133,138**	**206,114**
Totals	**231,138**	**2,177,808**	**2,290,065**	**206,114**

Euros

Particulars	As at March 31, 2024			
Company	**Financial Expenses**	**Services received**	**Services rendered**	**Supplies**
Holiday Club Canarias Resort Management, SLU	–	2,144,312	126,628	–
Holiday Club Resort OY	–	29,468	98,770	264,390
Holiday Club Sweden AB	283,380	–	–	–
Holiday Club Canarias Vacation Club, SLU	–	–	2,106,079	134,865
Totals	**283,380**	**2,173,780**	**2,331,477**	**399,255**

The transactions between the Group companies were performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2023-24 and 2022-23, both short-term and long-term, at the close of the Financial Periods are:

Euros

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Debit Balances**	**Creditor Balances**	Debit Balances	Creditor Balances
Holiday Club Canarias Resort Management, SLU	**–**	**9,122,189**	–	12,548,069
Holiday Club Canarias Invesment, SL	**2,607,976**	**–**	2,573,578	–
Holiday Club Resort OY	**129,570**	**83,591**	30,800	11,293
Holiday Club Sweden AB	**–**	**6,594,165**	–	7,111,591
Holiday Club Canarias Vacation Club, SLU	**572,698**	**–**	5,212,866	–
Totals.	**3,310,243**	**15,799,945**	7,817,244	19,670,953

The Group Company Holiday Club Canarias Resort Management, SLU provided a guarantee to a Finance Company for the amount of 204,450 Euros to face pending trials of the company (See Note 14.3)

18.4 Companies subject to the same unit of decision.

The Company shows the largest assets in the group of companies' subject to the same decision-making units, headquartered in Spain. The companies are the following ones:

- Holiday Club Canarias Investment, S.L.U.: Parent Company of the Group
- Holiday Club Canarias Sales & Marketing, S.L.U.: Subsidiary and with the highest assets.
- Holiday Club Canarias Resort Management, S.L.U.: Subsidiary.
- Holiday Club Canarias Vacation Club: Subsidiary

Aggregated amounts of these companies are as follows:

Euros

Particulars	**As at March 31, 2024**	As at March 31, 2023
ASSETS		
Non-current Assets	**8,248,774**	8,636,439
Current Assets	**29,559,688**	40,730,664
Total	**37,808,463**	49,367,103
EQUITY AND LIABILITIES		
Equity	**8,450,753**	7,480,492
Non-current Liabilities.	**7,332,962**	8,032,391
Current Liabilities.	**22,024,746**	33,854,219
Total	**37,808,463**	49,367,103
PROFIT & LOSS		
Turnover.	**14,835,819**	13,581,579
Results (Loss).	**985,560**	696,752

19 Other information

19.1 Number of Employees.

The average number of people employed by the Company during the financial periods 2023-24 and 2022-23, distributed by their professional categories, has been as follows:

	Persons	
	As at March 31, 2024	As at March 31, 2023
Executives and Administrative Staff	**9.07**	8.49
Sales and Collections Staff	**3.09**	3.68
Others	**14.72**	15.31
Totals	**26.88**	27.48

The distribution by gender at the end of the financial periods 2023-24 and 2022-23 is the following:

	As at March 31, 2024		As at March 31, 2023	
	Men	**Women**	Men	Women
Executives and Administrative Staff	**4**	**6**	4	5
Sales and Collections Staff	**1**	**3**	1	3
Others	**10**	**9**	9	8
Totals	**15**	**18**	14	16

The average number of disabled persons (more than 33% of disability) employed by the Company during the financial periods 2023-24 and 2022-23 is as follows:

	2023/2024	2022/2023
Others	**1**	1
Totals	**1**	1

20 Information about deferral payments made to suppliers. third additional regulation to the “duty of information» of law 15/2010 of 5 july.

The average period for payment to suppliers and creditors is 58 days for the financial year 2023-24 (47 days for the financial year 2022-23).

In Mogan, April 12, 2024

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU, (the Company) which comprise the balance sheet as at 31 March 2024, and the income statement, statement of changes in equity, the cash flow statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at 31 March 2024 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on “Responsibilities of the auditor in connection with the audit of the financial statements”.

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Maintenance Fees incomes

As shown in the profit and loss account, the sales figure amounts to 6,3 million euros (see note 19), while in the current liabilities there is a balance of 4,47 million euros of short-term accruals. As explained in note 1, the main activity of the Company consists in offering maintenance services to five apartment complexes that the related company HOLIDAY CLUB CANARIAS SALES MARKETING, SLU sells by the timeshare regime, and the other related company, HOLIDAY CLUB CANARIAS VACATION CLUB, SLU exploits the apartments for touristic purposes. For each calendar year, the owners’ meeting of each complex approves the maintenance fees for each type of room and complex, which are invoiced in the following January, with the non-accrued portion registered in the section of short-term accruals in the liabilities. Some of the maintenance cost is billed to unrelated parties for the sold weeks. The other part (the most significant, 36%) is charged to HOLIDAY CLUB CANARIAS SALES MARKETING, SLU for the unsold weeks that are in their inventory and to HOLIDAY CLUB CANARIAS VACATION CLUB, SLU for the weeks used for the hotel business. Due to the monetary relevance of the sales item and the diversity of quotes because of the number of complexes and types of rooms to which the Company provides services, a valuation of the sales and the short-term accruals of the Company as well as the correct allocation to the owners, related and unrelated parties, have been considered a relevant aspect of our audit.

Our procedures consisted, among other things, in a verification of the annual quotas approved in the minutes by the number and type of rooms of each complex, verifying the accrued portion based on the time elapsed between the billing and the closing of the financial year of the Company. Additionally, we evaluate that the sales volume for January is in line with the property of each week at that time.

Other Information: Management Report

The other information includes the management report for the year ended 31 March 2024, the formulation of which is the responsibility of the Company’s Director, although it is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the other information, in accordance with the requirements of the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the consistency of the other information with the financial statements, based on the knowledge of the entity obtained in the performance of the audit, without including information other than that obtained as audit evidence. Likewise, our responsibility with respect to the management report consists of evaluating and reporting on whether its content and presentation are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report them.

Based on the work carried out, as described in the previous paragraph, the information contained in the management report is consistent with the financial statements for 2023-2024 and its content and presentation are in accordance with the applicable regulations.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Director intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.

- We obtain knowledge of the Internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding Information disclosed by the Director.

- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there Is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there Is material uncertainty, in our audit report we are required to draw attention to the corresponding Information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.

- We evaluate the overall presentation, the structure and content of the financial statements, Including the disclosed Information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant Internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

JAVIER ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 18th, 2024.

BALANCE SHEET AT MARCH 31, 2024

	Notes	(Euros) As at March 31, 2024	(Euros) As at March 31, 2023
ASSETS			
A) NON-CURRENT ASSETS			
I. Intangible Assets	**5**	**348,597**	510,000
4. Goodwill		**340,000**	510,000
5. Computer software		**8,597**	–
II. Fixed Assets	**6**	**2,898,079**	3,044,025
1. Property and Buildings		**2,615,868**	2,683,127
2. Technical Facilities and other Fixed Assets		**282,211**	357,056
3. Advances and fixed assets in progress		**–**	3,842
III. Real Estate Investments	**7**	**730,972**	748,353
2. Construction/ Buildings		**730,972**	748,353
V. Long-term financial investments	**8**	**136,300**	136,300
3. Debt securities		**136,300**	136,300
VI. Deferred Tax Assets	**11**	**122,056**	77,458
TOTAL A		**4,236,004**	4,516,135
B) LIQUID ASSETS			
III. Commercial debtors and other accounts receivables.		**1,794,280**	1,455,254
1. Trade receivables	8	**1,757,551**	1,444,631
2. Trade receivable from group and associated		**15,066**	–
3. Other debtors	8	**7,855**	7,389
4. Personnel	8	**1,532**	3,217
6. Other receivables from Public Administrations		**12,276**	17
IV. Short-term Investments in affiliated group and associated companies	**8-17**	**9,122,482**	12,548,363
2. Loans to companies		**9,122,482**	12,548,363
V. Short-term financial investments	**8**	**1,729**	1,557
5. Other financial assets		**1,729**	1,557
VI. Short term accruals		**71,880**	37,418
VII. Cash and other equivalent liquid assets	**8**	**1,014,074**	1,081,815
1. Liquid assets		**1,014,074**	1,081,815
TOTAL B		**12,004,444**	15,124,407
TOTAL ASSETS (A + B)		**16,240,448**	19,640,542

BALANCE SHEET AT MARCH 31, 2024

NET WORTH AND LIABILITIES	Notes	(Euros) As at March 31, 2024	(Euros) As at March 31, 2023
A) TOTAL EQUITY			
A-1) EQUITY		**7,999,748**	7,429,817
I. Capital	**10**	**3,100**	3,100
1. Shared Capital		**3,100**	3,100
III. Reserves.		**7,421,717**	6,888,354
1. Legal and statutory		**620**	620
2. Other reserves	**10**	**7,421,097**	6,887,734
VII. Profits for the Period	**3**	**574,931**	538,363
TOTAL A		**7,999,748**	7,429,817
B) NON CURRENT LIABILITIES			
II. Long-term debts	**9**	**395,393**	151,083
2. Debts to Loan Institutions		**392,153**	148,943
5. Other financial liabilities		**3,240**	2,140
V. Long-term accruals		**–**	–
TOTAL B		**395,393**	151,083
C) CURRENT LIABILITIES			
II. Provisiones a corto plazo	**14**	**480,934**	293,888
III. Short-term debts	**9**	**219,682**	295,763
2. Debts to Loan Institutions		**219,681**	294,763
5. Other financial liabilities		**1**	1,000
IV. Short-term debts with Group and Associated Companies	**9-17**	**2,224,427**	6,157,956
V. Trade Creditors and other Accounts payable		**454,159**	841,843
3. Sundry Creditors	**9-20**	**348,886**	305,786
4. Staff (salaries pending payment).	**9**	**915**	1,039
6. Other debts with Public Administrations.		**75,216**	513,814
7. Customer advances		**29,142**	21,204
VI. Short-term accruals	**9**	**4,466,105**	4,470,191
TOTAL C		**7,845,307**	12,059,642
TOTAL NET WORTH AND LIABILITIES (A + B + C)		**16,240,448**	19,640,542

PROFIT AND LOSS ACCOUNTS AT MARCH 31, 2024

ITEMS	Notes	(Euros) Year ended March 31, 2024	(Euros) Year ended March 31, 2023
A) CONTINUING OPERATIONS			
1. Turnover	**19**	**6,262,226**	5,600,635
b) Services rendered		**6,262,226**	5,600,635
4. Supplies	**13**	**(39,885)**	(32,714)
a) Consumption of merchandise.		**(39,885)**	(32,714)
5. Other operations income		**97,968**	98,829
a) Accessory income and other current operations		**97,968**	98,829
6. Personnel expenses		**(2,641,521)**	(2,503,174)
a) Wages, salaries and similar		**(1,975,823)**	(1,894,779)
b) Social Security contributions.	**13**	**(665,698)**	(608,395)
7. Other operating expenses.		**(2,562,949)**	(2,168,818)
a) Outsourced services	**13**	**(1,831,373)**	(1,671,323)
b) Taxes		**(175,083)**	(164,700)
c) Losses, impairment and variation of supplies from trade op.	**13-14**	**(555,883)**	(332,678)
d) Other current operating expenses		**(611)**	(117)
8. Depreciation of fixed assets	**5-6-7**	**(339,772)**	(345,221)
13. Other incomes and expenses	**13**	**(4,938)**	(5,156)
A.1.) Operating Income (Profit)		**771,129**	644,381
14. Financial Income.	**8**	**18,411**	24,062
b) Trade securities and other equity instruments		**18,411**	24,062
b 2) Third Parties.		**18,411**	24,062
15. Financial expenses	**9**	**(15,211)**	(13,117)
a) Group companies and associates	**17**	**–**	(3,720)
b) Debts with Third Parties.		**(15,211)**	(9,398)
17. Exchange differences.	**12**	**63**	(69)
A.2) FINANCIAL PROFIT & LOSS (PROFIT)		**3,262**	10,876
A.3) PROFIT BEFORE TAXES (PROFIT)		**774,391**	655,257
19. Corporate Income Tax	**11**	**(199,460)**	(116,894)
A.5) PROFIT & LOSS IN THE PERIOD (PROFIT)		**574,931**	538,363

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2024

A) STATEMENT OF RECOGNISED PROFIT AND LOSS

ITEMS	Notes	**(Euros)** Year ended March 31, 2024	(Euros) Year ended March 31, 2023
A) PROFIT AND LOSS ACCOUNT	3	**574,931**	538,363
TOTAL OF RECOGNISED PROFIT AND LOSS (A)		**574,931**	538,363

B) COMPLETE STATEMENT OF CHANGES TO EQUITY

(Euros)

ITEM	Shared Capital	Reserves	Current Year's Profit & Loss	TOTAL
A. FINAL BALANCE YEAR 2021/22	**3,100**	**5,788,261**	**1,100,093**	**6,891,454**
B. ADJUSTED BALANCE BEGINNING 2022/23	**3,100**	**5,788,261**	**1,100,093**	**6,891,454**
I. Total recognised Profit & Loss	–	–	538,363	**538,363**
II. Other variations to Equity	–	1,100,093	(1,100,093)	–
C. FINAL BALANCE 2022/23	**3,100**	**6,888,354**	**538,363**	**7,429,817**
D. ADJUSTED BALANCE, BEGINNING 2023/24	**3,100**	**6,888,354**	**538,363**	**7,429,817**
I. Total recognised incomes and expenses	–	–	574,931	**574,931**
II. Transactions with shareholders & owners	–	(5,000)	–	(5,000)
4. Dividends paid	–	(5,000)	–	(5,000)
III. Other changes to Equity	–	538,363	(538,363)	–
E. FINAL BALANCE 2023/24	**3,100**	**7,421,717**	**574,931**	**7,999,748**

CASH FLOW STATEMENT AT MARCH 31, 2024

ITEMS	Notes	(Euros) Year ended March 31, 2024	(Euros) Year ended March 31, 2023
A) CASH FLOW FROM OPERATING ACTIVITIES			
1. PROFIT & LOSS BEFORE TAXES		**774,391**	655,257
2. ADJUSTMENTS TO PROFIT & LOSS		**534,107**	333,272
a) Depreciation of Fixed Assets	**5-6-7**	**339,772**	345,221
b) Impairment		**10,489**	–
c) Change to provisions.	**14**	**187,046**	(1,003)
g) Financial Incomes	**8**	**(18,411)**	(24,062)
h) Financial Expenses	**9**	**15,211**	13,117
3. CHANGES IN WORKING CAPITAL.		**(775,747)**	426,400
b) Trade and other accounts receivable.		**(349,515)**	(332,453)
c) Other current assets		**(34,462)**	445
d) Creditors and other accounts payable.		**(387,684)**	126,287
e) Other current liabilities.		**(4,086)**	632,122
4. OTHER CASH FLOW FROM OPERATING ACTIVITIES		**(3,732)**	6,923
a) Interest payments	**9**	**(15,211)**	(13,117)
c) Interest receivable	**8**	**18,411**	24,062
d) Corporation tax payments		**(6,931)**	(4,022)
5. CASH FLOW ON OPERATING ACTIVITIES		**529,020**	1,421,852
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
6. PAYMENTS FOR INVESTMENTS		**(763,832)**	(2,303,785)
a) Group and Associated Companies		**(744,775)**	(2,292,996)
b) Intangible assets	**5**	**(9,050)**	–
c) Fixed Assets	**6**	**(9,835)**	(15,898)
e) Other financial instruments		**(172)**	–
7. RECEIVABLES FOR INVESTMENTS		**3,842**	5,109
c) Fixed Assets		**3,842**	–
e) Other financial instruments		**–**	5,109
8. CASH FLOWS FROM INVESTMENT ACTIVITIES		**(759,991)**	(2,303,785)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
10. RECEIVABLES AND PAYABLES FOR FINANCIAL LIABILITIES		**168,229**	1,244,018
a) Issue		**500,101**	1,557,456
2. Amounts owed to credit institutions		**500,000**	1,556,416
3. Debts with Group and Associated Companies		**–**	1,040
4. Other liabilities		**101**	–
b) Repayment and amortization.		**(331,872)**	(313,438)
2. Debts with credit institutions		**(331,872)**	(313,438)
11. Dividends paid and remunerations on other equity instruments		**(5,000)**	–
a) Dividends paid		**(5,000)**	–
12. CASH FLOW FROM FINANCING ACTIVITIES		**163,229**	1,244,018
E) NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENTS		**(67,742)**	362,085
Cash or cash equivalents at the beginning of the year	**8**	**1,081,815**	719,730
Cash or equivalents at the end of the year	**8**	**1,014,074**	1,081,815

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDING ON MARCH 31, 2023

1. **THE COMPANY'S BUSINESS ACTIVITY**

1.1. HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. was founded as a limited corporation on December 09, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1525.

On March, 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company. On July the 22nd, 2011 a social agreement changes the financial year that in the corporate statutes was from October the 1st till September the 30th. However, on February the 1st, 2016 in the annual general meeting was agreed to modify the dates of starting and ending of the financial year to April the 1st till March the 31st.

1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, of property, buildings, tourist complexes, hotels, farms and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma), as well as the lease of commercial premises.

1.3. The Corporate offices are located at Avenida Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán in Gran Canaria.

1.4. On April 06, 2011 the Public Deed was signed, by means of which the Company, together with its related company **Holiday Club Canarias Sales & Marketing, S.L.U.**, acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned property for the amount of 3,170,602 Euros and the administration and maintenance operations' Goodwill valued at 1,700,000 Euros. The remaining assets (unsold weeks, customers' loan rights and goodwill corresponding to the main business of Timeshare) was assigned to the abovementioned related Company. On June 01, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above.

1.5. The Company is a part of a Group whose parent Company is **Holiday Club Canarias Investment, S.L.U.**, headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in a EU country, Finland, which presents yearly consolidated accounts. Furthermore, the mentioned company belongs to a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- Holiday Club Canarias Investment, SLU
- Holiday Club Canarias Sales & Marketing, SLU
- Holiday Club Canarias Resort Management, SLU
- Holiday Club Canarias Vacation Club, SLU

2. **BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS**

The figures contained in the annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90,2355 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2024.

These annual accounts are presented for approval to the Annual General Meeting of Members.

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16th, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17th and Royal Decree 602/2016 of September 2nd , in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the asset's impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.3. Comparing Information

The figures corresponding to the Financial Year ending on March 31, 2024 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2022/23.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 89,6390 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2023.

3. **APPLICATION OF RESULTS**

The proposal for the application of the results of the financial period ending March 31, 2024 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2023, is as follows:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Distribution Balance		
Financial Period Profits	**574.931**	538.363
Distribution		
Voluntary Reserves	**574.931**	538.363
Totals	**574.931**	538.363

During the period a dividend has been paid against the volunteer reserves for 5.000 Euros (451.178 Rupees)

4. **RECOGNITION AND MEASUREMENT REGULATIONS**

The main accounting principles and practices applied in the drafting of the Annual Accounts, follow current legislation, highlighting the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance as most significant.

The most significant accounting criteria applied in the drafting of the Annual Accounts are the following ones:

4.1. Intangible Fixed Assets

The intangible fixed assets are comprised of Goodwill.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value. The Goodwill is amortised at 10 per cent since the entry into force of the Royal Decree 602/2016 of December 2, which determine that this intangible must be amortised in 10 years. Software is amortised in 5 years.

4.2. Tangible Fixed Assets

These have been measured at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during operation, use and enjoyment, using as a reference point, the regulations contained in the Royal Decree 1777/2004 of July the 30th, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings	3%
Machinery	12%
Other installations	5-12%
Furniture	10%
IT Equipment	25%
Transport elements	16%
Other intangible assets	2-18%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Real-estate Investments

The Company classifies as Real-estate Investments, those buildings which are not being used for the production process and the profits from which are obtained through revenue from leases. The recording and measurement criteria are the same as applied to intangible fixed assets. They are amortised linearly, and the percentage applied is 3 per cent.

The Company's administrators consider that the accounting value of these assets do not exceed their recoverable value.

4.4. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets.
- Debt securities of other companies acquired: such as obligations, bonds and promissory notes
- Equity instruments of other companies acquired: shares, shares in collective investment institutions and other equity instruments.
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.

- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

  The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

  Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and different creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.
- Debts with credit institutions

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.

- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.5. Transactions in Foreign Currency

Accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At the end of the period, both positive and negative differences that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 27/2014 of November the 27th the Corporate Tax Law. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an expense during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income and expense have also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation and short-term provisions allocated in previous financial periods and which are respectively, tax deductible.

4.7. Provisions and Contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising because of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

4.8. Income and Expenses

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- Common aspects.

The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- Recognition

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.9. Personnel Expenses

Personnel expenses are recognised based on their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, Donations and Legacies

The operating grants are attributed to the financial period for the granted amount.

4.11. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS

5.1. As indicated in Note 1.4, during the 2011 financial period the Company acquired the goodwill corresponding to the business of administration and maintenance for the amount of 1,700,000 Euros. Transactions occurred during the financial periods 2022-23 and 2023-24 are the following:

Euros

	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
Goodwill	1,700,000	–	–	1,700,000
Accumulated amortization	(1,020,000)	(170,000)	–	(1,190,000)
Net Totals	680,000			510,000

Euros

Gross cost	As At March 31, 2023	Acquisitions	Disposals	As At March 31, 2024
Goodwill	**1,700,000**	**–**	**–**	**1,700,000**
Computer software	**–**	**9,050**	**–**	**9,050**
Sums	**1,700,000**	**9,050**	**–**	**1,709,050**
Accumulated amortization				
Goodwill	(1,190,000)	(170,000)	–	(1,360,000)
Computer software	–	(453)	–	(453)
Sums	**(1,190,000)**	**(170,453)**	**–**	**(1,360,453)**
Net Totals	**510,000**			**348,597**

5.2. There is no evidence of impairment through March 31, 2024 on any of the elements in the Intangible Fixed Assets.

6. TANGIBLE FIXED ASSETS

6.1. The transactions occurring during the 2022/23 and 2023/24 periods were the following:

Euros

	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
Gross Costs.				
Buildings	3,303,119	–	–	3,303,119
Machinery	121,435	–	–	121,435
Other facilities	247,750	–	–	247,750
Furniture	395,925	–	–	395,925
IT Equipment	53,839	1,999	–	55,838
Transportation elements	50,393	–	–	50,393
Other tangible fixed assets	403,000	10,057	–	413,057
Advances and fixed assets in progress	–	3,842	–	3,842
Totals	4,575,462	15,898	–	4,591,359

Euros

	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
Accumulated amortization				
Buildings	552,734	67,259	–	619,993
Machinery	74,087	12,173	–	86,260
Other installations	149,058	28,550	–	177,607
Furniture	141,535	37,625	–	179,160
IT Equipment	29,065	6,731	–	35,796
Transportation elements	47,712	2,681	–	50,393
Other tangible fixed assets	395,306	2,821	–	398,127
Totals	1,389,496	157,840	–	1,547,335
Net Totals	3,185,967			3,044,025

Euros

	As At March 31, 2023	Acquisitions	Disposals	As At March 31, 2024
Gross Costs				
Buildings	**3,303,119**	**–**	**–**	**3,303,119**
Machinery	**121,435**	**2,637**	**–**	**124,072**
Other facilities	**247,750**	**–**	**–**	**247,750**
Furniture	**395,925**	**–**	**–**	**395,925**
IT Equipment	**55,838**	**1,791**	**–**	**57,628**
Transportation elements	**50,393**	**–**	**–**	**50,393**
Other tangible fixed assets	**413,057**	**5,407**	**–**	**418,464**
Advances and fixed assets in progress	**3,842**	**–**	**(3,842)**	**–**
Totals	**4,591,359**	**9,835**	**(3,842)**	**4,597,352**
Accumulated amortization				
Buildings	**619,993**	**67,259**	**–**	**687,252**
Machinery	**86,260**	**11,249**	**–**	**97,509**
Other installations	**177,607**	**26,137**	**–**	**203,744**
Furniture	**179,160**	**36,563**	**–**	**215,723**
IT Equipment	**35,796**	**6,894**	**–**	**42,691**
Transportation elements	**50,393**	**–**	**–**	**50,393**
Other tangible fixed assets	**398,127**	**3,835**	**–**	**401,963**
Totals	**1,547,335**	**151,938**	**–**	**1,699,274**
Net Totals	**3,044,025**			**2,898,079**

6.2. The buildings heading corresponds to property for which the value of the plots and buildings come to 1,061,167 euros and 2,241,952 euros, respectively.

6.3. There are fully depreciated elements in use on March 31, 2024 for the amount of 619,353 Euros. (469,983 Euros on March 31st, 2023).

6.4. There are no signs of impairment through March 31, 2024 for the elements in the Tangible Fixed Assets.

6.5. There are tangible assets hnked to tax incentives. (See Note 11.7)

6.7. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

7. REAL-ESTATE INVESTMENTS

7.1. The transactions occurring during the 2022-23 and 2023-24 periods were the following:

	Euros			
	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023
Buildings	935,518	–	–	935,518
Accumulated amortisation	(169,785)	(17,381)	–	(187,165)
Net Totals	765,733			748,352

	Euros			
	As At March 31, 2023	Acquisitions	Disposals	As At March 31, 2024
Buildings	**935,518**	**–**	**–**	**935,518**
Accumulated amortisation	**(187,165)**	**(17,381)**	**–**	**(204,546)**
Net Totals	**748,352**			**730,972**

7.2. The heading for Plots and Buildings correspond to property in which the value of the plot and the buildings come to 356,161 Euros and 579,357 Euros, respectvely.

7.3. The Company's Real-estate investments for rental have generated revenue of 79,346 Euros and 79,437 Euros during the financial periods 2023-24 and 2022-23 respectively and correspond to three restaurants, a pool bar, a hairdressers' salon and a diving centre.

7.4. The main expenditures for these properties correspond to allocation for amortisation.

7.5. There are no signs of impairment through March 31, 2024 for the elements in the Real-estate investments.

7.6. The Real-estate investments are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

8. FINANCIAL ASSETS

Information related to the Balance Sheet

8.1 Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, jointly controlled group and associated companies) by categories is as follows:

	Euros					
	Equity Instruments		Debt Securities		Credits / Derivatives / Others	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Long-term Financial Assets						
Financial assets at amortized cost	**–**	–	**136,300**	136,300	**–**	–
Totals	**–**	–	**136,300**	136,300	**–**	–
Short- term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**10,906,215**	14,005,156
Liquid assets	**–**	–	**–**	–	**1,014,074**	1,081,815
Totals	**–**	–	**–**	–	**11,920,289**	15,086,971

8.2. Classification by Maturity:

The ratings depending on the maturity of the different financial assets are as follows:

	Euros						
Financial Assets	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Next**	**Total l/t**
Investments in Group and Associated Companies	**9,122,482**	–	–	–	–	–	–
Loans to companies	9,122,482	–	–	–	–	–	–
Short-term financial investments	**1,729**	–	–	–	–	**136,300**	**136,300**
Debt securities	–	–	–	–	–	136,300	136,300
Other financial assets	1,729	–	–	–	–	–	–
Commercial Debts and other Receivables	**1,782,004**	–	–	–	–	–	–
Trade receivable	1,768,040	–	–	–	–	–	–
Clients' Impairment	(10,489)	–	–	–	–	–	–
Trade receivable from group and associated	15,066	–	–	–	–	–	–
Sundry Receivables	7,855	–	–	–	–	–	–
Personnel	1,532	–	–	–	–	–	–
Cash and other Liquid Assets	**1,014,074**	–	–	–	–	–	–
Liquid Assets	1,014,074	–	–	–	–	–	–
Totals	**11,920,289**	**–**	**–**	**–**	**–**	**136,300**	**136,300**

8.3. Corrections due to Impairment caused by Credit Risk

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows.

	Euros
	Amount
Balance 31.03.23	–
Impairment provision (note 13)	10,489
Balance 31.03.24 (note 8.2)	**10,489**

Information relating to the Profit & Loss Account

8.4 Financial Income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account, the amounts of 18,411 Euros and 24,062 Euros for the financial periods 2023/24 and 2022/23 respectively, correspond mainly to the accrual of bank account interest, term deposits and interest on commercial clients.

Other Information

8.5. Reasonable Value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are valued at their cost.

8.6. Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange, of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit to clients and debtors are granted based on a preliminary solvency study and strict follow-up of credits and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum because the Company grants loans at a fixed interest rate.

9. FINANCIAL LIABILITIES

Information related to the Balance Sheet

9.1 Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories is as follows:

						Euros
	Debits with Credit Institutions		**Bonds & Other Market Securities**		**Derivatives / Others**	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Long-term financial Liabilities						
Financial liabilities at amortized cost	**392,153**	148,943	**–**	–	**3,240**	2,140
Totals	**392,153**	148,943	**–**	–	**3,240**	2,140
Short-term Financial Liabilities						
Financial liabilities at amortized cost	**219,681**	294,763	**–**	–	**2,574,229**	6,465,781
Totals	**219,681**	294,763	**–**	–	**2,574,229**	6,465,781

9.2. Classification by Maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Financial Liabilities	2024/25	2025/26	2026/27	2027/28	2028/19	Next	Total l/t
							Euros
Debts	**219,682**	118,252	101,819	107,081	65,002	3,240	395,393
Debts with Credit Institutions	**219,681**	118,252	101,819	107,081	65,002	–	392,153
Other financial liabilities.	**1**	–	–	–	–	3,240	3,240
Debts with Group and Associated Companies	**2,224,427**	–	–	–	–	–	–
Trade Creditors and other accounts payable.	**349,801**	–	–	–	–	–	–
Suppliers	**348,886**	–	–	–	–	–	–
Staff (salaries pending payment).	**915**	–	–	–	–	–	–
Totals	**2,793,910**	**118,252**	**101,819**	**107,081**	**65,002**	**3,240**	**395,393**

Information related to the Profit & Loss Account

9.3. Financial Expenses

The heading of debts to third parties is mainly the interest accrued with credit institutions, the amounts of which come to 15,211 Euros and 9,398 Euros for the financial periods 2023/24 and 2022/23, respectively. There is also a payable interest that amounts 3,720 Euros that corresponds to a credit received from a group company and cancelled in the same period (See Note 17.3)

Other Information

9.4. Reasonable Value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

9.5. Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9.6. Other Information about Financial Instruments

a) Debts with credit institutions show the following breakdown:

	Euros	
	2023/24	2022/23
Personal secured loans	**611.834**	274,552
ICO loans (note 9.6.b))	**–**	169,155
Totals	**611,834**	443,706

b) The average interest rate of non-commercial debts it's around 2,5 per cent per annum.

9.7 Accrual adjustments

In January, every year, the company issues the maintenance fees invoices for every week. At the end of the financial period there are, In the heading of accrual adjustments, the proportional part of the not accrued months on March 31st 2024 for the amount of 4,466,105 Euros. It was 4,470,191 Euros on March 31st 2023.

10. SHAREHOLDERS´ EQUITY

10.1 The share capital, for an amount of 3,100 Euros, comprises 31 shares of 100 Euros face value each.

10.2 The Canary Islands Investments Reserve Fund for the amount of 1,638,036 Euros, is subject to the availability limitations established in the tax regulations (See Note 11.7).

10.3 The corporation Holiday Club Canarias Investment, S.L.U., owns 100 per cent of the share capital of the Company.

10.4 The breakdown of the heading "other reserves" from the Balance Sheet, is as follows:

	Euros	
	2023/24	2022/23
Voluntary Reserves	**5,265,909**	4,732,547
Canary Islands Investment Reserves	**1,638,036**	1,638,036
Goodwill Reserves	**517,151**	517,151
Totals	**7,421,097**	6,887,734

11. TAX POSITION

Profit Tax

11.1 Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of 27th November of the profit tax, which approved the revised text from the Law of Corporate Tax. The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, SL.U.
Subsidiaries: HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U, HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. and HOLIDAY CLUB CANARIAS VACATION CLUB S.L.U.

11.2 Individual Tax Base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

		Euros
Particulars	**Profit & Loss Account**	**Income & expenditure directly attributable to Equity**
Balance of income and expenditure for the financial year	**574,931**	**–**
Tax over benefits	**199,460**	**–**
Profit Tax	**244,059**	**–**
Current Tax	**(44,598)**	**–**
Deferred Tax		
Donations	**7,787**	**–**
Goodwill Deduction	**85,000**	**–**
Temporary Differences		
70% Limit Amortization	**(7,210)**	**–**
Provisions (Art. 14 LIS)	**187,046**	**–**
Tax Base (Tax Profit & Loss)	**1,047,014**	

11.3 Corporate Tax Settlement.

By applying the tax rate on the tax base, the total tax liability is obtained, which is reduced by the following concepts and amounts:

	Euros
Full fee (25% of taxable income)	**261,753**
DAFN 19/20	(16,613)
Amortization limit reversal deduction	(1,081)
Liquid fee	**244,059**

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions; additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. for 244,059 Euros, is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 1,684,558 Euros. This base is increased by the application of the 50% of the individual negative BINs generated in the previous year 2023 by the mother company for the amount of 1,873 Euros, therefore the final tax base of the group amounts 1,686,432 Euros on 31st March, 2024.

11.4 Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods is broken down as follows:

		Euros
Particulars	**2023/24**	2022/23
1. Current Tax	**244,059**	115,830
2. Deferred Tax	**(44,598)**	1,064
- deductible temporary differences that are activated in the period	**(118,812)**	(72,050)
- deductible temporary differences that are deducted in the period	**74,213**	73,114
3. Total expenditure on Income Tax	**199,460**	116,894

11.5 Deductions for Investments in Canaries

At the end of the financial period, the outstanding deductions are as follows:

						Euros
Exercise	**Initial out-standing amount**	**Acquisi-tions**	**Applica-tions**	**Balance March 31, 2023**	**Limit**	**Time limit**
2019-2020	47,615	(31,002)	(16,613)	–	50%	2034/35
Totals	47,615	(31,002)	(16,613)	–		

11.6 Deferred Tax Assets.

Transactions during the financial periods 2022/23 and 2023/24 found in this heading have been the following:

				Euros
Particulars	**As At March 31, 2022**	**Acquisitions**	**Applications**	**As At March 31, 2023**
- Temporary differences for non-deductible provisions	70,951	72,050	(70,951)	72,050
- Temporary differences, 70% limit fiscal amortisation	7,570	–	(2,163)	5,407
Totals	78,522	87,019	(88,083)	77,458

Particulars	**As At March 31, 2023**	**Acquisitions**	**Applications**	**As At March 31, 2024**
- Temporary differences for non-deductible provisions	72,050	118,812	(72,050)	118,812
- Temporary differences, 70% limit fiscal amortisation	5,407	–	(2,163)	3,244
Totals	**77,458**	**118,812**	**(74,213)**	**122,056**

11.7 The Canary Islands Investment Reserve

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial period 2023-24, the situation of the Canary Islands Investment Reserve is as follows:

						Euros
Item	**2012/13**	**2013/14**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Provisions.	245,000	425,000	190,000	128,036	290,000	360,000
Investments made						
Financial Period 2013/14	(17,221)	–	–	–	–	–
Financial Period 2014/15	(191,443)	–	–	–	–	–
Financial Period 2015/16	(36,336)	(42,173)	–	–	–	–
Financial Period 2016/17	–	(117,833)	–	–	–	–
Financial Period 2017/18	–	(264,993)	(190,000)	–	–	–
Financial Period 2018/19	–	–	–	(69,409)	–	–
Financial Period 2019/20	–	–	–	(58,626)	(290,000)	–
Financial Period 2021/22	–	–	–	–	–	(109,397)
Financial Period 2023/24	–	–	–	–	–	(9,835)
Unrealized amount	**–**	**–**	**–**	**–**	**–**	**(119.231)**

Specifically, investments made in the financial period 2013-2014 for which the Canary Island Investment Reserve was materialised, were the following:

				Euros
Account	**Item**	**Acquisition Date**	**Amount Materialised**	**Provision 2012/2013**
21301001	Machinery	01.03.2014	1,103	1,103
21301001	Machinery	13.03.2014	690	690
21301001	Machinery	13.08.2014	1,152	1,152
21301001	Machinery	15.09.2014	12,015	12,015
	TOTAL MACHINERY		**14,961**	**14,961**
201608002	Furniture	29.11.2013	2,097	2,097
201608002	Furniture	22.11.2013	163	163
	TOTAL FURNITURE		**2,260**	**2,260**

Throughout the financial period 2014-2015 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

				Euros
Account	**Item**	**Acquisition Date**	**Amount materialised**	**Provision 2012/2013**
21108022	Construction / Buildings	10.02.2015	4,020	4,020
21108022	Construction / Buildings	28.02.2015	6,759	6,759
21108022	Construction / Buildings	28.02.2015	392	392
21108022	Construction / Buildings	28.02.2015	329	329
21108022	Construction / Buildings	28.02.2015	15,212	15,212
21108022	Construction / Buildings	31.03.2015	2,183	2,183
21108022	Construction / Buildings	30.09.2015	76,825	76,825
	TOTAL CONSTRUCTION		**105,720**	**105,720**
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	31.05.2015	562	562
21301001	Machinery	30.06.2015	601	601
21301001	Machinery	30.07.2015	601	601
	TOTAL MACHINERY		**5,074**	**5,074**
21508001	Other Facilities	31.05.2015	5,646	5,646
21508001	Other Facilities	17.06.2015	1,096	1,096
21508001	Other Facilities	17.06.2015	586	586
21508001	Other Facilities	29.09.2015	4,056	4,056
21508001	Other Facilities	30.09.2015	68,175	68,175
	TOTAL OTHER FACILITIES		**79,558**	**79,558**
201608001	Furniture	28.10.2014	437	437
201608001	Furniture	01.12.2014	654	654
	TOTAL FURNITURE		**1,091**	**1,091**

Throughout the financial period 2015-2016 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012-2013	Provision 2013/2014
21108005	Constructions	20.11.2015	8,027	8,027	–
21108005	Constructions	20.11.2015	1,950	1,950	–
21108005	Constructions	24.12.2015	1,565	1,565	–
21108005	Constructions	24.12.2015	1,450	1,450	–
21108005	Constructions	24.12.2015	1,499	1,499	–
21108005	Constructions	24.12.2015	8,027	8,027	–
21108005	Constructions	31.01.2016	1,950	1,950	–
21108008	Constructions	31.01.2016	2,370	2,370	–
	TOTAL CONSTRUCTIONS		**26,837**	**26,837**	**–**
21301001	Machinery	31.01.2016	1,036	–	1,036
21301001	Machinery	31.01.2016	4,514	–	4,514
	TOTAL MACHINERY		**5,550**	**–**	**5,550**
21508001	Other facilities	30.11.2015	5,271	5,271	–
21508001	Other facilities	01.12.2015	30,707	320	30,387
21508001	Other facilities	31.12.2015	2,409	2,409	–
21508001	Other facilities	31.01.2016	1,499	1,499	–
	TOTAL OTHER FACILITIES		**39,886**	**9,499**	**30,387**
21608001	Furniture	02.01.2016	1,036	–	1,036
	TOTAL FURNITURE		**1,036**	**–**	**1,036**
21708001	IT equipment	18.12.2015	5,024	–	5,024
21708001	IT equipment	18.12.2015	176	–	176
	TOTAL IT EQUIPMENT		**5,200**	**–**	**5,200**

Throughout the financial period 2016-2017 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013/2014
21901009	Other Tangible Fixed Assets	01.09.2016	11,606	11,606
21908009	Other Tangible Fixed Assets	13.04.2016	201	201
21908009	Other Tangible Fixed Assets	13.04.2016	140	140
	TOTAL OTHER TANGIBLE FIXED ASSETS		**11,947**	**11,947**
21301001	Machinery	10.10.2016	3,300	3,300
21301001	Machinery	31.10.2016	1,654	1,654
21301001	Machinery	31.10.2016	293	293
21301001	Machinery	31.12.2016	875	875
21301001	Machinery	01.01.2017	(1,036)	(1,036)
21301001	Machinery	07.02.2017	800	800
21301001	Machinery	07.02.2017	155	155
		TOTAL MACHINERY	**6,043**	**6,043**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013/2014
21408001	Other facilities	28.02.2017	7,975	7,975
	TOTAL OTHER FACILITIES		**7,975**	**7,975**
21608001	Furniture	30.06.2016	22,155	22,155
21608001	Furniture	05.10.2016	18,080	18,080
21608001	Furniture	01.03.2017	1,241	1,241
		TOTAL FURNITURE	**41,476**	**41,476**
21801001	Vehicles	24.05.2016	50,393	50,393
		TOTAL VEHICLE	**50,393**	**50,393**

Throughout the financial period 2017-2018 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013-2014	Provision 2017/2018
21108026	Construction/ Buildings	31.03.2018	124,597	124,597	–
21108028	Construction/ Buildings	31.03.2018	140,397	140,397	–
	TOTAL CONSTRUCTION / BUILDING		**264,993**	**264,993**	**–**
21301001	Machinery	01.07.2017	6,745	–	6,745
21301001	Machinery	01.07.2017	5,416	–	5,416
21301001	Machinery	10.08.2017	1,845	–	1,845
21301001	Machinery	30.09.2017	2,500	–	2,500
21301001	Machinery	30.09.2017	4,866	–	4,866
21301001	Machinery	30.09.2017	9,200	–	9,200
21301001	Machinery	31.03.2018	294	–	294
	TOTAL MACHINERY		**30,865**	**–**	**30,865**
21508001	Other Facilities	30.04.2017	109	–	109
21508001	Other Facilities	30.04.2017	225	–	225
21508001	Other Facilities	30.04.2017	466	–	466
21508001	Other Facilities	30.04.2017	1,209	–	1,209
21508001	Other Facilities	01.07.2017	3,560	–	3,560
21508001	Other Facilities	01.07.2017	1,500	–	1,500
21508001	Other Facilities	01.07.2017	1,183	–	1,183
21508001	Other Facilities	12.09.2017	1,627	–	1,627
21508001	Other Facilities	30.09.2017	13,434	–	13,434
21508001	Other Facilities	22.11.2017	3,863	–	3,863
	TOTAL OTHER FACILITIES		**27,176**	**–**	**27,176**
21601002	Furniture	01.09.2017	230	–	230
21601002	Furniture	11.09.2017	1,960	–	1,960
21608001	Furniture	01.08.2017	513	–	513
21608001	Furniture	10.08.2017	2,864	–	2,864
21608001	Furniture	28.08.2017	505	–	505
21608003	Furniture	31.03.2018	25,238	–	25,238

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013-2014	Provision 2017/2018
21608004	Furniture	31.03.2018	38,551	–	38,551
21608005	Furniture	31.03.2018	51,024	–	51,024
	TOTAL FURNITURE		**120,885**	**–**	**120,885**
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	1,371	–	1,371
21708001	IT equipment	28.01.2018	1,371	–	1,371
	TOTAL IT EQUIPMENT		**10,966**	**–**	**10,966**
21908001	Other tangible fixed assets	20.07.2017	108	–	108
TOTAL OTHER TANGIBLE FIXED ASSETS			**108**	**–**	**108**

Throughout the financial period 2018-2019 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018/2019
21108026	Construction/Buildings	03.05.2018	2,550	2,550
21108026	Construction/Buildings	01.06.2018	5,120	5,120
21108028	Construction/Buildings	15.05.2018	2,600	2,600
21108028	Construction/Buildings	01.06.2018	5,910	5,910
	TOTAL CONSTRUCTION / BUILDING		**16,180**	**16,180**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018/2019
21301001	Machinery	20.05.2018	15,500	15,500
21301001	Machinery	20.06.2018	2,500	2,500
21301001	Machinery	13.09.2018	182	182
21301001	Machinery	13.09.2018	2,409	2,409
21301001	Machinery	28.09.2018	1,700	1,700
	TOTAL MACHINERY		**22,292**	**22,292**
21508001	Other Facilities	10.05.2018	2,300	2,300
21508001	Other Facilities	10.05.2018	1,700	1,700
	TOTAL OTHER FACILITIES		**4,000**	**4,000**
21608001	Furniture	20.05.2018	2,500	2,500
21608001	Furniture	31.01.2019	1,712	1,712
21608002	Furniture	28.03.2019	302	302
21608002	Furniture	28.03.2019	3,346	3,346
21608005	Furniture	30.04.2018	11,195	11,195
	TOTAL FURNITURE		**19,056**	**19,056**
21708001	IT equipment	20.06.2018	353	353
	TOTAL IT EQUIPMENT		**353**	**353**
21908001	Other tangible fixed assets	01.04.2018	565	565
21908001	Other tangible fixed assets	09.04.2018	3,510	3,510
21908001	Other tangible fixed assets	12.10.2018	57	57
21908001	Other tangible fixed assets	12.10.2018	57	57
21908001	Other tangible fixed assets	12.10.2018	1,134	1,134
21908001	Other tangible fixed assets	12.10.2018	1,134	1,134
21908001	Other tangible fixed assets	06.03.2019	1,073	1,073
TOTAL OTHER TANGIBLE FIXED ASSETS			**7,529**	**7,529**

During the period 2018/19 the Company has carried out investments prior to the provision of the same period for the amount of 69,409 Euros (6,263,156 Rupees) all of them detailed and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

Throughout the financial period 2019/2020 the Company has carried out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisitions	Amount materialised	Provision 2018/2019	Provision 2019/20
21108004	Construction / Buildings	31.05.2019	57,886	57,886	57,886	–
21108004	Construction / Buildings	31.05.2019	29,628	29,628	740	28,888
21108026	Construction / Buildings	06.05.2019	800	800	–	800
21108029	Construction / Buildings	01.09.2019	211,087	148,587	–	148,587
21108029	Construction / Buildings	01.10.2019	10,000	10,000	–	10,000
TOTAL CONSTRUCTION / BUILDING			**309,401**	**246,902**	**58,626**	**188,275**
21301001	Machinery	31.05.2019	36,612	36,612	–	36,612
TOTAL MACHINERY			**36,612**	**36,612**	**–**	**36,612**
21508001	Other Facilities	31.05.2019	24,792	24,792	–	24,792
TOTAL OTHER FACILITIES			**24,792**	**24,792**	**–**	**24,792**
21608001	Furniture	31.05.2019	40,321	40,321	–	40,321
TOTAL FURNITURE			**40,321**	**40,321**	**–**	**40,321**

During the period 2019/20 the Company has carried out investments prior to the provision of the same period for the amount of 290,000 Euros all of them detailed and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

During the period 2021/2022 the Company has carried out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated:

					Euros
Account	**Item**	**Acquisition Date**	**Acquisitions**	**Amount materialised**	**Provision 2020/21**
21608001	Furniture	01.05.2021	50,573	50,573	50,573
21608001	Furniture	31.05.2021	32,949	32,949	32,949
21608001	Furniture	30.06.2021	1,872	1,872	1,872
TOTAL FURNITURE			**85,393**	**85,393**	**85,393**
21701001	IT equipment	18.02.2022	295	295	295
21701001	IT equipment	18.02.2022	249	249	249
21701001	IT equipment	30.03.2022	23,459	23,459	23,459
TOTAL IT equipment			**24,003**	**24,003**	**24,003**

During the period 2023/2024 the Company has canied out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated:

					Euros
Account	**Item**	**Acquisition Date**	**Acquisitions**	**Amount materialised**	**Provision 2020/21**
21300023	Machinery	31.10.2023	2,637	2,637	2,637
TOTAL Machinery			**2,637**	**2,637**	**2,637**
21701001	IT equipment	27.11.2023	1,791	1,791	1,791
TOTAL IT equipment			**1,791**	**1,791**	**1,791**
21908001	Other tangible fixed assets	03.05.2023	990	990	990
21908001	Other tangible fixed assets	03.05.2023	1,718	1,718	1,718
21908001	Other tangible fixed assets	18.05.2023	764	764	764
21908001	Other tangible fixed assets	09.11.2023	550	550	550
21908001	Other tangible fixed assets	07.12.2023	1,385	1,385	1,385
TOTAL OTHER TANGIBLE FIXED ASSETS			**5,407**	**5,407**	**5,407**

11.8 Financial periods open to the possibility of a tax inspection:

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes has been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

12. FOREIGN CURRENCY

The Exchange differences recognised for the financial periods 2023/24 and 2022/23 in the Profit and Loss Account, for creditor and debtor's amounts of 63 Euros (5,685 Rupees) and 69 Euros (6,226 Rupees) respectively. All the transactions have been made in Spanish territory.

13. INCOME AND EXPENSES

Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding entirely to the purchases of merchandise for the amounts of 39,885 Euros and 32,714 Euros during the financial periods 2023-24 and 2022-23, respectively. All purchases have been made in Spanish territory.

6.b) Social security: corresponds entirely to the Business contribution to Social Security for a total amount of 665,698 Euros and 608,395 Euros for the financial periods 2023/24 and 2022/23, respectively.

7.a) External Services:

		Euros
	2023/24	2022/23
Leases and royalties	**1,672**	456
Repair and Maintenance	**649,335**	633,969
Independent Professional Services	**349,241**	238,370
Transport	**47,947**	44,370
Insurance	**35,195**	27,668
Bank Services and Similar	**20,889**	19,447
Publicity, Advertising and Public Relations	**1,357**	919
Supplies	**618,802**	612,745
Other Services	**106,935**	93,379
Totals	**1,831,373**	1,671,323

7.c) Losses on impairment of and change in trade transactions:

		Euros
	2023/24	2022/23
Provisions Other Trade Transactions (Note 14).	**545,393**	332,678
Impairment Maturity (Note 8.3)	**10,489**	–
Totals	**555,883**	332,678

12. Other results: these correspond to the Profits & Losses that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently.

14. PROVISIONS AND CONTINGENCIES

Provisions

14.1 Transactions during the financial periods 2022/23 and 2023/24 found in this heading have been the following:

	As At March 31, 2022	Acquisitions	Disposals	As At March 31, 2023	Acquisitions	Disposals	As At March 31, 2024
							Euros
Sinking Fund	289,492	332,678	(328,281)	293,888	545,393	(358,348)	480,934
Collective labor agreement	5,400	–	(5,400)	–	–	–	–
	294,892	332,678	(333,681)	293,888	545,393	(358,348)	480,934

The sinking fund provision is a monthly provision to cover general expenses approved in the owners' meeting. The company uses this provision when it is necessary. The provision Collective labour agreement corresponds to the salaries increase.

Contingencies

14.2 The company provided a guarantee to a finance company for the amount of 204,450 Euros to respond to all the trials of the related company Holiday Club Canarias Sales & Marketing (See Note 17.3).

15. ENVIRONMENTAL INFORMATION

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or deadlines of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

16. EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

17. TRANSACTIONS BETWEEN RELATED PARTIES

17.1. Regarding the Managing Board and Key Company Staff

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. calvin Stuart Lucock, Administrator and Managing Director, left the company in October 2023
- Mr. Miguel Angel Munoz Martin, Administrator and Managing Director, started in December 2023
- Mrs. Claudia Espla Marin, Finance Manage
- Mr. Roberto Picon Pampin, Operations Manager

Remuneration paid to managers and key personnel of the company, during the financial periods 2023/24, in their status as employees of the company, amounts to 214,420 Euros and 212,867 Euros in the financial period 2022/23.

17.2. Information required by Article 229 Of the Corporate Enterprises Act

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 of July 17, which amended Law 24/1988, of July 28, in which the Market Values and the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also, during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 17.1.

17.3. Transactions and Balances with Group companies:

Transactions between related companies during the periods 2023-24 and 2022-23 are as follows:

						Euros
	2023/24			2022/23		
Company	Services received	Services rendered	Financial expenses	Services received	Services rendered	Extraordinary Income
Holiday Club Canarias Sales & Marketing, SLU	**126,628**	**2,144,312**	**–**	156,927	1,899,863	–
Holiday Club Canaries Invesment, S.L.U.	**–**	**–**	**–**	–	–	–
Holiday Club Resort OY	**56,100**	**15,355**	**–**	–	653	–
Holiday Club Sweden AB	**–**	**–**	**–**	–	–	3,720
Holiday Club Canaries Vacation Club, SL	**–**	**969,694**	**–**	–	721,333	–
Totals	**182,728**	**3,129,361**	**–**	156,927	2,621,849	3,720

Balances from clients have been transferred to the related company Holiday Club Canarias Vacation Club S.L.U. to be incorporated as intangible asset related to the rights of use of the repossessed weeks. The transfer amounts for the periods 2023/24 and 2022/23 respectively are 80,000 Euros and 190,390.

All the transactions between related companies have been made under normal market conditions.

Pending amount with related companies for the financial year 2023-24 and 2022-23, both long a short term is at the end of periods, are as follows:

				Euros
	2023/24		2022/23	
Company	Debit Balances	Credit Balances	Debit Balances	Credit Balances
Holiday Club Canarias Sales & Marketing, SLU	**9,122,482**	**–**	12,548,363	–
Holiday Club Canarias Invesment, SLU	**–**	**2,224,427**	–	2,030,465
Holiday Club Resorts OY	**15,066**	**–**	1	–
Holiday Club Canarias Vacation Club, SLU	**–**	**–**	–	4,127,491
Totals	**9,137,549**	**2,224,427**	12,548,363	6,157,956

The company provided a guarantee to a Finance company to respond to all the trials of the related company Holiday Club Canarias Sales & Marketing for the amount of 204,450 Euros (See Note 14.3).

18. OTHER INFORMATION

18.1. Number of Employees

The average number of people employed by the Company during the 2023/24 and 2022/23 Financial Periods, distributed by professional categories, has been the following:

	People	
	2023-24	2022-23
Senior Managers	**2**	2
Administration and Middle Managers	**7**	7
Receptionists and Technical Staff.	**26**	22
Housekeeping and others	**56**	55
Totals	**92**	87

Distribution by gender at the end of the financial periods 2023/24 and 2022/23 is the following:

	2023/24		2022/23	
	Men	**Women**	Men	Women
Senior Managers	**2**	**1**	2	1
Administration and Middle Managers	**4**	**3**	4	4
Receptionists and Technical Staff.	**24**	**4**	19	5
Housekeeping and others	**15**	**49**	5	53
Totals	**45**	**57**	30	63

Distribution by disabled employees at the end of the financial periods 2023/24 and 2022/23 is one person for both periods in the category of housekeeping and other.

18.2 Auditor's Fees

The fees for the audit of Annual Accounts and other services for the Financial Periods 2023/24 are 11,460 Euros and 4,180 Euros respectively. The amount for the financial period 2022/23 was 11,010 Euros and 3,800 Euros respectively.

19. SEGMENT INFORMATION

The distribution of the net amount of turnover corresponding to ordinary activity, by categories, is as follows:

		Euros
	2023/24	2022/23
Maintenance Fee	**5,963,012**	5,327,177
Other incomes	**299,215**	273,459
Totals	**6,262,226**	5,600,635

20. INFORMATION ABOUT PAYMENT DEFERRALS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION TO THE "DUTY OF INFORMATION OF LAW 15/2010 OF 5 JULY

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

		Euros
	2023/24	2022/23
	Days	**Days**
Payment Ratio	48	57
Outstanding payment Ratio	46	56
Average period for payment to suppliers	48	57
	Importe	**Importe**
Total payments in the period	2,003,241	1,823,090
Total outstanding payments	348,886	305,786

Volume invoices pad in less than 60 days	1,055,378	1,823,090
Total invoice volume	2,003,241	1,823,090
% Volume invoices paid in less than 60 days	53%	100%

Number of invoices paid in less than 60 days	736	3,063
Total number of invoices	3,097	3,063
% Number of invoices paid in less than 60 days	**24%**	**100%**

In Mogán, on April 12th, 2024.

Holiday club Resorts OY
Sole Administrator represented by
Miguel Angel Munoz Martin

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of HOLIDAY CLUB CANARIAS VACATION CLUB, S.L.U.

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS VACATION CLUB, SLU, (the Company) which comprise the balance sheet as at 31 March 2024, the income statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at 31 March 2024 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "*Responsibilities of the auditor in connection with the audit of the financial statements*".

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Sales

As shown in the profit and loss account, the turnover amounts to 4,434,689 euros. The totality of sales comes from the operation of five hotels owned by the related company HOLIDAY CLUB SALES & MARKETING, SLU. The clients are mainly attracted from web pages and travel agencies. For the control of the services, the Company uses the web support of the intermediaries where the date of arrival, departure, clients, apartment complex, etc. is detailed. During the year there are numerous transactions that could affect the integrity and valuation of sales and, periodically, the information is transferred to the accounting program and reviewed by different people responsible for both administration and the Marketing department. Due to the monetary relevance of this item, the high number of transactions and the different complexes operated by the Entity, the analysis of the integrity and accuracy of the turnover has considered a relevant aspect for our audit work.

Our audit work has been focused on the analysis of the tendencies, analytically, both individually and comparatively, of the sales volumes, as well as margins obtained, giving reasonableness to those anomalous or specific behaviours. In addition, tests have been carried out in detail on a sample of services provided by the Company to verify the accounting and valuation and the cut-off sales have been examined contrasting the advance payments recorded by the organization.

Right of use over weeks

The Company has registered intangible assets amounting to 2,553,751 euros, which corresponds to the right to use the weeks of the hotels owned by the related company HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU. When the Group repossesses a week, the aforementioned related party resigns its right of repossession in favour of HOLIDAY CLUB CANARIAS VACATION CLUB, SL, who makes a financial compensation (see note 4.1). The valuation of each week and the aforementioned resignation, implies a related transaction that requires both fair value analysis. Due to the importance of this item in the assets of the balance sheet, as well as the complexity of the calculations and the increasing number of weeks repossessed, it has been considered a relevant aspect in our audit.

Our work has been focused on verifying the reconciliation of the auxiliary of intangible assets with the accounting, and on the analysis of the calculations made by the Company reflecting the auxiliary mentioned. The adequacy of the fair value of related-party transactions has also been analysed.

Directors' responsibilities

The Directors are responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Directors intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Directors.
- We conclude on whether the use, by the Directors, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Directors regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Directors, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria, on April 18th, 2024

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Notes	(Euros) March 31, 2024	(Euros) March 31, 2023
ASSET			
NON-CURRENT ASSET			
Intangible Assets	5	**2,553,751**	2,511,168
TOTAL		**2,553,751**	2,511,168
CURRENT ASSETS			
Commercial debtors and other accounts receivables.	6	**377,306**	59,204
Trade receivables		**370,390**	37,040
Other debtors		**6,916**	22,163
Short-term investments in affiliated group and associated companies	6-12	**–**	4,127,491
Current financial investments	6	**65**	–
Prepayments for currents assets	6	**557,688**	492,921
Cash and equivalent liquid assets	6	**249,559**	517,360
TOTAL		**1,184,617**	5,196,975
TOTAL ASSET		**3,738,368**	7,708,143

Particulars	Notes	(Euros) March 31, 2024	(Euros) March 31, 2023
TOTAL EQUITY AND LIABILITIES			
EQUITY		**2,056,601**	1,633,122
Capital	8	**3,000**	3,000
Share Capital		**3,000**	3,000
Reserves		**1,630,122**	1,292,257
Result for the period (benefit)	3	**423,480**	337,865
TOTAL		**2,056,601**	1,633,122
CURRENT LIABILITIES			
Short term debts with group and associated companies	7-12	**1,226,230**	5,764,406
Trade creditors and other accounts payable	7	**455,536**	310,616
Suppliers		**6,075**	–
Sundry Creditors		**449,461**	310,616
TOTAL		**1,681,766**	6,075,021
TOTAL EQUITY AND LIABILITIES		**3,738,368**	7,708,143

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

PARTICULARS	Notes	(Euros) March 31, 2024	(Euros) March 31, 2023
Turnover		**4,434,689**	3,716,870
Other operating income		**79,863**	66,177
Personnel expenses		**(303,774)**	(313,102)
Other operating expenses	**10**	**(3,580,665)**	(2,922,917)
Depreciation of fixed assets	**5**	**(85,997)**	(72,536)
Impairment and result from fixed assets	**5**	**8,510**	9,197
Other losses	**10**	**244**	(25,001)
OPERATING INCOME (BENEFIT)		**552,870**	458,689
Financial Incomes		**103**	249
Financial Expenses		**–**	(119)
FINANCIAL PROFIT & LOSS (BENEFIT)		**103**	131
PROFIT BEFORE TAXES (BENEFIT)		**552,973**	458,820
Corporate income Tax	**9**	**(129,493)**	(120,955)
PROFIT & LOSS IN THE PERIOD (BENEFIT)		**423,480**	337,865

2023 / 2024 ABRIDGED FINANCIAL REPORT

1. **THE COMPANY'S BUSINESS**

1.1. The company of this financial report was set up as an owned limited liability partnership on March 21, 2017, before the Notary Public Enrique Rojas Martínez, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Las Palmas de Gran Canaria, under its Protocol Number 447. In May 9th, 2019 the name of the company was changed to Holiday Club Canarias Vacation Club, S.L in a public deed.

1.2. On December 18th, 2018, it was totally acquired for the company Holiday Club Canarias Investment, S.L.U. The same day the public deed makes public the adaptation of the corporate statutes being the more remarkable the following:

– it is agreed to transform the company from an owned limited liability partnership to a limited partnership.

– the main mission of the company is changed being now the touristic accommodations and other short-term accommodations.

– the financial period is changed, and it will finish the 31st of March every year. The financial period is from April the 1st till March the 31st.

– Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.3. Its main corporate mission comprises the hotel business of own repossessed weeks (See Note 5) and weeks from the related parties Holiday Club Canarias Sales & Marketing S.L.U. and Holiday Club Canarias Resort Management S.L.U.

1.4. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which parent company is Holiday Club Resorts Oy, located in a European Union Member, Finland, which presents yearly consolidated accounts. In addition, Holiday Club Resort OY is a member of a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

-HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U

-HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U

-HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U

-HOLIDAY CLUB CANARIAS VACATION CLUB, S.L U

2. **BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS**

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90.2355 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2024.

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4th, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16th, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17th and Royal Decree 602/2016 of September 2nd, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Non-Mandatory Accounting Principles Applied

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.3. Critical Aspects in the Valuation and Judgement of Uncertainty

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the assets impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.4. Comparison of the Information

The figures corresponding to the Financial Year ending on March 31th, 2024 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial year ending on March 31st 2023.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 90,2355 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31 st March 2024.

3. **APPLICATION OF RESULTS**

The proposal for the application of the results of the financial period ending March 31st, 2024, which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31st, 2023, is as follows:

		Euros
Particulars	**March 31, 2024**	March 31, 2023
Distribution Balance		
Financial Period Benefit	**423,480**	337,865
Distribution		
Voluntary reserve	**423,480**	337,865
Total	**423,480**	337,865

4. **RECOGNITION AND MEASUREMENT**

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Intangible assets

The intangible assets consist of rights of use of weeks owned by Holiday Club Can arias Sales & Marketing SLU. When a week is repossessed by the group, the mentioned related company resigns to its repossession right in favor of the company. The value of the commented weeks is the amount of the monetary compensation paid to the related company because of its resignation to the repossession right, plus the maintenance fees that are assumed from Holiday Club Canarias Resort Management. The rights of use of these weeks are depreciated at 3%.

Furthermore, there are software applications which value is the acquisition cost, including all the additional costs necessary put into operation the assets. Software applications are depreciated at 20%.

4.2. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to received in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.
- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

  The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

  Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.
- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and other creditors
- Debts with credit institutions
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.

  Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.3. Tax on Profits

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of title 7 of the Law 274/2014 of November 27th of Corporate Tax. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement

Following the accrual principle, the current tax has been accounted as a expense of the period and it has been calculated according to the profit and loss before taxes following the current tax laws.

4.4. Provisions and contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the report.

4.5. Income and Expenses

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- Common aspects.

The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- Recognition

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company considers in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.6. Personnel Expenses

Personnel expenses are recognised based on their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.7. Grant, donation and legacies

The operating grants are attributed to the financial period for the granted amount.

4.8. Transactions between related parties

Transactions between related parties are accounted by their reasonable value which is the same value for transactions with not related third parties.

5. INTANGIBLE ASSETS

5.1. The transactions occurring during the periods 2022/23 and 2023/24 were the following:

Euros

Particulars	Balance March 31, 2022	Acquisitions	Disposals	Balance March 31, 2023
Rights Of Use	2,115,164	749,028	(206,114)	2,658,078
Accumulated amortization	(83,572)	(72,536)	9,197	(146,910)
Net Totals	**2,031,593**			**2,511,168**

Euros

Particulars	Balance March 31, 2023	Acquisitions	Disposals	Balance March 31, 2024
Gross cost				
Rights Of Use	2,658,078	201,515	(134,865)	2,724,729
Computer software	–	53,419	–	53,419
Sums	**2,658,078**	**254,934**	**(134,865)**	**2,778,148**
Accumulated amortization				
Rights Of Use	(146,910)	(84,318)	8,510	(222,718)
Computer software	–	(1,679)	–	(1,679)
Sums	**(146,910)**	**(85,997)**	**8,510**	**(224,397)**
Net Totals	**2,511,168**			**2,553,751**

5.2. Right of use correspond to Time Share weeks owned by a company of the Group which runs the Company as touristic accommodation.

5.3. Disposals in the financial years March 31,2023 and March 31,2024 correspond to repurchase of the rights of use by the related company, which has generated a profit for the amount of 8,150 Euros and 9,197 Euros respectively, corresponding to the accumulated amortization of the sold weeks.

5.4. There is no evidence of impairment through March 31.

6. FINANCIAL ASSETS

6.1. Categories of financial assets (except investments in equity of group companies, multigroup and associates)

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

Euros

Particulars	Equity Instruments		Debt Securities		Credits / Derivatives / Others	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Short-term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**377,371**	4.171,322
Liquid Assets	**–**	–	**–**	–	**249,559**	517,360
Totals	**–**	–	**–**	–	**626,930**	4.688,682

6.2. Breakdown by maturity:

The classification by maturity of the different financial assets is all related to the short term, being all clients· loans and receivables related from sales and services, several debtors and other financial assets for the amount of 370,390 Euros, 6,916 Euros and 65 Euros respectively

6.3. Corrections due to Impairment caused by Credit Risk

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows:

Balance March 31, 2023	**Amount**
Impairment provision (note 10.b)	1,085
Balance March 31, 2024	**1,085**

6.4 Debt related to clients.

There are customer advances for the amount of 340,874 Euros (228,961 Euros for the financial period 2022-23) that correspond to accommodation services charges not accrued at the end of the financial year.

6.5. Accrual adjustments

In January, the company assume the debt with the related HOLIDAY CLUB CANARIAS RESORT MANAGEMENT corresponding to the yearly maintenance fees of the weeks in its intangible assets as rights of use (See note 5). At the end of the financial year there are accrual adjustments related to the not accrued months at March the 31 2024 for the amount of 557,688 Euros (492,920 Euros for 2022/23).

7. FINANCIAL LIABILITIES

7.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

Euros

Particulars	Debts with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Short-term Financial Liabilities						
Debts and Payables	**–**	–	**–**	–	**1,323,349**	5,823,941
Totals	**–**	–	**–**	–	**1,323,349**	5,823,941

7.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to “Short Term Debts with companies of the Group” for the amount of 1,226,230 Euros, “Creditors for services rendered” for the amount of 90,912 Euros. “Suppliers, group and associated companies” for the amount of 6,075 Euros and ·Accrued wages and salaries” for the amount of 132 Euros.

8. EQUITY

8.1. The Share Capital comes to 3,000 Euros, divided into 3000 shares at face value of 1 Euros each.

8.2. The unique partner of the company is the entity Holiday Club Canarias Investment SLU.

9. FISCAL POSITION

9.1. Tax consolidation regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27 of the profit tax, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club, S.L.U

9.2 Individual tax base

The reconciliation of the net amounts of incomes and expenses for the financial period against the tax base of Corporate Tax, is the following:

		Euros
Particulars	**Profit & Loss Account**	**Income & expenditure directly attributable to Equity**
Balance of income and expenditure for the financial year	**423,480**	**–**
Profit Tax	**129,493**	**–**
Tax Base (Tax Profit & Loss)	**552,973**	
Full fee (25% of tax result)	**138,243**	**–**
Deduction for donations	**(8,750)**	**–**
Liquid quota	**129,493**	**–**

9.3 Corporate tax assessment:

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Vacation Club, S.L.U, for the amount of 552,973 Euros, are subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 1,684,558 Euros This base ls increased by the application of the 50% of the BINs individual negative from 2023 of the mother company for the amount of 1,873 Euros, therefore the final tax base of the group amounts 1,686,432 Euros.

9.4 Breakdown of the corporate tax expense

Due to the fact that there are not temporary differences when calculating the tax base, the current tax for the period March 31, 2023 is the same as the expense for the corporate tax for the amount of 129,493 Euros.

9.5 Deduction for donations

Since the company made a donation during the period 2022/2023 for the amount of 25 000 Euros to the Canarian Foundation Mama Africa, the company generated a deduction because of the law 49/2002 for the amount of 8,750 Euros which has been applicated in the period 2023/2024.

9.6 Financial Periods Open to the Possibility of a Tax Inspection.

The corporate tax is open to be inspected for the following periods: 2019/20, 2020/21 , 2021/22, 2022/23 and 2023/24.

9 7 Other taxes

At the closing date, the company is also open to inspection of all the taxes that are applicable to it:

– Withholdings related to paid incomes
– IGIC (General Indirect Canarian Tax)
– Property Transfer and Certified Legal Documents Tax
– Local taxes

It is not expected that contingent liabilities appear due to possible differences when the taxes are implemented.

10. INCOME AND EXPENSES

Breakdown of the next items in the Profit and Loss Account:

a) Social expenses: the amount of 57,696 Euros is all related to the social security payable by the company for the period 2023/24, being 56,232 Euros for the period 2022/23.

b) External services:

		Euros
Particulars	**March 31, 2024**	March 31, 2023
Leases and royalties	**2,254,532**	1,878,426
Repairs and conservations	**700,726**	508,409
Professional services	**49,494**	44,398
Transport	**43,722**	44,112
Insurance premiums	**–**	1,071
Bank Services and Similar	**28,920**	29,900
Advertising	**502**	875
Other Services	**500,933**	414,470
Other taxes	**752**	1,255
Other losses in current management	**1,085**	**–**
Totals	**3,580,665**	2,922,917

c) Other outcomes: they correspond with the net amount of the expenses and incomes generated bymatters not related with the typical activity of the company and it is not expected to occur often. During the period 2023/24 they are mainly a donation.

11. PROVISIONS AND CONTINGENCIES

Contingencies

There is an ongoing legal proceeding with a former employee who is claiming the amount of 83,830 Euros. The company considers is probable the claim will result in favour of the company.

12. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2024 and March 31, 2023 with related companies are as follows:

Particulars	March 31, 2024		March 31, 2023	
	Debit Balances	**Credit Balances**	Debit Balances	Credit Balances
Company:				
Holiday Club Canarias Sales & Marketing, S.L.U.	**–**	**572,698**	–	5,212,866
Holiday Club Canarias Resort Management, S.L.U.	**–**	**–**	4,127,491	–
Holiday Club Canarias Investment, S.L.U.	**–**	**653,533**	–	551,540
Holiday Club Resort OY	**–**	**6,075**	–	–
Totals	**–**	**1,232,305**	4,127,491	5,764,406

Euros

Transactions during period March 31, 2024 and March 31, 2023 between related companies are as follows:

Euros

Particulars	March 31, 2024			
	Services received	**Services provided**	**Purchase intangible fixed assets**	**Sale of intangible assets**
Company:				
Holiday Club Canarias Sales & Marketing, S.L.U.	**1,985,563**	**–**	**118,874**	**134,865**
Holiday Club Canarias Resort Management, S.L.U.	**979,601**	**–**	**80,000**	**–**
Holiday Club Resort OY	**28,056**	**–**	**53,419**	**–**
Totals	**2,993,220**	**–**	**252,293**	**134,865**

Euros

Particulars	March 31, 2023			
	Services received	Services provided	Purchase intangible fixed assets	Sale of intangible assets
Company:				
Holiday Club Canarias Sales & Marketing, S.L.U.	1,665,503	–	467,635	206,114
Holiday Club Canarias Resort Management, S.L.U.	721,333	–	190,390	–
Holiday Club Resort OY	36,750	4,646	–	–
Totals	2,423,586	4,646	658,025	206,114

13. OTHER INFORMATION

13.1. Average number of Employees

The average number of people employed by the Company during the financial periods March 31, 2024 and March 31, 2023, distributed by their professional categories, has been as follows:

	Persons	
	March 31, 2024	March 31, 2023
Senior Managers	**0.35**	0.35
Administration	**4.95**	5.28
Totals	**5.29**	5.63

The distribution by gender at the end of the financial periods 2023/24 and 2022/23 is the following:

	March 31, 2024		March 31, 2023	
	Men	**Women**	Men	Women
Senior Managers	**1**	1	1	–
Administration	**2**	**3**	2	4
Totals	**3**	**4**	3	4

The company has not employed disabled people (more than 33% of disability) for the periods March 31, 2024 and March 31, 2023.

13.2. Information about the Environment and Greenhouse Gas Emission Rights

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

14. INFORMATION ABOUT DEFERRAL PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL REGULATION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY.

The average period for payment to suppliers and creditors for the period March 31, 2024 is 56 days (41 days for the financial year March 31, 2023).

Mogán, April 12, 2024

Miguel Angel Munoz Martin

Sole Administrator

Holiday Club Resorts Oy Representative

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors
Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)

Opinion

We have audited the parent only financial statements of Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) (a subsidiary of Mahindra Holding Limited) (the "Company"), which comprise the parent only Balance sheets as of March 31, 2024 and 2023, and the related Statement of comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying parent only financial statements present fairly, in all material respects, the financial position of the Company as of March 31 , 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the parent only financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the parent only financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of parent only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent only financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the parent only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the parent only financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the parent only financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the parent only financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

  We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton Bharat LLP
Kolkata, India
April 30, 2024

BALANCE SHEET

	Notes	**As at March 31, 2024 USD**	As at March 31, 2023 USD
ASSETS			
Current Assets			
Cash and Cash Equivalents	B	**601,631**	1,438,637
Other Current Assets		**283,829**	–
Total Current Assets		**885,460**	1,438,637
Non-Current Assets			
Investment in Subsidiaries	C	**23,382,197**	30,090,194
Deferred Tax Assets		**39,488**	–
Total Non-Current Assets		**23,421,685**	30,090,194
Total Asset		**24,307,145**	31,528,831
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable			
To Subsidiary	I	**79,353**	78,841
To Others		**75,906**	60,957
Short Term Borrowings	E		
From Related Parties		**11,500,000**	11,500,000
From Others		**5,250,000**	12,250,000
Accrued Interest Expense	E		
To Related Parties		**958,419**	458,993
To Others		**47,908**	69,055
Total Current Liabilities		**17,911,586**	24,417,846
Stockholders' Equity, including Convertible Preference Shares	F		
37,000,000 Authorized Common Stock at par value of US$ 0.001 each shares and 4,912,212 shares issued as at March 31, 2024 (4,754,046 shares issued as at March 31, 2023)		**4,912**	4,754
9,000,000 authorized series A Preferred Stock at par value of US$ 0.001 each shares and 7,791,037 shares issued as at March 31, 2024 (7,791,037 shares issued as at March 31, 2023)		**7,792**	7,792
12,000,000 authorized series B Preferred Stock at par value of US$ 0.001 each shares and 6,920,000 shares issued as at March 31, 2024 (6,920,000 shares issued as at March 31, 2023)		**6,920**	6,920
Additional Paid-in-Capital		**11,606,044**	11,209,671
Retained Earnings		**(5,230,109)**	(4,118,152)
Total Stockholders' Equity		**6,395,559**	7,110,985
Total Liabilities and Stockholders' Equity		**24,307,145**	31,528,831

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Year ended March 31, 2024 USD**	Year ended March 31, 2023 USD
Revenues	D	**66**	1,000,004
Expenses			
General and Administrative Expenses		**126,762**	216,672
Interest Expense	E	**1,347,877**	838,815
Total Expenses		**1,474,639**	1,055,487
Net (Loss) / Profit Before Tax		**(1,474,573)**	(55,483)
Income Tax Expense	D		
Income Tax		**(283,829)**	–
Deferred Tax		**(39,488)**	–
Net (Loss) / Profit		**(1,151,256)**	(55,483)

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF CASH FLOWS

	Year ended March 31, 2024 USD	Year ended March 31, 2023 USD
Cash Flow from / (used in) Operating Activities		
Net (loss) / profit	**(1,151,256)**	(55,483)
Adjustments to reconcile net profit / (loss) to net cash provided by / (used in) operating activities		
Deferred tax (credit)	**(39,488)**	–
Changes in assets and liabilities		
Increase / (decrease) in accounts payable	**15,461**	64,374
Increase in accrued interest	**478,279**	397,290
Increase in other current assets	**(283,829)**	–
Net cash (used in)/ generated from Operating Activities	**(980,833)**	406,181
Cash Flow from Investing Activities		
Capital repayment from subsidiary	**7,000,000**	–
Investment in subsidiary	**(100,000)**	(100,000)
Net cash (used in)/ generated from Investing Activities	**6,900,000**	(100,000)
Cash Flow from Financing Activities		
Proceeds from exercise of stock options	**243,827**	132,600
Repayment of short term borrowing	**(7,000,000)**	(500,000)
Buyback of shares	**–**	(431,744)
Net cash (used in) financing activities	**(6,756,173)**	(799,144)
Net (decrease) / increase in cash and cash equivalents	**(837,006)**	(492,963)
Cash and cash equivalents at the beginning of the year	**1,438,637**	1,931,600
Cash and cash equivalents at the end of the year	**601,631**	1,438,637
Supplemental disclosures		
Interest paid	**869,598**	441,524
Income tax paid	**–**	–
Dividend received	**–**	1,000,000

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Amounts in USD

Particulars	Preferred stock				Common stock				Additional paid in capital	Retained earnings	Total Stockholders' equity
	Authorised		Issued and outstanding		Authorised		Issued and outstanding				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance as at April 1, 2022	**21,000,000**	**21,000**	**14,711,037**	**14,712**	**37,000,000**	**37,000**	**4,778,750**	**4,779**	**10,883,871**	**(3,631,036)**	**7,272,326**
Stock issued against stock based compensation plans	–	–	–	–	–	–	86,000	86	132,514	–	132,600
Buy back of shares	–	–	–	–	–	–	(110,704)	(111)	–	(360,782)	(360,893)
Cost of shares buy back	–	–	–	–	–	–	–	–	–	(70,851)	(70,851)
Options lapsed during the year	–	–	–	–	–	–	–	–	–	–	–
Investment in subsidiary (Ref note 3.4)	–	–	–	–	–	–	–	–	193,286	–	193,286
Net (loss) for the year	–	–	–	–	–	–	–	–	–	(55,483)	(55,483)
Balance as at March 31, 2023	**21,000,000**	**21,000**	**14,711,037**	**14,712**	**37,000,000**	**37,000**	**4,754,046**	**4,754**	**11,209,671**	**(4,118,152)**	**7,110,985**
Stock issued against stock based compensation plans	–	–	–	–	–	–	158,166	158	243,669	–	243,827
Buy back of shares	–	–	–	–	–	–	–	–	–	–	–
Cost of shares buy back	–	–	–	–	–	–	–	–	–	–	–
Options lapsed during the year	–	–	–	–	–	–	–	–	(39,299)	39,299	–
Investment in subsidiary (Ref note 3.4)	–	–	–	–	–	–	–	–	192,003	–	192,003
Net (loss) for the year	–	–	–	–	–	–	–	–	–	(1,151,256)	(1,151,256)
Balance as at March 31, 2024	**21,000,000**	**21,000**	**14,711,037**	**14,712**	**37,000,000**	**37,000**	**4,912,212**	**4,912**	**11,606,044**	**(5,230,109)**	**6,395,559**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 AND MARCH 31, 2023

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) (the "Company") is the Holding Company for the Bristlecone Group, which comprises of the Company and its wholly owned subsidiaries, Bristlecone India Limited, Bristlecone Inc., Bristlecone UK Ltd, Bristlecone GmbH, Bristlecone (Singapore) Pte. Limited, Bristlecone (Malaysia) SDN BHD, Bristlecone Consulting Limited (Canada), Bristlecone International AG (Switzerland), Bristlecone Middle East DMCC (UAE) and Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada (The Group). The Group is engaged in providing technology solutions and consulting services with principal operations in the United States of America, India, Singapore, Malaysia, Germany, Switzerland, Canada, United Kingdom and UAE. The Group's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Group also provides application outsourcing services, data management services and development and integration services to independent software vendors.

2. GENERAL INFORMATION

The Company was incorporated under the laws of 'The Cayman Islands' on February 3, 2004. The Company commenced commercial operations on May 17, 2004 and is a subsidiary of Mahindra Holdings Limited ("Holding Company"), an Indian Company, which is ultimately held by Mahindra & Mahindra Limited ("the Group's Ultimate Holding Company").

The Company does not have active commercial operations. It engages in financing and treasury functions for the Group as a whole.

With effect from 3 April 2023, Bristlecone Limited has been deregistered in Cayman Island and domesticated to the State of Delaware, United States with a new name, Bristlecone Worldwide, Inc.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying parent-only financial statements is as follows:

3.1. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in accordance with the group accounting policies as contained in consolidated financial statements of the holding Company, Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) and its subsidiaries and described herein these notes to reflect the financial position, revenues and expenses and cash flows of the Company.

These parent - only financial statements have been prepared to be in conformity with accounting principles generally accepted in the United States of America. The investment in subsidiary companies have been accounted at cost.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in the United States Dollars ('$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with the accounting policies stated herein, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amounts of other income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for realization of carrying value of investments represent certain of these particularly sensitive estimates.

3.3. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments and deposits with an original maturity of three months or less to be cash equivalents. Cash comprises cash on hand and balance in checking and money market accounts with bank.

3.4. INVESTMENTS

Investments in subsidiaries are carried at cost. Cost is determined based on the cash paid and other liabilities assumed by the Company. Consideration that has been settled by issue of the Company's shares is also considered in arriving at the cost of investments. Provision for impairment is made, whenever the estimated fair value of investments is expected to be lower than the carrying value of investments.

The investment in subsidiary companies are increased for the stock compensation expenses against the stock options issued to the employees of subsidiaries by the Company.

At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the fair value of the subsidiary and its carrying value, and then recognises the loss as 'Provision towards Impairement' in the statement of profit and loss.

3.5. REVENUE

Dividend Income

Dividend received from subsidiaries is recorded as income for the year and is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividends will flow to the Company and the amount of the dividend can be measured reliably. The taxes payable as per the applicable tax laws in respective jurisdictions are recorded as tax expense.

3.6. INTEREST EXPENSE

Interest expense on loans/borrowings is recorded on effective interest rate. Interest expense primarily consist of interest on our borrowings under credit facility and interest on loan from related parties.

3.7. INCOME TAXES

The Company applies the asset and liability method of accounting for income taxes as described in ASC 740, "Income Taxes". Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in Statement of comprehensive income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences. The Company has recognised deferred tax asset on unpaid interest on loan taken from intercompany amounting to USD 39,448, as at 31 March 2024.

3.8. STOCK COMPENSATION

The Company accounts for equity-settled options granted to employees in accordance with ASC 718, "Stock Compensation". ASC 718 addresses the accounting for stock payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

The Company recognizes stock-based compensation expense in the statements of income for awards of equity instuments to employees based on the grant-date fair value of those awards. The Company recognizes these compensation costs on straight-line basis over the requisite service period of the award. Forefeitures are accounted when the actual forefeitures occur.

ASC 718 requires the use of a valuation model to calculate the fair value of stock awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of stock awards on the date of grant. Refer Note G - Stock Compensation.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	As at March 31, 2024 US$	As at March 31, 2023 US$
Balance in checking and money market accounts	**601,631**	1,438,637

The balances of the Company are held in checking accounts and money market accounts, with the banks participating in the Transaction Account Guarantee Program of Federal Deposit Insurance Corporation (FDIC). Under that program, through March 2024, all transaction accounts are fully guaranteed by the FDIC for US$ 250,000 per tax ID for balances held in checking and money market accounts.

As at March 31, 2024, the Company has US$ 351,631 [2023: US$ 1,188,637] as balances in excess of the federally insured amounts.

NOTE C – INVESTMENTS

Investments as at year end comprise of investment in subsidiary companies:

Particulars	As at March 31, 2024 US$	As at March 31, 2023 US$
Bristlecone India Limited	**5,141,789**	5,141,789
Bristlecone Inc.	**17,838,682**	24,646,679
Bristlecone UK Limited (net)*	**–**	–
Bristlecone (Malaysia) SDN. BHD.	**129,261**	129,261
Bristlecone Consulting Ltd.	**1**	1
Bristlecone International AG.	**58,761**	58,761
Bristlecone Middle East DMCC	**13,703**	13,703
Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada**	**200,000**	100,000
	23,382,197	30,090,194

*The Company has investment of US$ 4,134,053 [2023: US$ 4,134,053] in Bristlecone UK Limited, a wholly owned subsidiary company. The accumulated losses, as at March 31, 2024, of the subsidiary on the basis of audited financial statements for the year ended March 31, 2024 are GBP 1,732,336 [2023: GBP 1,735,515].

The cumulative provision towards impairment of the value of investments is US$ 4,134,053 [2023: US$ 4,134,053], which represents difference between total investment value and the estimated fair value of investments in the subsidiary.

**Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada, a wholly-owned subsidiary, incorporated effective December 21, 2021, and is yet to commence operations.

NOTE D – REVENUE

Bristlecone Middle East DMCC has paid a dividend of US$ 0 [2023: 1,000,000] during the year.

The Company has earned interest income of US$ 66 [2023:US$ 4] on Money market account with Silicon Valley Bank.

NOTE E – SHORT TERM BORROWING

The Company has obtained an uncommitted line of credit amounting to US$ 12,250,000 from Bank of America, N.A. The terms of line of credit provided a ceiling for the total limit at US$ 12,250,000 and the amount drawn was repayable on demand. The interest rate on such loan is 150 basis points over SOFR plus spread adjustment. The rate of interest on weighted average basis was 7.1841% during the year. During the year the Company has repaid US$ 7,000,000. The line of credit was unsecured and the agreement did not contain any financial covenants.

Name of the lender	Opening Balance of Loan	Loan Obtained during the Year	Loan Repaid during the Year	Closing Balance of Loan	Weighted average Interest Rate
Bank of America	12,250,000	–	7,000,000	5,250,000	7.1841%

The Company has obtained loan from its subsidiaries during the current year and previous year. The details of loan obtained during the year, interest and closing balance as on March 31, 2024 is given in below table:

Name of the Subsidiary	Opening Balance of Loan	Loan Obtained during the Year	Loan Repaid during the Year	Closing Balance of Loan	Interest Rate
Bristlecone Inc.	5,000,000	–	–	5,000,000	7.250%
Bristlecone GmbH	4,500,000	–	–	4,500,000	2.250%
Bristlecone International AG.	2,000,000	–	–	2,000,000	2.250%
Total	**11,500,000**	–	–	**11,500,000**	

Interest expenses for the year ended March 31,2024 towards the line of credit was US$ 848,451 [2023: 468,490] and towards the loan from subsidiaries Companies was US$ 499,426 [2023: 370,325]. The interest is recorded based on effective interest rates.

NOTE F – STOCKHOLDERS' EQUITY

The Company's authorized share capital comprise of 9,000,000 series A preferred stock at par of US$ 0.001 each, 12,000,000 series B preferred stock at par of US$ 0.001 each and 37,000,000 common stock at par of US$ 0.001 each as at March 31, 2024 of which 7,791,037 series A preferred stock, 6,920,000 series B preferred stock and 4,912,212 common stock are issued at par and outstanding as at March 31, 2024.

Conversion of Preferred Stock

Each series A preferred stock and series B preferred stock are entitled to be converted, without payment of any additional consideration, into one fully paid common stock.

Voting

Every member, present in person or by proxy, is entitled to one vote for each common stock held. Each series A preferred stockholder and series B preferred stockholder is entitled to votes derived based on ratio of conversion between preferred stock and common stock on the record date of the meeting or if no record date is established, the date the poll is taken.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, holders of series A & B preferred stock are entitled to an amount of one hundred and fifty percent (150%) of the original purchase price of such stock (as adjusted for any recapitalization, stock combinations, dividends, stock splits and the like) in preference to any distribution to holders of common stock.

Additional Paid in Capital

Additional paid in capital comprises the capital contributions relating to the issue of the Company's common stock and preferred stock and amounts adjusted on accounting for the Group reorganization involving acquisition of stake in various subsidiary companies, buy back of shares and on accounting for stock compensation.

NOTE G – STOCK COMPENSATION

Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited) has following stock option plans:

1. Bristlecone Worldwide, Inc. 2004 stock option plan (arising out of conversion of the earlier Bristlecone Inc. Existing stock option plan) and Bristlecone Worldwide, Inc. 2008 stock option plan:

   Pursuant to the terms of the acquisition of Bristlecone Inc. on May 17, 2004 by Bristlecone Worldwide, Inc. (the "transaction"), the then existing outstanding options of Bristlecone Inc., aggregating to a total of 2,058,493 options were cancelled and fresh options were issued by Bristlecone Worldwide, Inc. under 2004 stock option plan based on the exchange criteria set out in the transaction documents.

   Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the shares subject to the option, vest on the one (1) year anniversary of the vesting commencement date, and 1/48 of the options vest each month thereafter on the same day of the month as the vesting commencement date, subject to the grantee continuing to be an employee through each such date. The term of each option is stated in the option agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the board on the date of grant, unless otherwise ratified by the board.

2. Bristlecone Worldwide, Inc. Amended and restated 2004 stock option plan and Bristlecone Worldwide, Inc. 2005 stock option plan for Bristlecone India employees:

   Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the shares subject to the option, vest on the completion of 12 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 12 months. Subsequently, 6.25 per cent of the options vest on the completion of each 3 month period thereafter until full vesting is completed, subject to the grantee continuing to be an employee through each such date. The term of each option is stated in the option agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the board on the date of grant.

3. Bristlecone Worldwide, Inc. 2021 stock plan:

   Under 2021 stock plan, the Company has issued stock options and stock appreciation rights as below:

   Options granted under this plan include incentive stock options and non-statutory stock options. As per this plan, 100 per cent of the shares subject to the option, vest on the completion of 48 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 48 months, subject to the grantee continuing to be an employee through each such period. The term of each option is stated in the option agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per ahare determined by the board on the date of grant.

4. The Black-Scholes-Merton model is considered to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, management is required to make certain estimates of the key assumptions that include expected term, expected volatility of shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant with a term equal to the expected term. We estimate the expected term based on the simplified method for employee stock options considered to be "plain vanilla" options, as our historical share option exercise experience does not provide a reasonable basis upon which to estimate the expected term. The expected dividend yield is 0.0% as we have not paid and do not anticipate paying dividends on our common stock. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

Stock option activity:-

Particulars	**Options outstanding**	**Weighted average exercise price**	Options outstanding	Weighted average exercise price
	Year ended March 31, 2024	**March 31, 2024**	Year ended March 31, 2023	March 31, 2023
Stock Option				
Outstanding at April 1	**846,724**	**US$ 2.45**	824,624	US$ 1.91
Granted	**74,526**	**US$ 3.69**	153,934	US$ 4.72
Exercised	**(158,166)**	**US$ 1.54**	(86,000)	US$ 1.54
Expired / forfeited	**(45,000)**	**US$ 1.85**	(45,834)	US$ 2.03
Outstanding at March 31	**718,084**	**US$ 2.82**	846,724	US$ 2.45

The Company has a total option pool of 1,651,420 options as at March 31, 2024 towards all the above options and the unallocated options against this pool as at March 31, 2024 is 933,336 options.

Additional information on outstanding options

Grant Price	**No of options outstanding**	
	March 31, 2023	March 31, 2022
US$ 0.10 (2014)	–	46,000
US$ 0.77 (2015)	12,500	17,500
US$ 1.26 (2016)	–	15,000
US$ 2.14 (2018)	23,350	56,350
US$ 2.38 (2019)	–	50,000
US$ 2.87 (2020)	50,000	50,000
US$ 2.03 (2021)	403,774	457,940
US$ 4.72 (2023)	153,934	153,934
US$ 3.69 (2024)	74,526	–
Total	**718,084**	**846,724**

Options outstanding that have vested and exercisable and Unvested are as follows:

	March 31, 2024			March 31, 2023		
Particulars	**Outstanding options**	**Weighted average exercise price (in US$)**	**Weighted average remaining contract term (in years)**	Outstanding options	Weighted average exercise price (in US$)	Weighted average remaining contract term (in years)
Stock Option						
Vested and exercisable	**548,280**	**2.57**	**6.49**	581,928	2.14	6.34
Unvested	**169,804**	**3.64**	**7.99**	264,796	3.14	8.14

Stock unit activity under stock-based compensation plans is shown below:

	March 31, 2024		March 31, 2023	
Particulars	**Number**	**Weighted Average exercise price**	Number	Weighted Average exercise price
Those vested at the beginning of the year	**581,928**	**2.14**	481,795	1.78
Vested	**169,518**	**2.88**	186,133	2.79
Cancelled during the year	**(45,000)**	**1.85**	–	–
Exercised during the year	**(158,166)**	**1.54**	(86,000)	1.54
Those vested at the end of the year	**548,280**	**2.57**	**581,928**	2.14

	March 31, 2024		March 31, 2023	
Particulars	**Number**	**Weighted Average exercise price**	Number	Weighted Average exercise price
Those unvested at the beginning of the year	**264,796**	**3.14**	342,829	2.09
Those unvested at the end of the year	**169,804**	**3.64**	264,796	3.14
Those that during the year were:				
Vested	**169,518**	**2.88**	186,133	2.79
Granted	**74,526**	**3.69**	153,934	4.72
Forfeited	**–**	**–**	45,834	1.97

Stock compensation expense has been determined based on the fair values of the options estimated on the date of grant using the Black-Scholes-Merton pricing model with the following assumptions:

Dividend yield	0.00 percent
Expected life	6.25 years
Risk free interest rate	4.06 percent
Volatility	44.22 percent

The aggregate fair value of all options granted during the year is US$ 133,248 (2023: 186,313) and weighted average grant date unit fair value of options granted during the year is US$ 1.7879.

There have been no modifications or cancellations of the above plans during the current or preceding year.

Additional disclosures pertaining to compensation expense, net of costs allocated to Group entities:

The Company received an amount of US$ 243,827 [2023: 132,600] for exercise of stock options in the current year.

NOTE H – CONTINGENCIES

The Company may not be subject to legal claims in the normal course of business. Management believes that there are no such claims that would be material to the financial condition or results of operations.

NOTE I – RELATED PARTY TRANSACTIONS

The Company had the following transactions with its parent and subsidiaries:

1. **List of related parties and relationships (where there are transactions):**

Name of related party and relationship
Ultimate Holding Company
Mahindra and Mahindra Limited
Holding Company
Mahindra Holdings Limited
Subsidiary Companies
Bristlecone Inc.
Bristlecone India Limited
Bristlecone GmbH
Bristlecone International AG.
Bristlecone Malaysia Sdn. Bhd.
Bristlecone Singapore Pte. Ltd
Bristlecone Middle East DMCC
Bristlecone (UK) Limited
Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada
Key Management Personnel
Nirav Patel (CEO)

2. **Related party balances:**

		March 31, 2024	March 31, 2023
Nature of transaction	Name of related party	**Amount (in US$)**	Amount (in US$)
Interest payable as at year end	Bristlecone Inc.	**612,628**	259,452
	Bristlecone GmbH	**239,394**	138,144
	Bristlecone International AG	**106,397**	61,397
Principal amount of loan repayable as at year end	Bristlecone Inc.	**5,000,000**	5,000,000
	Bristlecone GmbH	**4,500,000**	4,500,000
	Bristlecone International AG	**2,000,000**	2,000,000
Amount payable as at year end	Bristlecone Inc.	**79,353**	78,841
Amount receivable as at the year end	Bristlecone Inc.	**283,829**	–

3. **Related party transactions:**

		March 31, 2024	March 31, 2023
Nature of transaction	**Name of related party**	**Amount (in US$)**	Amount (in US$)
Dividend received during the year	Bristlecone Middle East DMCC	**–**	1,000,000
Expenses paid on behalf of Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)	Bristlecone Inc.	**512**	78,841
Repayment of loan	Bristlecone Inc.	**–**	500,000
Interest expense	Bristlecone Inc.	**353,176**	224,075
	Bristlecone GmbH	**101,250**	101,250
	Bristlecone International AG	**45,000**	115,514
Investment in subsidiary	Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada	**100,000**	100,000
Capital repayment from subsidiary	Bristlecone Inc.	**7,000,000**	–

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, other receivable and current liabilities approximated their fair values due to their short maturities.

NOTE K – RECENT ACCOUNTING PRONOUNCEMENT

2023-09 – Income tax disclosures

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The standard will be effective for nonpublic companies for fiscal years beginning after December 15, 2025. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

2023-06 - Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative

In October 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-06, "Disclosure Improvements-

Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." This ASU modified the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC's regulations. This guidance is effective for the Company no later than June 30, 2027. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

2023-01 – Leases common control arrangements

In March 2023, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") to give private companies and certain not-for-profit entities the flexibility to use the written terms and conditions of a common control arrangement, rather than the legally enforceable terms, to determine whether a lease exists and to classify and account for the lease. This ASU is effective for fiscal years beginning after 15 December 2023, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

NOTE L – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 30, 2024, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Bristlecone India Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Bristlecone India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act which also requires the approval of shareholders in the ensuing general meeting (Refer Note 24 to the Financial Statements).
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 30 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 24045668BKFIKZ2467

Mumbai, April 22, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Bristlecone India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.

Chartered Accountants
Firm Registration No. : 105102W

Himanshu Goradia

Partner
Membership No. : 045668

Mumbai, April 22, 2024 UDIN: 24045668BKFIKZ2467

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Company once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. The physical verification of property, plant and equipment was conducted during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, in respect of immovable properties (buildings) that have been taken on lease, the lease agreements are held in the name of the Company where the Company is the lessee in the agreements. The Company does not have any other immovable property.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Kotak Mahindra Bank Limited and Axis Bank Limited ("the Banks") on the basis of security of the current assets during the year. The statements of current assets filed by the Company with the Banks on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Company's operations do not involve processing or manufacturing activities. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Income Tax, Value Added Tax, Goods and Services Tax and Profession Tax which have not been deposited as on March 31, 2024 on account of disputes are as under:

Nature of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income Tax	44.55	Assessment Year 2009-2010	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	85.81	Assessment Year 2010-2011	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	53.90	Assessment Year 2011-2012	Commissioner of Income Tax (Appeals)
The Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	12.23	Financial Year 2017-2018	Joint Commissioner of State Tax (Appeals), Mumbai
The Goods and Services Tax Act, 2017	Goods and Services Tax	77.37	Financial Year 2017-2018	Deputy Commissioner of State Tax
The Maharashtra State Tax on Profession, Trades, Calling and Employment Act, 1975	Profession Tax	6.07	Financial Year 2019-2020	Assistant Commissioner of Profession Tax

*Net of amounts paid including under protest.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 24045668BKFIKZ2467

Mumbai, April 22, 2024

BALANCE SHEET AS AT 31 MARCH, 2024

Rs. in Lakhs

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**1,151.51**	1,725.94
(b) Right-of-Use Asset	5	**1,548.30**	2,299.18
(c) Intangible Assets	6	**240.76**	58.90
(d) Intangible Assets under development		**94.78**	–
(e) Financial Assets			
(i) Investments	7	**778.51**	778.51
(ii) Other Financial Assets	9	**188.17**	179.16
(f) Income Tax Assets (Net)		**1,335.72**	1,136.50
(g) Deferred Tax Assets (Net)	10	**926.61**	702.92
(h) Other Non-current Assets	11	**30.87**	6.44
SUB-TOTAL		**6,295.23**	6,887.55
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	12	**13,675.17**	12,229.33
(ii) Cash and Cash Equivalents	13	**2,844.99**	1,124.99
(iii) Loans	8	**2.73**	2.79
(iv) Other Financial Assets	9	**1,270.16**	1,835.69
(b) Other Current Assets	11	**856.54**	828.76
SUB-TOTAL		**18,649.59**	16,021.56
TOTAL ASSETS		**24,944.82**	22,909.11
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	14	**1,904.94**	1,904.94
(b) Other Equity	15	**12,994.50**	10,526.14
SUB-TOTAL		**14,899.44**	12,431.08
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liabilities		**1,192.72**	1,919.20
(b) Provisions	16	**2,339.38**	1,896.94
SUB-TOTAL		**3,532.10**	3,816.14
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
– Total outstanding dues of Micro Enterprises and Small Enterprises	17	**192.09**	301.49
– Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	17	**4,069.99**	4,289.39
(ii) Lease Liabilities		**426.62**	455.15
(iii) Other Financial Liabilities	18	**232.96**	140.41
(b) Provisions	16	**447.91**	363.51
(c) Current Tax Liabilities (Net)		**–**	45.95
(d) Other Current Liabilities	19	**1,143.71**	1,065.99
SUB-TOTAL		**6,513.28**	6,661.89
TOTAL		**24,944.82**	22,909.11

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 22 April, 2024

For and on behalf of the Board of Directors

Dhaval Buch
Director
DIN: 00106813

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Shrirang Joshi
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Mumbai
Date: 22 April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2024

Rs. in Lakhs

Particulars		Note No.	Year ended 31 March, 2024	Year ended 31 March, 2023
I	Revenue from operations	20	**52,073.83**	49,207.85
II	Other Income	21	**392.97**	396.14
III	**Total Revenue (I + II)**		**52,466.80**	49,603.99
IV	**EXPENSES**			
	(a) Employee benefit expense	22	**39,163.14**	35,567.20
	(b) Finance costs	23	**241.80**	436.50
	(c) Depreciation and amortisation expenses	4,5&6	**1,340.96**	1,362.63
	(d) Other expenses	24	**8,379.94**	7,733.94
	Total Expenses		**49,125.84**	45,100.27
V	**Profit before tax (III-IV)**		**3,340.96**	4,503.72
VI	**Tax Expense**			
	(a) Current tax	10	**1,107.01**	1,270.66
	(b) Deferred tax	10	**(226.39)**	(110.58)
	Total tax expense		**880.62**	1,160.08
VII	**Profit for the year (V-VI)**		**2,460.34**	3,343.64
VIII	**Other comprehensive income**			
	I. Items that will not be reclassified to the statement of profit or loss Remeasurements of the Defined Benefit Liabilities - gain/(loss)		**10.72**	(119.66)
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		**(2.70)**	30.12
	Total Other comprehensive income		**8.02**	(89.54)
IX	**Total comprehensive income for the year (VII+VIII)**		**2,468.36**	3,254.10
X	**Earnings per equity share:**			
	Basic and Diluted	25	**129.16**	175.52

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
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Shrirang Joshi
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Mumbai
Date: 22 April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

a. Equity share capital

Rs. in Lakhs

Particulars	Equity Share Capital
Balance as at 1 April, 2022	**1,904.94**
Changes in equity share capital during the year	**–**
Balance as at 31 March, 2023	**1,904.94**
Changes in equity share capital during the year	**–**
Balance as at 31 March, 2024	**1,904.94**

b. Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at 1 April, 2022	88.34	7,183.70	7,272.04
Profit for the year	–	3,343.64	3,343.64
Other Comprehensive income	–	(89.54)	(89.54)
Total Comprehensive Income for the year	–	3,254.10	3,254.10
Balance as at 31 March, 2023	88.34	10,437.80	10,526.14
Profit for the year	**–**	**2,460.34**	**2,460.34**
Other Comprehensive income	**–**	**8.02**	**8.02**
Total Comprehensive Income for the year	**–**	**2,468.36**	**2,468.36**
Balance as at 31 March, 2024	**88.34**	**12,906.16**	**12,994.50**

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 22 April, 2024

For and on behalf of the Board of Directors

Dhaval Buch
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Director
DIN: 06653273

Shrirang Joshi
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Mumbai
Date: 22 April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2024

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Cash flows from operating activities		
Profit before tax for the year	**3,340.96**	4,503.72
Adjustments for:		
Finance costs	**241.80**	436.50
Interest income	**(47.85)**	(18.36)
Gain on termination of lease agreement	**(101.24)**	–
Liabilities/provisions no longer required written back	**–**	(18.36)
(Gain)/Loss on disposal of property, plant and equipment	**123.67**	(21.29)
Depreciation and amortisation	**1,340.96**	1,362.63
Net foreign exchange (gain)/loss	**(62.23)**	308.72
	4,836.07	6,553.56
Movements in working capital:		
Decrease / (Increase) in trade and other receivables	**(1,383.61)**	(217.61)
Decrease / (Increase) in other assets	**512.15**	(618.42)
Increase / (Decrease) in trade and other payables	**(328.80)**	964.39
Increase / (Decrease) in Other liabilities	**72.20**	285.75
Increase / (Decrease) in provisions	**537.56**	208.09
	(590.50)	622.20
Cash generated from operations	**4,245.57**	7,175.76
Income taxes paid	**(1,352.18)**	(747.32)
Net cash (used in)/from operating activities	**2,893.39**	6,428.44
Cash flows from investing activities		
Payments for property, plant and equipment	**(633.72)**	(653.80)
Proceeds from disposal of property, plant and equipment	**104.27**	42.54
Interest received	**46.58**	18.36
Bank Deposits matured	**–**	0.05
Net cash from/(used in) investing activities	**(482.87)**	(592.85)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Cash flows from financing activities		
Interest paid on working capital facilities	**(68.23)**	(297.99)
Principal portion of lease liability	**(448.72)**	(509.69)
Interest portion of lease liability	**(173.57)**	(138.51)
Cash Credit Account	**–**	(3,786.04)
Net cash used in financing activities	**(690.52)**	(4,732.23)
Net (decrease)/increase in cash and cash equivalents	**1,720.00**	1,103.36
Cash and cash equivalents at the beginning of the year	**1,124.99**	21.63
Cash and cash equivalents at the end of the year	**2,844.99**	1,124.99
Net (decrease)/increase in cash and cash equivalents	**1,720.00**	1,103.36

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place: Mumbai
Date: 22 April, 2024

For and on behalf of the Board of Directors

Dhaval Buch
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Mohit Kapoor
Director
DIN: 06653273

Shrirang Joshi
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place: Mumbai
Date: 22 April, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

1 Corporate information

Bristlecone India Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in Business Consulting, Software Implementation and related support activities.

The financial statements prepared herewith are the separate financial statements of the Company and the Company has elected not to present its consolidated financial statements since its ultimate parent produces consolidated financial statements that are available for public use and comply with IND AS.

2 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

3 Significant accounting policies

3.01 Basis of preparation and presentation

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

These financial statements have been prepared in Indian Rupee (`) which is the functional currency of the Company and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

3.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, impairment of investments and assets, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Provision for income tax and deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. (Refer Note No. 10)

Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option 'on lease by lease basis'. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3.03 Revenue recognition

The Company is principally engaged in Business Consulting, Software Implementation, and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract.

The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

a. Revenue from time and material contracts is recognised on output basis measured by units delivered, efforts expended, time booked etc.

b. Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

c. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

d. Revenue from the sale of third party software is recognised upfront at the point in time when the software is delivered to the customer.

e. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

f. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

g. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

3.04 Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

3.05 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.06 Employee benefits

1. Defined Contribution Plan:

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

3. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4. Other Long Term employee benefits:

Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

3.07 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

– When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

3.08 Property, plant and equipment

All Property, plant and equipments are stated at cost less depreciation. Costs comprise purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Owned Assets	Useful life
Leasehold improvement*	5 years
Right of Use Asset-Building	Lease Term
Furniture and fittings	10 years
Office equipment	5 years
Office equipment-mobile handset*	3 years
Computer and equipment	
IT equipment-server	6 years
IT equipment-non server	3 years
Vehicles	8 years

* For these class of assets, based on internal assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Scheduled II of the companies Act 2013.

3.09 Intangible assets

Intangible assets are amortised on a straight line basis over their useful life of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change in pattern if any.

3.10 Financial instruments

Initial recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement:

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

(ii) Financial assets at fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries:

Investment in subsidiaries is carried at cost in the financial statements.

b. Derivative financial instruments:

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

3.11 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

3.12 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.13 Business Segments

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of Business Consulting, Software Implementation and related support activities, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 3. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

3.14 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cashflows by operating, investing and financing activities of the Company.

3.15 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

3.16 Share Capital

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.17 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Note No. 4 - Property, Plant and Equipment

Rs. in Lakhs

Description of Assets		Owned Assets					Total
		Leasehold Improvement	Computer and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
A.	**Gross Carrying Amount**						
	Balance as at 1 April, 2023	1,096.01	3,563.32	315.15	290.83	140.68	**5,405.99**
	Additions	–	421.87	5.50	0.14	–	**427.51**
	Disposals	815.06	412.96	149.79	89.24	42.99	**1,510.04**
	Balance as at 31 March, 2024	**280.95**	**3,572.23**	**170.86**	**201.73**	**97.69**	**4,323.46**
B.	**Accumulated depreciation and impairment**						
	Balance as at 1 April, 2023	875.64	2,202.44	276.58	226.24	99.15	**3,680.05**
	Depreciation expense for the year	83.34	666.58	9.70	7.70	6.79	**774.11**
	Eliminated on disposal of assets	684.52	366.14	133.83	56.88	40.84	**1,282.21**
	Balance as at 31 March, 2024	**274.46**	**2,502.88**	**152.45**	**177.06**	**65.10**	**3,171.95**
C.	**Net carrying amount (A-B)**	**6.49**	**1,069.35**	**18.41**	**24.67**	**32.59**	**1,151.51**

Rs. in Lakhs

Description of Assets		Owned Assets					Total
		Leasehold Improvement	Computer and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
A.	**Gross Carrying Amount**						
	Balance as at 1 April, 2022	1,132.04	3,055.73	334.28	303.85	117.61	**4,943.51**
	Additions	1.29	706.76	12.57	–	23.07	**743.69**
	Disposals	37.32	199.17	31.70	13.02	–	**281.21**
	Balance as at 31 March, 2023	**1,096.01**	**3,563.32**	**315.15**	**290.83**	**140.68**	**5,405.99**
B.	**Accumulated depreciation and impairment**						
	Balance as at 1 April, 2022	788.19	1,731.70	294.75	216.99	94.65	**3,126.28**
	Depreciation expense for the year	124.77	651.31	11.79	21.36	4.50	**813.73**
	Eliminated on disposal of assets	37.32	180.57	29.96	12.11	–	**259.96**
	Balance as at 31 March, 2023	**875.64**	**2,202.44**	**276.58**	**226.24**	**99.15**	**3,680.05**
C.	**Net carrying amount (A-B)**	**220.37**	**1,360.88**	**38.57**	**64.59**	**41.53**	**1,725.94**

Note No. 5 - Right-of-Use Asset

Description of Assets		Rs. in Lakhs Right-of-Use Asset
A.	**Gross Carrying Amount**	
	Balance as at 1 April, 2023	**3,134.80**
	Additions	**279.02**
	Disposals	**1,293.04**
	Balance as at 31 March, 2024	**2,120.78**
B.	**Accumulated Amortisation**	
	Balance as at 1 April, 2023	**835.62**
	Amortisation expense for the year	**539.32**
	Eliminated on disposal of assets	**802.46**
	Balance as at 31 March, 2024	**572.48**
III.	**Net carrying amount (I-II)**	**1,548.30**

Description of Assets		Rs. in Lakhs Right-of-Use Asset
I.	**Gross Carrying Amount**	
	Balance as at 1 April, 2022	2,401.89
	Additions	1,841.75
	Disposals	1,108.84
	Balance as at 31 March, 2023	3,134.80
II.	**Accumulated Amortisation**	
	Balance as at 1 April, 2022	1,406.69
	Amortisation expense for the year	537.77
	Eliminated on disposal of assets	1,108.84
	Balance as at 31 March, 2023	835.62
III.	**Net carrying amount (I-II)**	2,299.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Note No. 6 - Intangible Assets

Rs. in Lakhs

Description of Assets		Computer Software
A.	**Gross Carrying Amount**	
	Balance as at 1 April, 2023	**212.85**
	Additions	**209.50**
	Disposals	**72.96**
	Balance as at 31 March, 2024	**349.39**
B.	**Accumulated Amortisation**	
	Balance as at 1 April, 2023	**153.95**
	Amortisation expense for the year	**27.53**
	Eliminated on disposal of assets	**72.85**
	Balance as at 31 March, 2024	**108.63**
III.	**Net carrying amount (I-II)**	**240.76**

Rs. in Lakhs

Description of Assets		Computer Software
I.	**Gross Carrying Amount**	
	Balance as at 1 April, 2022	167.85
	Additions	45.00
	Disposals	–
	Balance as at 31 March, 2023	212.85
II.	**Accumulated Amortisation**	
	Balance as at 1 April, 2022	142.82
	Amortisation expense for the year	11.13
	Eliminated on disposal of assets	–
	Balance as at 31 March, 2023	153.95
III.	**Net carrying amount (I-II)**	58.90

Note No. 7 - Investments

Non-Current, Unquoted, Carried at Cost

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Qty	**Amounts (Rs. in Lakhs)**	Qty	Amounts (Rs. in Lakhs)
Cost				
Investments in Equity Instruments				
– Subsidiaries				
Bristlecone (Singapore) Pte. Ltd.	**1,670,000**	**501.47**	1,670,000	501.47
Bristlecone GmbH	**1**	**277.04**	1	277.04
Total Investments Carried at Cost (A)		**778.51**		778.51
Impairment				
Impairment value for investment carried at cost		**–**		–
Total Impairment value for investment carried at cost (B)		**–**		–
Total Investment at Carried Value (A) - (B)		**778.51**		778.51
Other disclosures				
Aggregate amount of quoted investments				
Aggregate amount of Market value of investments				
Aggregate amount of unquoted investments		**778.51**		778.51
Aggregate amount of impairment in value of investments		**–**		–

The Company has investment of SGD 1,670,000 (Rs. 501.47 lakhs) in Bristlecone (Singapore) Pte. Ltd. and EUR 475,000 (Rs. 277.04 lakhs) in Bristlecone GmbH, both being wholly owned subsidiary companies.

Note No. 8 - Loans

Rs. in Lakhs

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Current	**Non-Current**	Current	Non-Current
Other Loans				
– Unsecured, considered good	**2.73**	**–**	2.79	–
Total Loans	**2.73**	**–**	2.79	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Note No. 9 - Other Financial Assets

Rs. in Lakhs

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Current	Non-Current	Current	Non-Current
Financial Assets at Amortised Cost				
Other Current Financial Assets				
– Unbilled Revenue	**1,199.44**	**–**	1,746.47	–
– Claims Receivable	**34.04**	**–**	32.72	–
– Security Deposits	**19.04**	**188.17**	56.50	179.16
– Accrued Interest on Fixed Deposits	**1.27**	**–**	–	–
Measured at Fair Value through Profit and Loss				
– Foreign Currency Forward Contracts	**16.37**	**–**	–	–
Total Other Financial Assets	**1,270.16**	**188.17**	1,835.69	179.16

Note No. 10 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Current Tax:		
In respect of current year	**1,107.01**	1,270.66
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(226.39)**	(110.58)
Total	**880.62**	1,160.08

(b) Income tax recognised in other Comprehensive income

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Deferred tax		
Income taxes related to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligations	**(2.70)**	30.12
Total	**(2.70)**	30.12

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Profit before tax from continuing operations	**3,340.96**	4,503.72
Income tax expense calculated at 25.17% (2023: 25.17%)	**840.85**	1,133.50
Effect of change in tax rate	**–**	–
Effect of Income not offered to tax	**–**	–
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
Effect of current year expenses for which no deferred tax asset is recognised	**–**	–
Effect of current year expenses (net) for which no deferred tax asset is recognised	**26.53**	26.56
Tax pertaining to prior years	**–**	–
Changes in recognised deductible temporary differences	**13.24**	0.02
Income tax expense recognised in profit or loss	**880.62**	1,160.08

The tax rate used for the 31 March, 2024 reconciliations above is the corporate tax rate of 25.17% (Previous year : 25.17%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

(d) Movement in deferred tax balances

Rs. in Lakhs

Particulars	**Year ended 31 March, 2024**				
		Recognised in profit and Loss			
	Opening Balance	**Charge**	**Change in Tax Rate**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Depreciation	**41.08**	**55.98**	**–**	**–**	**97.06**
Provision for doubtful Trade receivables	**9.77**	**78.38**	**–**	**–**	**88.15**
Expenses covered under section 43B	**568.91**	**135.30**	**–**	**(2.70)**	**701.51**
Expenses disallowed under section 40 (a) (ia)	**46.82**	**(21.82)**	**–**	**–**	**25.00**
Deferred Income	**(0.02)**	**0.02**	**–**	**–**	**–**
Unrealised forex gain	**1.38**	**(15.22)**	**–**	**–**	**(13.84)**
Ind AS 116 effect	**34.97**	**(6.25)**	**–**	**–**	**28.72**
Net Tax Asset	**702.92**	**226.39**	**–**	**(2.70)**	**926.61**

Rs. in Lakhs

Particulars	Year ended 31 March, 2023				
		Recognised in profit and Loss			
	Opening Balance	Charge	Change in Tax Rate	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets					
Depreciation	24.38	16.70	–	–	41.08
Provision for doubtful Trade receivables	9.14	0.63	–	–	9.77
Expenses covered under section 43B	486.42	52.37	–	30.12	568.91
Expenses disallowed under section 40 (a) (ia)	29.95	16.87	–	–	46.82
Deferred Income	(0.02)	–	–	–	(0.02)
Mark to market gain on Forward covers	(19.75)	21.13	–	–	1.38
Ind AS 116 effect	32.09	2.88	–	–	34.97
Net Tax Asset	562.21	110.59	–	30.12	702.92

Note No. 11 - Other Assets

Rs. in Lakhs

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Current	**Non-Current**	Current	Non-Current
Advances other than capital advances				
(a) Balances with government authorities (other than income taxes)	**364.02**	**–**	379.97	–
(b) Prepaid expenses	**476.54**	**30.87**	417.22	6.44
(c) Travel advances to employees	**5.30**	**–**	28.23	–
(d) Other advances	**10.68**	**–**	3.34	–
Total Other Assets	**856.54**	**30.87**	828.76	6.44

Note No. 12 - Trade Receivables

Rs. in Lakhs

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Current	**Non-Current**	Current	Non-Current
Trade receivables				
(a) Undisputed Trade Receivables – considered good	**13,663.37**	**–**	12,176.02	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	**362.08**	–	92.14	**–**
Less: Allowance for Credit Losses	**(350.28)**		(38.83)	
(c) Undisputed Trade Receivables – credit impaired	**–**	–	–	**–**
(d) Disputed Trade Receivables – considered good	**–**	–	–	**–**
(e) Disputed Trade Receivables – which have significant increase in credit risk	**–**	–	–	**–**
(f) Disputed Trade Receivables – credit impaired	**–**	–	–	**–**
Less: Allowance for Credit Losses	**–**	–	–	**–**
Total	**13,675.17**	**–**	12,229.33	–
Of the above, trade receivables from:				
– Related Parties	**12,520.25**	**–**	11,004.83	–
– Others	**1,154.92**	**–**	1,224.50	–
Total	**13,675.17**	**–**	12,229.33	–

Refer Note 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

12 (a) - Movement in the allowance for doubtful debts

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at beginning of the year	**38.83**	36.33
Impairment losses recognised in the year based on lifetime ECL		
– On receivables originated in the year	**228.77**	2.50
– Other receivables	**82.68**	–
Balance at end of the year	**350.28**	38.83

The average credit period on provision of services is 60 to 120 Days. No interest is charged on trade receivables.

Refer Note 29 for disclosures related to the trade balances from the Company's largest customers and related disclosures.

The company provides a loss allowance on a case to case basis at the end of each reporting period. An impairment analysis is performed at each reporting date on an individual basis for all customers. In addition, a larger number of customers that are due for collection are assessed for impairment collectively.

12 (b) - Trade receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
31 March, 2024					
(a) Undisputed Trade Receivables – considered good	**13,663.37**	**–**	**–**	**–**	**–**
(b) Undisputed Trade Receivables – which have significant increase in credit risk	**174.31**	**94.00**	**93.77**	**–**	**–**
(c) Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**
(d) Disputed Trade Receivables – considered good	**–**	**–**	**–**	**–**	**–**
(e) Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**
(f) Disputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**
31 March, 2023					
(a) Undisputed Trade Receivables – considered good	12,176.02	–	–	–	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	83.15	6.99	2.00	–	–
(c) Undisputed Trade Receivables – credit impaired	–	–	–	–	–
(d) Disputed Trade Receivables – considered good	–	–	–	–	–
(e) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
(f) Disputed Trade Receivables – credit impaired	–	–	–	–	–

Note No. 13 - Cash and Cash Equivalents

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents		
(a) Balances with banks	**69.99**	1,124.99
(b) Others (Deposit account Less than 3 months)	**2,775.00**	–
Total Cash and cash equivalents	**2,844.99**	1,124.99

Note No. 14 - Equity Share Capital

Particulars	As at 31 March, 2024 No. of shares	As at 31 March, 2024 Amount (Rs. in Lakhs)	As at 31 March, 2023 No. of shares	As at 31 March, 2023 Amount (Rs. in Lakhs)
Authorised:				
2,500,000 Equity shares of 100 each with voting rights	**2,500,000**	**2,500.00**	2,500,000	2,500.00
Issued:				
1,924,130 Equity shares of 100 each with voting rights	**1,924,130**	**1,924.13**	1,924,130	1,924.13
Subscribed and Fully Paid:				
1,904,944 Equity shares of 100 each with voting rights	**1,904,944**	**1,904.94**	1,904,944	1,904.94
Total		**1,904.94**		1,904.94

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

(i) The Company has only one class of shares i.e. equity shares having a par value of Rs.100. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets after deducting all its liabilities, in proportion to the number of equity shares held.

(ii) Details of shares held by the holding company:

With effect from 3 April 2023, Bristlecone Limited, the intermediate holding company has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc. All the above shares are held by Bristlecone Worldwide Inc., the holding company, including 36 equity shares held jointly with its nominees. The ultimate holding company is Mahindra & Mahindra Limited.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2024 Number of shares held*	As at 31 March, 2024 % holding in that class of shares	As at 31 March, 2023 Number of shares held*	As at 31 March, 2023 % holding in that class of shares
Equity shares with voting rights				
Bristlecone Worldwide Inc.	**1,904,944**	**100%**	1,904,944	100%

* Includes 36 equity shares held jointly with its nominees. The ultimate holding company is Mahindra & Mahindra Limited.

(iv) Details of shares held by the promoters:

Shares held by promoters at the end of the year:

Promoter Name	No of Shares	Percentage of total shares	Percentage of change during the year
Bristlecone Worldwide Inc.	**19,04,944**	**100%**	–

Note No. 15 - Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Retained Earnings	Total
Balance as at 1 April, 2022	88.34	7,183.70	7,272.04
Profit for the year	–	3,343.64	3,343.64
Other Comprehensive Income	–	(89.54)	(89.54)
Interim Dividend	–	–	–
Total Comprehensive Income for the year	–	3,254.10	3,254.10
Balance as at 31 Mar, 2023	**88.34**	**10,437.80**	**10,526.14**
Profit for the year	**–**	**2,460.34**	**2,460.34**
Other Comprehensive Loss	**–**	**8.02**	**8.02**
Interim Dividend	**–**	**–**	**–**
Total Comprehensive Income for the year	**–**	**2,468.36**	**2,468.36**
Balance as at 31 March, 2024	**88.34**	**12,906.16**	**12,994.50**

Note No. 16 - Provisions

Rs. in Lakhs

Particulars	As at 31 March, 2024 Current	As at 31 March, 2024 Non-Current	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current
Provision for employee benefits				
(a) Gratuity	**269.94**	**1,859.17**	252.97	1,466.26
(b) Compensated absences	**177.97**	**480.21**	110.54	430.68
Total Provisions	**447.91**	**2,339.38**	363.51	1,896.94

Note No. 17 - Trade Payables

Rs. in Lakhs

Particulars	As at 31 March, 2024 Current	As at 31 March, 2024 Non-Current	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current
(a) Total outstanding dues of Micro Enterprises and Small Enterprises*	**192.09**	**–**	301.49	–
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**4,069.99**	**–**	4,289.39	–
Total trade payables	**4,262.08**	**–**	4,590.88	–

* This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 28.

Trade payables ageing schedule

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment*: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
31 March, 2024				
(a) MSME	**192.09**	**–**	–	–
(b) Others	**4,007.18**	**9.00**	**10.78**	**43.03**
(c) Disputed dues - MSME	**–**	**–**	–	–
(d) Disputed dues - Others	**–**	**–**	–	–
31 March, 2023				
(a) MSME	301.49	–	–	–
(b) Others	4,191.63	45.79	8.76	43.21
(c) Disputed dues - MSME	–	–	–	–
(d) Disputed dues - Others	–	–	–	–

* In the absence of due date of payment, above disclosure is provided from the date of the transaction.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Principal amount remaining unpaid to MSME suppliers as on	**192.09**	301.49
(b) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(c) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(d) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(e) The amount of interest accrued and remaining unpaid as on	**–**	–
(f) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Note No. 18 - Other Financial Liabilities

Rs. in Lakhs

Particulars	As at 31 March, 2024 Current	As at 31 March, 2024 Non-Current	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current
Financial Liability carried at amortised cost				
– Capital creditors	**232.96**	**–**	134.89	–
Financial liability carried at fair value through profit or loss				
– Foreign currency forward contracts	**–**	**–**	5.52	–
Total Other Financial Liabilities	**232.96**	**–**	140.41	–

Note No. 19 - Other Liabilities

Rs. in Lakhs

Particulars	As at 31 March, 2024 Current	As at 31 March, 2024 Non-Current	As at 31 March, 2023 Current	As at 31 March, 2023 Non-Current
(a) Income received in advance	**148.70**	**–**	146.31	–
(c) Statutory dues				
(i) Taxes payable (other than income taxes)	**206.52**	**–**	214.99	–
(ii) Employee Recoveries and Employer Contributions	**248.66**	**–**	211.50	–
(iii) TDS Payable	**539.83**	**–**	493.19	–
Total Other Liabilities	**1,143.71**	**–**	1,065.99	–

Note No. 20 - Revenue from Operations

The following is an analysis of the company's revenue for the year from operations.

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Revenue from rendering of services	**52,070.04**	49,196.87
(b) Other operating revenue	**3.79**	10.98
Total Revenue from Operations	**52,073.83**	49,207.85

Note No. 21 - Other Income

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Interest Income (On Fixed Deposits)	**33.64**	1.75
(b) Interest Income (On Financial Assets at Amortised Cost)	**14.21**	16.61
(c) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	**–**	21.29
(d) Net gain on foreign currency transactions and translation	**255.64**	283.07
(e) Liabilities/provisions no longer required written back	**–**	18.36
(f) Other non operating Income	**89.48**	55.06
Total Other Income	**392.97**	396.14

Note No. 22 - Employee Benefits Expense

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Salaries and wages, including bonus	**36,783.01**	33,675.55
(b) Contribution to provident and other funds	**1,540.91**	1,229.71
(c) Gratuity	**603.35**	435.91
(d) Staff welfare expenses	**235.87**	226.03
Total Employee Benefit Expense	**39,163.14**	35,567.20

Note No. 23 - Finance Cost

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest Expenses		
(a) On Financial Liability at Amortised Cost		
(i) Cash Credit Account	**62.34**	283.71
(ii) Interest on Lease Liability	**173.57**	138.51
(b) Other Borrowing Costs	**3.00**	2.01
(c) Other Finance Cost (interest on delayed payment of taxes)	**2.89**	12.27
Total Finance Cost	**241.80**	436.50

Note No. 24 - Other Expenses

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Power	**49.69**	57.50
(b) Rent*	**4.69**	5.71
(c) Rates and taxes	**–**	2.17
(d) Communication expenses	**142.58**	169.19
(e) Travelling and conveyance	**499.46**	562.21
(f) Recruitment expenses	**461.92**	459.01
(g) Repairs and maintenance - computer and office equipment	**287.13**	405.92
(h) Repairs and maintenance - Others	**5.40**	17.48
(i) Insurance	**3.89**	2.89
(j) Legal and other professional costs	**162.94**	285.99
(k) Directors' Remuneration**	**59.00**	61.62
(l) Subcontracting expenses	**4,874.72**	4,419.06
(m) Software expenses	**777.08**	580.15
(n) Training expenses	**306.79**	285.66
(o) Loss on sale of capital assets (net of gain on assets sold / scrapped / written off)	**123.67**	–
(p) Provision for doubtful debts and Bad debts written off (See note below)	**311.45**	2.50
(q) Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013.***	**94.78**	81.25
(r) Miscellaneous expenses	**214.75**	335.63
Total Other Expenses	**8,379.94**	7,733.94

* It represents lease rentals of short term leases and leases which having underlying assets of low value.

** Expenses for the year ended 31 March, 2024 require approval in the ensuing general meeting.

*** Including Rs. 3.78 Lakhs paid for FY 2022-23.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Provision for doubtful debts and Bad debts written off

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Bad debts written off	**–**	–
Add/(Less):- Provision for the doubtful debts	**311.45**	2.50
	311.45	2.50

Disclosure with regard to CSR activities:

Rs. in Lakhs

	Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a)	Amount required to be spent by the company during the year	**91.00**	84.89
(b)	Amount of expenditure incurred	**91.00**	81.25
(c)	Shortfall at the end of the year*	**–**	3.64
(d)	Total of previous years shortfall	**–**	–

* For the year ended 31 March 2023, the Company has transferred an amount of Rs. 3.78 Lakhs to a Fund specified in Schedule VII to the Act as approved by the Board of Directors at its meeting held on 27th April, 2023 during the current financial year.

Nature of CSR Activities:

Rs. in Lakhs

	Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a)	Project Nanhi Kali - Towards Education of Girl Child	**45.50**	47.50
(d)	Tree Plantation Drive	**11.00**	6.62
(c)	Funding for software training academy	**–**	10.00
(d)	Towards awareness on Health & Hygiene	**–**	3.35
(e)	Towards Education of Girl Child	**22.50**	7.56
(f)	Rural Women empowerment	**12.00**	6.22
	Total	**91.00**	81.25

Note No. 25 - Earnings per Share

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit for the year attributable to the owners of the company	**2,460.34**	3,343.64
Profit for the year used in the calculation of basic and diluted earnings per share	**2,460.34**	3,343.64
Weighted average number of equity shares	**1,904,944**	1,904,944
Earnings per share from continuing operations - Basic and Diluted (Rs.)	**129.16**	175.52

Note No. 26 - Disclosure of interest in Subsidiaries

(a) Details of the Company's material subsidiaries at the end of the reporting year are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Company		Quoted (Y/N)
			As at 31 March, 2024	As at 31 March, 2023	
Bristlecone (Singapore) Pte. Ltd.	Sale of services	Singapore	100%	100%	N
Bristlecone GmbH	Sale of services	Germany	100%	100%	N

Investments in subsidiary companies are accounted at Cost in accordance with para 10 of Ind AS 27 Separate Financial Statements.

Note No. 27 - Leases

Company as a lessee

The details of the right-of-use asset held by the Company is as follows:

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Leasehold Premises		
Opening Balance	**2,299.18**	995.20
Additions during the year	**279.02**	1,841.75
Deletions during the year	**1,293.04**	1,108.84
Amortisation expense for the year	**539.32**	537.77
Eliminated on disposal of assets	**802.46**	1,108.84
Balance as at 31 March, 2024	**1,548.30**	2,299.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

The following is the break-up of current and non-current lease liabilities:

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Liabilities	**426.62**	455.15
Non-current Liabilities	**1,192.72**	1,919.20
Total	**1,619.34**	2,374.35

The following is the movement in lease liabilities during the year ended:

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Lease Liabilities		
Opening Balance	**2,374.35**	1,091.83
Additions during the year	**271.72**	1,792.21
Disposal during the year	**578.01**	–
Payment of lease liabilities	**448.72**	509.69
Balance as at 31 March, 2024	**1,619.34**	2,374.35

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Not later than one year	**550.07**	641.50
Later than one year but not later than five years	**1,327.37**	2,112.57
Later than five years	**–**	170.41
Total	**1,877.44**	2,924.47

Rental expense recorded for short-term leases was Rs. 4.69 lakhs (previous year Rs. 5.71 lakhs) for the year ended March 31,2024.

Note No. 28 - Financial Instruments

Capital Management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern;

– maintain an optimal capital structure to reduce the cost of capital.

'The Company determines the amount of capital required on the basis of its operations, capital expenditure and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or combination of short term/long term debt as may be appropriate.

The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain adequate capital base so as to maintain shareholders, creditors confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Shareholders' Equity as reported in Balance Sheet	**14,899.44**	12,431.08
Total Shareholders' Equity (A)	**14,899.44**	12,431.08
Short term Debt	**–**	–
Total Debt (B)	**–**	–
Cash and Bank Balances	**2,844.99**	1,124.99
Total Investments (C)	**2,844.99**	1,124.99
Total Capital Employed (A-B-C)	**12,054.45**	11,306.09

Categories of financial assets and financial liabilities

Amortised Costs

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current Assets		
Investments	**778.51**	778.51
Other Financial Assets		
- Non Derivative Financial Assets	**188.17**	179.16
Current Assets		
Trade Receivables	**13,675.17**	12,229.33
Cash and Cash Equivalents	**2,844.99**	1,124.99
Loans	**2.73**	2.79
Other Financial Assets		
- Non Derivative Financial Assets	**1,253.79**	1,835.69
Non Current Liabilities		
Lease Liabilities	**1,192.72**	1,919.20
Current Liabilities		
Trade Payables	**4,262.08**	4,590.88
Lease Liabilities	**426.62**	455.15
Other Financial Liability		
- Non Derivative Financial Liabilities	**232.96**	134.89

Fair Value through Profit and Loss

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Assets		
Other Financial Assets		
- Derivative Financial Instruments	**16.37**	–
Current Liabilities		
Other Financial Liabilities		
- Derivative Financial Instruments	**–**	5.52

Maturities of financial Liabilities

The following table details the Company's expected maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on these liabilities.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March, 2024				
Trade Payables	**4,262.08**	**–**	**–**	**–**
Lease Liabilities	**550.07**	**1,061.82**	**265.55**	**–**
Other Financial Liabilities	**232.96**	**–**	**–**	**–**
Total	**5,045.11**	**1,061.82**	**265.55**	**–**
31 March, 2023				
Trade Payables	4,590.88	–	–	–
Lease Liabilities	641.50	1,170.06	942.51	170.41
Other Financial Liabilities	134.89	–	–	–
Total	5,367.27	1,170.06	942.51	170.41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Financing arrangements

The Company had access to following borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	As at 31 March, 2024 INR	As at 31 March, 2023 INR
Secured Bank Overdraft facility		
- Expiring within one year	**8,500.00**	8,500.00
	8,500.00	8,500.00

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March, 2024				
Investments	**–**	**–**	**–**	**778.51**
Trade Receivables	**13,675.17**	**–**	**–**	**–**
Cash and Cash Equivalents	**2,844.99**	**–**	**–**	**–**
Loans	**2.73**	**–**	**–**	**–**
Other Financial Assets	**1,270.16**	**53.46**	**177.75**	**–**
Total	**17,793.05**	**53.46**	**177.75**	**778.51**
As at 31 March, 2023				
Investments	–	–	–	778.51
Trade Receivables	12,229.33	–	–	–
Cash and Cash Equivalents	1,124.99	–	–	–
Loans	2.79	–	–	–
Other Financial Assets	1,835.69	12.00	203.70	27.21
Total	15,192.80	12.00	203.70	805.72

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial Instruments				
As at 31 March, 2024				
Forward Exchange Contracts - Asset	**16.37**	**–**	**–**	**–**
As at 31 March, 2023				
Forward Exchange Contracts - Liability	5.52	–	–	–

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to the risk of changes in market interest rates.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repayor service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Balances in Functional Currency (INR)

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2024	As at 31 March, 2023
Trade Receivables	USD	**12,399.96**	10,918.67
Trade Payables	USD	**–**	29.73

Balances in Respective Foreign Currency

Particulars	Currency	As at 31 March, 2024	As at 31 March, 2023
Trade Receivables	USD	**14,873,408**	13,284,263
Trade Payables	USD	**–**	36,319

Of the above foreign currency exposures, the following exposures are not hedged by derivatives:

Balances in Functional Currency (INR)

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2024	As at 31 March, 2023
Trade Receivables	USD	**–**	–
Trade Payables	USD	**–**	29.73

Balances in Respective Foreign Currency

Particulars	Currency	As at 31 March, 2024	As at 31 March, 2023
Trade Receivables	USD	**–**	–
Trade Payables	USD	**–**	36,319

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs. in Lakhs

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended on 31 March, 2024	USD	+10%	**–**
	USD	-10%	**–**
For the year ended on 31 March, 2023	USD	+10%	2.97
	USD	-10%	(2.97)

Note No. 29 - Segment information

The Company is in the business of Business Consulting, Software Implementation and related support activities, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 3.

Geographic information

The company operates in 2 principal geographical areas - India (country of domicile) and outside India. The Company's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue from external customers		
India	**12,988.29**	13,430.16
Outside India	**39,085.54**	35,777.69
Total revenue per statement of profit or loss	**52,073.83**	49,207.85

Non-current operating assets:

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
India	**1,487.05**	1,784.84
Outside India	**–**	**–**
Total	**1,487.05**	1,784.84

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and intangibles under development.

Revenue from major services

The Company's business activity falls within a single line of services viz. Business Consulting, Software Implementation and related support activities.

Information about major customers

Included in revenues arising from sale of services & products are revenue of approx. Rs. 44,341.09 lakhs (31 March, 2023: Rs. 45,170.03 lakhs) which arose from sales to the Company's top 2 customers (31 March, 2023 top 3 customers). No other customer contributed to 10% or more to the Company's revenue for both the years 2023 - 24 and 2022 - 23.

Note No. 30 - Contingent liabilities and commitments

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Contingent liabilities		
(a) Income tax matters under litigations (including interest)	**815.00**	756.55
(b) Professional Tax matter	**8.10**	8.10
(c) Claim against Company not acknowledged as debt	**35.00**	35.00

Note: As on 31 March, 2024 the company's management does not expect any outflow in respect of these pending litigations related to tax matters stated above based on the legal advice obtained.

Capital Commitments as at 31 March, 2024 Rs. 191.86 Lakhs (Previous Year Rs. 28.40 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Note No. 31 - Employee benefits

(a) Defined Contribution Plan

Contribution for the year to Defined Contribution Plan is recognised in the Statement of Profit and Loss included under employee benefits expense note 22. Contribution to provident and other funds as disclosed in note 22 are as under:

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Employer's Contribution to Provident Fund	**1,027.76**	794.54
Employer's Contribution to Family Pension Fund	**291.33**	323.56
Employer's Contribution to Superannuation Fund	**1.96**	3.13

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31 March, 2024	31 March, 2023
Discount rate(s)	**7.20%**	7.30%
Expected rate(s) of salary increase	**7.00%**	7.00%
Rate of Leaving Service	**Age 21-44 Years- 19.0% Age 45-59 Years- 10.0%**	Age 21-44 Years- 19.0% Age 45-59 Years- 8.0%
Mortality Rate	**As per Indian Assured Lives Mortality (2012-14) Ult table**	As per Indian Assured Lives Mortality (2012-14) Ult table

Defined benefit plans – as per actuarial valuation

Gratuity (Unfunded)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Service Cost		
Current Service Cost	**484.52**	348.89
Past service cost	**–**	6.78
Net interest expense	**118.83**	80.24
Components of defined benefit costs recognised in profit or loss	**603.35**	435.91
Remeasurement on the net defined benefit liability		
Actuarial gains and loss arising from changes in financial assumptions	**11.39**	(90.01)
Actuarial gains and loss arising from changes in demographic assumptions	**1.65**	7.69
Actuarial gains and loss arising form experience adjustments	**(23.76)**	201.98
Components of defined benefit costs recognised in other comprehensive income	**(10.72)**	119.66
Total	**592.63**	555.57

Rs. in Lakhs

	Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
I.	**Net Liability recognised in the Balance Sheet as at 31 March**		
1.	Present value of defined benefit obligation	**2,129.11**	1,719.23
2.	Fair value of plan assets	**–**	–
3.	**Surplus/(Deficit)**	**2,129.11**	1,719.23
4.	Current portion of the above	**269.94**	252.97
5.	Non-current portion of the above	**1,859.17**	1,466.26
II.	**Change in the obligation during the year ended 31 March**		
1.	Present value of defined benefit obligation at the beginning of the year	**1,719.23**	1,344.25
2.	Expenses Recognised in Profit and Loss Account		
	– Current Service Cost	**484.52**	348.89
	– Past Service Cost	**–**	6.78
	– Interest Expense (Income)	**118.83**	80.24
3.	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	– Actuarial Gain (Loss)	**(10.72)**	119.66
4.	Benefit payments	**(182.75)**	(180.59)
5.	**Present value of defined benefit obligation at the end of the year**	**2,129.11**	1,719.23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal Assumption	For the year ended	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2024**	**100 basis points**	**(108.78)**	**120.70**
	31 March, 2023	100 basis points	(90.22)	100.58
Salary growth rate	**31 March, 2024**	**100 basis points**	**99.17**	**(91.15)**
	31 March, 2023	100 basis points	83.35	(76.21)
Withdrawal rate	**31 March, 2024**	**100 basis points**	**1.18**	**(1.32)**
	31 March, 2023	100 basis points	1.55	(1.72)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Maturity profile of defined benefit obligation:

Rs. in Lakhs

Maturity Profile	**As at 31 March, 2024**	As at 31 March, 2023
Expected benefits for Year 1	**269.94**	252.97
Expected benefits for Year 2	**241.72**	208.23
Expected benefits for Year 3	**214.72**	230.97
Expected benefits for Year 4	**231.27**	234.46
Expected benefits for Year 5	**218.01**	324.20
Expected benefits for Year 6 and above	**811.51**	1,813.78

The weighted average duration of the defined benefit obligation as at 31 March, 2024 is 8.57 years (31 March, 2023 is 8.98 years).

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in Profit or Loss.

(c) Compensated Absences:

Compensated absences charged to Statement of Profit and Loss Rs. 244.44 lakhs (previous year Rs.70.00 lakhs) and liability as at 31 March, 2024 Rs. 658.18 lakhs (As at 31 March, 2023 Rs. 541.22 lakhs).

Note No. 32 - Related Party Transactions

Name of the Related Party and Nature of Relationship

Holding company and ultimate holding company

Bristlecone Worldwide, Inc., formerly known as Bristlecone Limited (Holding company)

Mahindra Holdings Limited (Penultimate Holding company)

Mahindra and Mahindra Limited (Ultimate Holding company)

Subsidiary companies

Bristlecone (Singapore) Pte. Ltd.

Bristlecone GmbH

Fellow subsidiaries (where there are transactions)

Bristlecone Inc.

Mahindra Lifespace Developers Limited

Mahindra USA Inc.

Mahindra Integrated Business Solutions Private Limited

Mahindra Holidays & Resorts India Limited

Mahindra Susten Private Limited

Mahindra and Mahindra Financial Services Limited

Mahindra Agri Solutions Limited

Mahindra Solarize Private Limited

Mahindra TEQO Private Limited

Sustainable Energy Infra Investment Managers Pvt Ltd

Mahindra Last Mile Mobility Limited

Mahindra Rural Housing Finance Limited

Mahindra Insurance Brokers Limited

Others (where there are transactions)

Subsidiary of Joint Venture of Ultimate Holding Company

Mahindra Aerostructures Private Limited

Firm in which Director is a Partner

Khaitan & Co, Mumbai

Key Managerial Personnel

Mr. Ulhas Yargop, Director (till 31 March 2024)

Mr. Dhaval Buch, Director (w.e.f. 15 April 2024)

Ms. Manaswini Goel, Director

Mr. P R Barpande, Independent Director (till 25 November 2022)

Mr. Nikhilesh Panchal, Independent Director

Mr. Mohit Kapoor, Director

Mr. Narayan Iyer - Manager (till 28 July 2023)

Mr. Pankaj Dontamsetty - Manager (w.e.f 02 November 2023)

Mr. Amit Deshmukh - Chief Financial Officer (till 25 January 2024)

Mr. Shrirang Joshi - Chief Financial Officer (w.e.f. 22 April 2024)

Ms. Grisma Biswal - Company Secretary (till 17 November 2022)

Ms. Anusha Singi - Company Secretary (w.e.f 31 January 2023)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Others
Income from services rendered	31 March, 2024	**4,238.30**	**–**	**–**	**39,414.94**	**–**
	31 March, 2023	4,729.99	–	–	35,811.67	–
Reimbursement of expenses paid*	31 March, 2024	**169.68**	**–**	**–**	**–**	**–**
	31 March, 2023	131.26	–	–	14.15	–
Reimbursement of expenses received	31 March, 2024	**25.02**	**–**	**–**	**477.32**	**–**
	31 March, 2023	–	–	–	481.52	
Rental Income	31 March, 2024	**21.00**	**–**	**–**	**–**	**–**
	31 March, 2023	–	–	–	–	–
Professional fees	31 March, 2024	**–**			**31.91**	**–**
	31 March, 2023	–	–	–	33.44	10.00
Subcontracting Charges paid	31 March, 2024	**–**	**–**	**–**	**–**	**–**
	31 March, 2023	–	–	–	15.59	–
Other expenses (Hospitality services)	31 March, 2024	**–**	**–**	**–**	**6.80**	**–**
	31 March, 2023	–	–	–	–	–

* Company has incurred Rs. 0.70 lakhs (31 March, 2023: Rs. 1.00 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Ltd.

Rs. in Lakhs

Nature of transactions with Related Parties	Balance as on	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Others
Receivable balance at the year end.	31 March, 2024	**195.88**	**–**	**–**	**12,324.37**	**–**
	31 March, 2023	160.81	–	–	10,833.86	
Payable balance at the year end.	31 March, 2024	**57.80**	**–**	**–**	**3.08**	**–**
	31 March, 2023	7.63	–	–	32.83	10.00
Unbilled Revenues as at the year end	31 March, 2024	**209.32**	**–**	**–**	**298.95**	**–**
	31 March, 2023	409.51	–	–	42.81	–
Income received in advance	31 March, 2024	**135.95**	**–**	**–**		**–**
	31 March, 2023	146.31	–	–	–	–

Compensation of key managerial personnel

The remuneration of key managerial personnel (KMP) during the year was as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Directors:		
Director Remuneration	**59.00**	61.62
Director Sitting Fees	**2.60**	3.60
KMP Other than Directors:		
Salaries, bonus, etc.	**105.77**	281.00
Post-employment benefits	**–**	–
Other long-term benefits	**–**	–

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashments, as they are determined on an actuarial basis for the Company as a whole.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

Note No. 33 - Additional Disclosures as per Ind-AS 115 Revenue from Contracts with Customers

The table below presents disaggregated revenues from contracts with customers by geography and timing of transfer:

i) Desegregation of revenue

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
By Geography / Regions		
Domestic	**12,988.29**	13,430.16
Export	**39,085.54**	35,777.69
	52,073.83	49,207.85
By Timing of Transfer		
at the point in time	**–**	–
Over the time	**52,073.83**	49,207.85
	52,073.83	49,207.85

ii) Contract balances

Rs. in Lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Opening Receivables	**12,229.33**	12,320.44
Closing Receivables	**13,675.17**	12,229.33
Opening Contract Assets	**1,746.47**	1,186.84
Closing Contract Assets	**1,199.44**	1,746.47
Opening Contract Liabilities	**146.31**	171.04
Closing Contract Liabilities*	**148.70**	146.31
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	**146.31**	171.04

* Expected to fulfil the performance obligation in 0-6 Months.

iii) Company provides 60 to 120 days credit period to customers.

iv) As a practical expedient, the Company has not disclosed the information in paragraph 120 of Ind-AS 115 for a performance obligation since the performance obligation is part of a contract that has an original expected duration of one year or less.

Note No. 34 - Additional Information to the Financial Statements

(a) Disclosure of ratios:

	Particulars	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	% Variance	Reason for variance
(a)	Current Ratio	Current Assets	Current Liabilities	**2.86**	2.40	19.06%	Decrease in trade payables during current year.
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	**–**	–	100.00%	Zero utilization of working capital facility as on year end.
(c)	Debt service coverage ratio	Earnings available for debt service	Debt Service	**6.53**	7.97	–18.00%	Decrease in net profit during the current year.
(d)	Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	**0.18**	0.31	–41.82%	Decrease in net profit during the current year.
(e)	Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	**4.02**	4.01	0.29%	
(f)	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	**6.84**	6.97	–1.83%	
(g)	Net capital turnover ratio	Net Sales	Working Capital	**4.29**	5.26	–18.39%	Increase in working capital during the current year.
(h)	Net profit ratio	Net Profit	Net Sales	**0.05**	0.07	–30.47%	Decrease in net profit during the current year.
(i)	Return on capital employed	Earning before interest and taxes	Capital Employed	**0.24**	0.40	–40.08%	Decrease in EBITDA during current year.
(j)	Return on investment						
	Fixed Deposits	Interest Income on Fixed Deposits	Average Fixed Deposit Investment for the year	**0.01**	–	100.00%	No fixed deposits in previous year.

Earning available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of PPE etc.

Debt service = Interest & Lease Payments + Principal Repayments

Working capital = current assets minus current liabilities.

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (contd.)

(b) Remuneration to auditors (excluding GST)

Rs. in Lakhs

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
As auditor		
Audit Fee	**13.90**	13.90
Tax and Transfer Pricing audit fee	**2.10**	3.35
In other capacities		
Tax Litigation and Other Matters	**14.88**	6.00
Reimbursement of expenses		
Out of Pocket expenses	**0.18**	0.13
	31.06	23.38

(c) Transactions with struck off Companies:

There are no transactions with struck off companies during the current and previous financial years.

(d) Previous Year Groupings

Previous Year's figures have been regrouped / rearranged wherever necessary in order to confirm to current year's groupings and classifications..

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place : Mumbai
Date : 22 April, 2024

For and on behalf of the Board of Directors

Dhaval Buch
Director
DIN: 00106813

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Shrirang Joshi
Chief Financial officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place : Mumbai
Date : 22 April, 2024

AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Details	
	Name of the subsidiary	**Bristlecone (Singapore) Pte. Ltd.**	**Bristlecone GmbH**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31 March, 2024	Year ended 31 March, 2024
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Curr: SGD Exchange Rate 1 SGD= INR 61.88	Reporting Curr: EUR Exchange Rate 1 EUR= INR 90.24
3.	Share capital	103,339,600	4,512,000
4.	Reserves & surplus	2,324,460	542,728,688
5.	Total assets	107,079,318	684,109,457
6.	Total Liabilities	107,079,318	684,109,457
7.	Investments	–	–
8.	Turnover	10,360,630	724,572,039
9.	Profit before taxation	1,887,216	59,442,084
10.	Provision for taxation	26,113	17,645,390
11.	Profit after taxation	1,861,103	41,796,695
12.	Proposed Dividend	–	–
13.	% of shareholding	100%	100%

1 Names of subsidiaries which are yet to commence operations: **None**

2 Names of subsidiaries which have been liquidated or sold during the year: **None**

Part "B": Associates and Joint Ventures: Not Applicable

NIL

For and on behalf of the Board of Directors

Dhaval Buch
Director
DIN: 00106813

Manaswini Goel
Director
DIN: 08142619

Nikhilesh Panchal
Director
DIN: 00041080

Mohit Kapoor
Director
DIN: 06653273

Shrirang Joshi
Chief Financial Officer

Anusha Singi
Company Secretary
Membership No.: A54717

Place : Mumbai
Date : 22 April, 2024

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors

Bristlecone Consulting Limited

Opinion

We have audited the financial statements of Bristlecone Consulting Limited (a wholly owned subsidiary of Bristlecone worldwide Inc.) (the "Company") which comprise the balance sheets as of March 31, 2024 and 2023, and the related statements of comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Place: Kolkata, India

Date: April 18, 2024

Grant Thornton Bharat LLP

BALANCE SHEETS

Particulars	Notes	As at March 31, 2024 (CAD$)	As at March 31, 2023 (CAD$)
Assets			
Current assets			
Cash and cash equivalents	B	**445,951**	559,290
Accounts receivable–Due from related parties	C	**205,776**	36,658
Other current assets		150	150
Total current assets		**651,877**	596,098
Non-current assets			
Property and equipment, net	D	**2,060**	–
Total non-current assets		**2,060**	–
Total assets		**653,937**	596,098
Liabilities and stockholders' equity			
Current liabilities			
Income tax payable		**26,182**	16,818
Accrued expenses and other current liabilities	E	**92,779**	58,120
Total current liabilities		**118,961**	74,938
Stockholders' equity			
Common stock, no par value 1 shares authorized and 1 shares issued as of March 31, 2024 and March 31, 2023	F	**1**	1
Retained earnings		**534,975**	521,159
Total stockholders' equity		**534,976**	521,160
Total liabilities and stockholders' equity		**653,937**	596,098

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Particulars	**Notes**	**Year ended March 31, 2024 (CAD$)**	Year ended March 31, 2023 (CAD$)
Revenue	**3.6**	**537,719**	333,602
Operating expenses			
Cost of revenue		**462,410**	275,907
Selling, general and administrative expenses		**26,160**	27,260
Depreciation		**265**	–
Total operating expenses		**488,835**	303,167
Operating profit / (loss)		**48,884**	30,435
Other income/(expense)			
– Other		**–**	(107)
Profit / (loss) before income tax expense		**43,998**	63,357
Tax Expense			
(a) Current Tax	**3.8**	**29,744**	16,818
(b) Deferred Tax		**438**	–
Net profit/(loss)		**13,816**	46,539
Other comprehensive income		**–**	–
Total comprehensive income		**13,816**	46,539

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Particulars	Common stock				Additional paid-in capital	Retained earnings	Total stockholders' equity
	Authorized		Issued and outstanding				
	Shares	Amount (CAD$)	Shares	Amount (CAD$)	Amount (CAD$)	Amount (CAD$)	Amount (CAD$)
Balance as at April 1, 2022	1	1	1	1	–	474,620	474,621
Net (loss) for the year	–	–	–	–	–	46,539	46,539
Balance as at March 31, 2023	**1**	**1**	**1**	**1**	**–**	**521,159**	**521,160**
Net profit for the year	–	–	–	–	–	13,816	13,816
Balance as at March 31, 2024	**1**	**1**	**1**	**1**	**–**	**534,975**	**534,976**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Particulars	**Year ended March 31, 2024 (CAD$)**	Year ended March 31, 2023 (CAD$)
Cash flow from operating activities		
Net profit / (loss)	**13,816**	46,539
Adjustments to reconcile net profit / (loss) to net cash provided by/ (used in) operating activities		
Exchange gain on translation of foreign currency cash and cash equivalents	**(2,553)**	34,183
Depreciation and Amortisation	**265**	–
Changes in operating assets and liabilities		
Accounts receivable, related party	**(169,118)**	(36,658)
Accrued expenses and other current liabilities	**34,658**	3,671
Accounts payable, related party	**–**	(4,438)
Income tax	**9,364**	46,501
Net cash provided by operating activities	**(113,568)**	89,798
Cash flow from investing activities		
Purchase of Property, Plant and Equipments	(2,325)	–
Net cash used in financing activities	**–**	–
Net increase in cash and cash equivalents	**(115,892)**	89,798
Cash and cash equivalents at the beginning of the year	**559,290**	503,675
Exchange gain on translation of foreign currency cash and cash equivalents	**2,553**	(34,183)
Cash and cash equivalents at the end of the year	**445,951**	559,290
Supplemental cash flow information		
Income taxes paid/(refund)	**4,000**	(29,683)

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 AND MARCH 31, 2023

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone Consulting Limited (the "Company") is engaged in providing technology solutions and consulting services, with operations and customers primarily in North America and Canada. The Company's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Company also provides application outsourcing services, data management services and development and integration services to independent software vendors.

2. GENERAL INFORMATION

The Company was incorporated under the laws of Canada on June 1, 2010. The Company is a wholly-owned subsidiary of Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited). Mahindra & Mahindra Limited, an Indian Company is the Company's ultimate parent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

3.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

These financial statements have been presented in Canadian Dollars ('CAD$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for allowances for uncollectable amounts, efforts to completion for fixed price projects and provision for variable pay represent certain of these particularly sensitive estimates.

3.3. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recorded in the statement of comprehensive income.

The entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

There are foreign currency receivable outstanding at the year end amounting to CAD$ 205,776 (2023: CAD$ 36,658).

3.4. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash comprises balance held with banks.

3.5. ACCOUNTS RECEIVABLE

Effective April 1, 2023, the Company has adopted, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2022-02 Financial Instrument – Credit losses (ASC – 326), which changes the methodology to be used to measure credit losses for certain financial instruments and financial assets, including trade receivables. The new methodology requires the recognition of an allowance that reflects the current estimate of credit losses expected to be incurred over the life of the financial asset.

Accounts receivables are stated at the net amount expected to be collected. The allowance for doubtful accounts reflects the current estimate of expected credit losses to be incurred over the life of the accounts receivable. The company considers various factors in establishing, monitoring, and adjusting its allowance for doubtful accounts, including the aging of the accounts and aging trends, the historical level of charge-offs, and specific exposures related to customers. The company also monitors other risk factors and forward-looking information, when determining credit limits for customers and establishing adequate allowances. The allowance for doubtful debts was nil as on March 31, 2024 and March 31, 2023.

3.6. REVENUE RECOGNITION

The Company is principally engaged in Business Consulting, Software Implementation and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenues with respect to time and material contracts are recognized on input method basis i.e. based on time /efforts spent.
- Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- Revenue from the sale of third- party software is recognised upfront at the point in time when the software is delivered to the customer.
- Unbilled receivables represents revenues recognized for services rendered between the last billing date and the balance sheet date.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation ,or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation ,accumulative adjustment is accounted for.
- The Company also recognises revenue on cost-plus method wherein the selling price is determined by adding a specific fixed percentage (a "markup") on the cost.
- Payment terms - All contracts entered into by the Company specify the payment terms and are defined for each contract separately. Usual payment terms range between 30-120 days. The Company does not have any extended payment terms clauses in existing contracts.

Use of significant estimates and judgments

Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

3.7. COST OF REVENUES

Cost of revenues comprises salaries and employee benefits, sub-contractor fees, off-shore consultancy charges, project related travel and other costs.

3.8. INCOME TAXES

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	March 31, 2024 CAD$	March 31, 2023 CAD$
Bank balances	**445,951**	559,290

Cash balances of the Company are held in checking accounts, which are non-interest bearing, and as per the Canada Deposit Insurance Corporation Act, all non-interest bearing transaction accounts are guaranteed by the CDIC for CAD$ 100,000 per depositor for Bank of Nova Scotia.

As at March 31, 2024, the Company has CAD$ 345,951 (2023: CAD$ 459,290) as balances in excess of the insured amount.

NOTE C – RELATED PARTY TRANSACTIONS

1. List of related parties and their relationships (where there are transactions):

Name of related party	Relationship
Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)	Holding Company
Bristlecone, Inc.	Fellow Subsidiary

2. Related party transactions and balances:

Name of related party	Nature of transaction/balance	Amount in CAD($)	
		March 31, 2024	March 31, 2023
Bristlecone Inc	Subcontracting services provided	**537,719**	333,602
Bristlecone Inc	Amount receivable as at year end	**205,776**	36,658

Note D – PROPERTY AND EQUIPMENT, NET

Particulars	March 31, 2024 CAD$	March 31, 2023 CAD$
Computer Equipment	**2,325**	–
Less: Accumulated depreciation	**(265)**	–
Property and Equipment, net	**2,060**	–

Note E – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise of the following:

Particulars	March 31, 2024 CAD$	March 31, 2023 CAD$
Accrued expenses	**12,491**	11,213
Employee related Provision	**80,288**	46,907
	92,779	58,120

NOTE F – STOCKHOLDERS' EQUITY

The Company's authorized stock comprised of unlimited number of common shares without nominal or par value, out of which 1 common share was issued and outstanding as at March 31, 2024 and March 31, 2023 which is held entirely by the Holding Company, Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited). They entitle the holder to participate in dividend, and share in the proceeds of winding-up the Company in proportion to the number of and amount paid on the shares held.

NOTE G – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, accounts payable and accrued expenses approximated their fair values due to their short maturities.

NOTE H – CONTINGENCIES

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies". It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

NOTE I – RECENT ACCOUNTING PRONOUNCEMENT

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The standard will be effective for nonpublic companies for fiscal years beginning after December 15, 2025. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In October 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-06, "Disclosure Improvements-Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." This ASU modified the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC's regulations. This guidance is effective for the Company no later than June 30, 2027. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In March 2023, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") to give private companies and certain not-for-profit entities the flexibility to use the written terms and conditions of a common control arrangement, rather than the legally enforceable terms, to determine whether a lease exists and to classify and account for the lease. This ASU is effective for fiscal years beginning after 15 December 2023, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

NOTE J SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 18, 2024, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Independent Auditors' Report to the Members of Bristlecone (Malaysia) Sdn. Bhd.

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 6 to 30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

NEXIA SSY PLT	**Bavany a/p Chellappan**
201906000679 (LLP0019490-LCA) & AF 002009	No. 03138/09/2025 J
Chartered Accountants	Chartered Accountant

Shah Alam
16 April 2024

Statement of Financial Position as at 31 March 2024

	Note	2024 RM	2023 RM
ASSETS			
Current assets			
Trade receivables	6	**87,461**	86,108
Other receivables and deposits	7	**4,298**	4,298
Tax recoverable		**26,260**	100,416
Cash and bank balances		**970,232**	840,468
TOTAL ASSETS		**1,088,251**	1,031,290
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	8	**500,000**	500,000
Retained earnings		**517,973**	495,591
TOTAL EQUITY		**1,017,973**	995,591
Current liabilities			
Trade payables	9	**45,080**	12,805
Other payables and accruals	10	**25,198**	22,894
TOTAL LIABILITIES		**70,278**	35,699
TOTAL EQUITY AND LIABILITIES		**1,088,251**	1,031,290

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 31 March 2024

	Note	**2024 RM**	2023 RM
Revenue	11	**306,162**	385,963
Cost of services		**(244,930)**	(312,487)
Gross profit		**61,232**	73,476
Administrative expenses		**(38,850)**	(65,299)
Profit before taxation	12	**22,382**	8,177
Taxation	13	**–**	–
Profit for the year		**22,382**	8,177

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2024

	Note	Share capital RM	Retained earnings RM	Total RM
At 1 April 2023		**500,000**	**495,591**	**995,591**
Profit for the year		**–**	**22,382**	**22,382**
At 31 March 2024		**500,000**	**517,973**	**1,017,973**
At 1 April 2022		500,000	487,414	987,414
Profit for the year		–	8,177	8,177
At 31 March 2023		500,000	495,591	995,591

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2024

	2024 RM	2023 RM
Cash flows from operating activities		
Profit before taxation	**22,382**	8,177
Adjustments for:		
Depreciation of plant and equipment	**–**	1,558
Plant and equipment written off	**–**	1,842
Unrealised gain on foreign exchange	**(266)**	(494)
Operating profit before working capital changes	**22,116**	11,083
(Increase)/decrease in trade and other receivables	**(1,353)**	1,034,700
Increase/(decrease) in trade and other payables	**34,845**	(825,254)
Cash generated from operations	**55,608**	220,529
Income tax paid	**–**	(26,260)
Income tax refund	**74,156**	28,895
Net cash generated from operating activities	**129,764**	223,164
Cash flows from investing activities		
Net cash used in investing activities	**–**	–
Cash flows from financing activities		
Net cash used in financing activities	**–**	–
Net increase in cash and cash equivalents	**129,764**	223,164
Cash and cash equivalents at beginning of the year	**840,468**	617,304
Cash and cash equivalents at end of the year	**970,232**	840,468
Cash and cash equivalents comprise:		
Cash at bank	**970,232**	840,468

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2024

1. Corporate information

The Company is a private limited company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Suite 8.01, Level 8, Menara Binjai, No. 2 Jalan Binjai, 50450 Kuala Lumpur, Malaysia.

The principal activities of the Company are to act as information technology service advisors, business consultants and implementers of computerised systems and to render a full range of information technology services including application and programming services, computer networks and other forms of computer and electronic technology services, administration and management control, technical, scientific and operational assistance, systems design, project management and technical training of personnel, management of a computer and electronic service facility and generally, any type of business or activity relating to the information technology and electronic industry and to provide support and training in connection therein.

The Directors regard Bristlecone Worldwide, Inc a corporation incorporated in United States, as the immediate holding corporation, Mahindra Holding Limited, a corporation incorporated in India, as the penultimate holding corporation and Mahindra & Mahindra Ltd., a corporation incorporated in India, as the ultimate holding corporation.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 16 April 2024.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Material accounting policy information

All material accounting policy information set out below are consistent with those applied in the previous financial year, except as disclosed in Note 4.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

(b) Equity instruments

Ordinary shares are classified as equity instruments. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(c) Provision for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(d) Revenue recognition

The Company recognise revenue from contracts with customers for the sale of goods and provision of services based on the five-step model as set out below:

i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

iii Determine the transaction price. The transaction price is the amount of consideration to which the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expect to be entitled in exchange for satisfying each performance obligation.

v Recognise revenue when (or as) the Company satisfy a performance obligation.

The Company satisfy a performance obligation and recognise revenue over time if the Company's performance:

i Do not create an asset with an alternative use to the Company and have an enforceable right to payment for performance completed to-date; or

ii Create or enhance an asset that the customer controls as the asset is created or enhanced; or

iii Provide benefits that the customer simultaneously receives and consumes as the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue from contracts with customers

a. Sale of goods/services

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Company transfers controls of the goods or services promised in a contract and the customer obtains control of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(e) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(f) Impairment of non-financial assets

The Company assess at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company make an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or Companys of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or Companys of units and then, to reduce the carrying amount of the other assets in the unit or Companys of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(g) Foreign currency

i Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

ii Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial period end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial period end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2024	2023
	RM	RM
1 United States Dollar (USD)	**4.73**	4.42

(h) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, deposits with financial institutions, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as assets or liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

i **Financial assets measured at amortised cost**

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

ii **Financial assets measured subsequently at fair value**

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Company's or the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Company.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

ii **Other financial liabilities**

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(i) Impairment of financial assets

At each financial year end, the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are Companyed on the basis of similar risk characteristics.

The Company considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Company and all the cash flows that the Company expect to receive.

The Company measure the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

Financial liabilities at FVTPL

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Company measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occuring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Company apply the simplified approach in accordance with MFRS 9 Financial Instruments and measure the allowance for impairment loss based on a 12-months expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

(k) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest methods and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the financial year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, plant and Equipment’ policy.

(l) Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations ("MFRS")

MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentations of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income Taxes	1 January 2023

MFRSs that have been issued but only effective for financial period beginning on 1 April 2024 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 10:	Consolidated Financial Statement	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

5. Significant accounting estimates

Key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Loss allowances for financial assets

The Company recognises impairment losses for receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and result.

(b) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. Trade receivables

	2024 RM	2023 RM
Third parties	**87,461**	86,108

Trade receivables are non-interest bearing and the average credit period of 30 to 60 days (2023:30 to 60 days) according to the terms agreed with the customers.

7. Other receivables and deposits

	2024 RM	2023 RM
Deposit	**2,518**	2,518
Prepayment	**1,780**	1,780
	4,298	4,298

8. Share capital

	2024 Unit	2023 Unit	**2024 RM**	2023 RM
Issued and fully paid ordinary shares				
At beginning/end of the year	**500,000**	500,000	**500,000**	500,000

9. Trade payables

	2024 RM	2023 RM
Related companies	**45,080**	12,805

Trade payables are non-interest bearing and the average credit period on purchases of goods is 60 to 120 days (2023: 60 to 120 days) days according to the terms agreed with the suppliers

The currency exposure profile of trade payables of the Company is as follows:

	2024 RM	2023 RM
United States Dollar	**45,080**	12,805

10. Other payables and accruals

	2024 RM	2023 RM
Other payables	**7,432**	5,722
Provision for expenses	**17,766**	17,172
	25,198	22,894

11. Revenue

	2024 RM	2023 RM
Rendering of services	**306,162**	385,963

12. Profit before taxation

	2024 RM	2023 RM
Profit before taxation is arrived at after charging/(crediting):		
Auditors' remuneration	**10,000**	10,000
Loss on foreign exchange – realised	**5,639**	6,216
Unrealised gain on foreign exchange	**(266)**	(494)
Depreciation of plant and machinery	**–**	1,558
Plant and machinery written off	**–**	1,842
Rental of premises	**9,492**	9,587

13. Taxation

No taxation has been provided for the financial year as the Company has no chargeable income.

The reconciliation of income tax expense applicable to the results of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2024 RM	2023 RM
Profit before taxation	**22,382**	8,177
Tax at Malaysian statutory tax rate of 24%	**5,372**	1,962
Tax effects of:		
– expenses not deductible for tax purposes	**–**	7,674
– non taxable income	**(64)**	–
– utilization of deferred tax assets not recognized previously	**(5,308)**	(9,636)
Tax expense for the year	**–**	–

Deferred tax asset have not been recognised in respect of the following items:

	2024 RM	2023 RM
Unabsorbed tax losses	**124,892**	130,200

The above deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the Company can recover all or part of these assets.

The unutilised tax losses are availabe for offset againts future taxable profits of the Company which will expire in the following year of assessment:

	2024 RM	2023 RM
2028	**498,353**	520,469
2031	**22,029**	22,029
	520,382	542,498

14. Significant related party transactions

Significant transactions with related corporations during the year comprise the following:

	2024 RM	2023 RM
Services rendered by related corporations:		
Bristlecone Inc	**244,930**	160,033

15. Non-cancellable operating lease commitment

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at financial year end but not recognised as liabilities are as follows:

	2024 RM	2023 RM
<u>Rental of virtual office</u>		
Future minimum rentals payments:		
Not later than 1 year	**1,582**	5,337

16. Financial risk management policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company is exposed to credit risk primarily from their trade receivables, other receivables which are financial assets, fixed deposits and cash and bank balances.

As at the current and previous financial year end, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statements of financial position.

For fixed deposits, cash and bank balances, the Company minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit ratings only. The Company closely monitors the credit worthiness of their counterparties by reviewing their credit ratings and credit profiles on a regular basis. Receivables are monitored to ensure that exposure to bad debts is minimised.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Company does not offer credit terms without the specific approval from the Head of Credit Control. Since the Company trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Fixed deposits and cash and bank balances

The Company's fixed deposits and cash and bank balances at the financial year end are as follows:

	RM
At 31 March 2024	
Cash and bank balances	**970,232**
At 31 March 2023	
Cash and bank balances	840,468

No expected credit loss on the Company's balances were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

Receivables

The ageing analysis of the Company's gross receivables (before deducting allowance for impairment loss) are as follows:

				Not credit impaired				
					Past due			
	Note	Total RM	Credit impaired RM	Not past due RM	1-60 days RM	61-120 days RM	>120 days RM	Total RM
At 31 March 2024								
Trade receivables	6	**87,461**	**-**	**87,461**	**-**	**-**	**-**	**-**
Other receivables which are financial assets	7	**2,518**	**-**	**2,518**				**-**
		89,979	**-**	**89,979**	**-**	**-**	**-**	**-**
At 31 March 2023								
Trade receivables	6	86,108	-	54,921	31,187	-	-	31,187
Other receivables which are financial assets	7	2,518	-	2,518	-			-
		88,626	-	57,439	31,187	-	-	31,187

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Company. The Company's trade receivables credit term ranges from 30 days to 60 days in prior year.

Other receivables which are financial assets consist of deposits.

None of the Company's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years. Receivables are not secured by any collaterals or credit enhancements.

Credit risks concentration profile

The Company's concentration of credit risks relates to an amount owing by 1 (2023: 1) major customer which constituted 100% (2023: 100%) of its trade receivables at the end of the previous reporting period.

As at the end of the previous reporting period, the maximum exposure of credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

(b) Foreign currency risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly United States Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The following table shows the accumulated amount of financial assets in foreign currency:

	Note	USD RM 2024	USD RM 2023
Financial liabilities			
Trade payables	9	**(45,080)**	**(12,805)**
Net financial liabilities		**(45,080)**	**(12,805)**

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period with all other variables held constant is as follows:

	Increase/ (decrease) in the Company's results 2024 RM	Increase/ (decrease) in the Company's result 2023 RM
Effects on profit after taxation:		
USD/RM – Strengthened by 5%	**(1,713)**	(487)
USD/RM – Weakened by 5%	**1,713**	487

(c) Liquidity risks

The Company manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements. In addition, the Company strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Company raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The table below summarises the maturity profile of the Company's liabilities at the financial period end based on contractual undiscounted repayment obligations.

	Note	Carrying amount	Contractual undiscounted cash flow	Maturity: Less than 1 period	Maturity: Between 2 and 5 periods
2024		**RM**	**RM**	**RM**	**RM**
Trade payables	9	**45,080**	**45,080**	**45,080**	**–**
Other payables and accruals	10	**25,198**	**25,198**	**25,198**	**–**
		70,278	**70,278**	**70,278**	**–**
2023					
Trade payables	9	12,805	12,805	12,805	–
Other payables and accruals	10	22,894	22,894	22,894	–
		35,699	35,699	35,699	–

(d) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

17. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")

(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
2024			
Non-derivative financial assets			
Trade receivables	**87,461**	**87,461**	**–**
Other receivables and deposits	**2,518**	**2,518**	**–**
Cash and bank balances	**970,232**	**970,232**	**–**
	1,060,211	**1,060,211**	**–**
Non-derivative financial liabilities			
Trade payables	**45,080**	**45,080**	**–**
Other payables and accruals	**25,198**	**25,198**	**–**
	70,278	**70,278**	**–**
2023			
Non-derivative financial assets			
Trade receivables	86,108	86,108	
Other receivables and deposits	2,518	2,518	–
Cash and bank balances	840,468	840,468	–
	929,094	929,094	–
Non-derivative financial liabilities			
Trade Payables	12,805	12,805	–
Other payables and accruals	22,894	22,894	–
	35,699	35,699	–

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Padamnath Somnath Pandit and Lisa Anne Lesko, being two of the Directors of Bristlecone (Malaysia) Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 6 to 30 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 April 2024.

Padamnath Somnath Pandit
Director

Lisa Anne Lesko
Director

Statutory Declaration
Pursuant to Section 251(1) of the Companies Act 2016

I, Padamnath Somnath Pandit, being the Director primarily responsible for the financial management of Bristlecone (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 6 to 30 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of Texas Notary Rules.

Subscribed and solemnly declared by the abovenamed Padamnath Somnath Pandit at Dallas in the state of Texas, USA on 16 April 2024.

Padamnath Somnath Pandit
Director

Before me,

To the general shareholders‘ meeting of
BRISTLECONE INTERNATIONAL AG
Rheinweg 7
8200 Schaffhausen

REPORT OF THE STATUTORY AUDITOR ON THE LIMITED STATUTORY EXAMINATION OF THE FINANCIAL STATEMENTS FOR THE YEAR 2023/2024

(for the period from 01. April 2023 to 31. March 2024)

17 April 2024

Report of the statutory auditor on the limited statutory examination to the general shareholders’ meeting of **BRISTLECONE INTERNATIONAL AG, Schaffhausen**

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of BRISTLECONE INTERNATIONAL AG for the financial year ended 31 March 2024.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company’s articles of incorporation.

Bern, 17 April 2024

BDO Ltd

Sandra Leumann	**i. V. Ruby Albala**
Auditor in Charge	
Licensed Audit Expert	

Enclosure

Financial statements and proposal appropriation of available earnings

BALANCE SHEET AS PER 31 MARCH

ASSETS	2024 CHF	2023 CHF
Current assets		
Cash and cash equivalents	**871,165.65**	299,867.40
Accounts receivables due from third parties	**1,034,743.12**	777,964.80
Other receivables	**35,922.64**	66,976.67
Services in progress	**265,307.18**	334,285.78
Accrued income and prepaid expenses	**98,555.00**	58,226.34
	2,305,693.59	1,537,320.99
Non current assets		
Financial assets group companies	**1,809,600.00**	1,827,500.00
Financial assets third parties	**6,035.28**	6,034.02
Office equipment	**946.30**	1,577.30
Non paid up share capital	**50,000.00**	50,000.00
	1,866,581.58	1,885,111.32
TOTAL ASSETS	**4,172,275.17**	3,422,432.31
LIABILITIES AND SHAREHOLDER’S EQUITY		
Liabilities		
Accounts payable due to		
group companies	**1,220,564.34**	421,156.61
third parties	**–**	7,261.10
Other payables	**39,452.39**	8,695.77
Deferred income and accrued expenses	**346,654.85**	691,403.44
Short term liabilities	**1,606,671.58**	1,128,516.92
Shareholder’s equity		
Share capital	**100,000.00**	100,000.00
Statutory reserves	**50,000.00**	50,000.00
Voluntary retained earnings		
– Balance brought forward from prior year	**2,143,915.39**	2,055,282.11
– Result for the period	**271,688.20**	88,633.28
Total voluntary retained earnings	**2,415,603.59**	2,143,915.39
Total shareholder’s equity	**2,565,603.59**	2,293,915.39
TOTAL LIABILITIES AND SHAREHOLDER’S EQUITY	**4,172,275.17**	3,422,432.31

Bristlecone International AG

Schaffhausen

(Signature/s)

INCOME STATEMENT FOR THE YEAR ENDED

	2023/24 CHF	2022/23 CHF
Income from services	**4,026,657.60**	1,995,894.23
Changes services in progress	**291,865.07**	(92,548.47)
Change for doubtful debts	**(11,690.20)**	60,097.53
Net income	**4,306,832.47**	1,963,443.29
Services expenses	**(3,295,788.75)**	(1,327,419.71)
Gross result I	**1,011,043.72**	636,023.58
Personnel expenses	**(594,947.19)**	(397,759.38)
Gross result II	**416,096.53**	238,264.20
Rental expenses	**(21,514.65)**	(20,107.35)
Administrative expenses	**(14,934.67)**	(13,927.63)
Consulting, accounting and audit fees	**(54,964.80)**	(44,038.79)
Operating result before depreciation	**324,682.41**	160,190.43
Depreciation	**(631.00)**	(464.22)
Operating result (level EBIT)	**324,051.41**	159,726.21
Financial income	**40,717.26**	41,683.05
Financial expenses	**(94,430.82)**	(115,525.98)
Other income	**1,332.75**	1,675.00
Result before taxes	**271,670.60**	87,558.28
Taxes	**17.60**	1,075.00
Result for the year	**271,688.20**	88,633.28

Bristlecone International AG

Schaffhausen

(Signature/s)

NOTES TO THE FINANCIAL STATEMENTS AS PER 31 MARCH

Accounting principles applied in the preparation for the financial statements

These financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013).

Disclosure on balance sheet items	2024 CHF	2023 CHF
Services in progress	**265,307.18**	334,285.78

The services in progress are valued as below:-
a) Fixed Price Projects - Based on the percentage-of-completion method
b) Time & Material Projects - Based on the efforts and customer approved billing rate card

Full-time equivalents

The annual average number of full-time equivalents for the reporting period, as well as the previous year, were below 10.

Other Information

With effect from 3 April 2023, Bristlecone Limited, the immediate holding company has been deregistered in Cayman Island and domesticated to the United States with a new name, Bristlecone Worldwide, Inc.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER 31 MARCH

	2024 CHF	2023 CHF
Balance brought forward from prior year	**2,143,915.39**	2,055,282.11
Result for the period	**271,688.20**	88,633.28
Total voluntary retained earnings	**2,415,603.59**	2,143,915.39
Motion of the board of directors:		
Balance to be carried forward to new period	**2,415,603.59**	2,143,915.39

Bristlecone International AG

Schaffhausen

(Signature/s)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTLECONE UK LIMITED

Opinion

We have audited the financial statements of Bristlecone UK Limited (the 'Company') for the year ended 31 March 2024, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- General Data Protection Regulations; and
- UK tax legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures. The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non- compliance with laws and regulations. The assessment did not identify any issues in this area. We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the measures management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the potential for fraud in the following areas:

- The use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests; or
- Posting of unusual journals and complex transactions.

The carrying out of our assessment, and the procedures adopted in response, are not, in themselves, indicative of a high risk of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Robin Hopkins FCA (Senior Statutory Auditor)
for and on behalf of Menzies LLP
Chartered Accountants
Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Date: 11 April 2024

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Turnover	**13,305**	74,397
Cost of sales	**–**	(44,121)
Gross Profit	**13,305**	30,276
Administrative expenses	**(13,560)**	(13,211)
Operating (loss)/profit	**(255)**	17,065
Interest receivable and similar income	**3,435**	–
Profit before tax	**3,180**	17,065
Profit after tax	**3,180**	17,065
Retained earnings at the beginning of the year	**(1,735,515)**	(1,752,580)
	(1,735,515)	(1,752,580)
Profit for the year	**3,180**	17,065
Retained earnings at the end of the year	**(1,732,335)**	(1,735,515)

The accompanying notes are an integral part of the financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	**2024** £	2023 £
Tangible assets	**4**	**–**	–
		–	–
Current assets			
Debtors: amounts falling due within one year	**5**	**2,891**	655
Bank and cash balances		**623,380**	620,602
		626,271	621,257
Creditors: amounts falling due within one year	**6**	**(8,606)**	(6,772)
Net current assets		**617,665**	614,485
Total assets less current liabilities		**617,665**	614,485
Net assets		**617,665**	614,485
Capital and reserves			
Called up share capital		**2,350,000**	2,350,000
Profit and loss account		**(1,732,335)**	(1,735,515)
		617,665	614,485

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Padamnath Somnath Pandit
Director
Date: 11-Apr-2024

The accompanying notes are an integral part of the financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Bristlecone UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover represents the invoiced amounts of services provided and it is stated net of Value Added Tax.

Revenue for software services is recognised on the basis of services rendered. For time and material contracts, invoices are raised on the basis of customer approved timesheets. For fixed price projects, invoices are raised for prescribed milestones acheived on the basis of acceptance/sign-off received from the customer. Revenue on fixed price contracts is recognised based on the percentage completion method.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery - 50%

Computer equipment - 50%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

3. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2023 - £NIL).

4. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
At 1 April 2023	104	26,195	26,299
Disposals	(104)	(26,195)	(26,299)
At 31 March 2024	–	–	–
At 1 April 2023	104	26,195	26,299
Disposals	(104)	(26,195)	(26,299)
At 31 March 2024	–	–	–
Net book value			
At 31 March 2024	–	–	–
At 31 March 2023	–	–	–

5. Debtors

	2024 £	2023 £
Amounts owed by group undertakings	**1,616**	–
Prepayments and accrued income	**825**	563
Tax recoverable	**450**	92
	2,891	655

6. Creditors: Amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	**8,606**	6,772
	8,606	6,772

7. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

8. Ultimate Controlling party

With effect from 3 April 2023, Bristlecone Limited, the immediate holdings company has been deregistered in Cayman Island and domesticated to the United States of America with a new name, Bristlecone Worldwide, Inc.

The Directors consider the company's ultimate holding company and controlling party to be Mahindra & Mahindra Limited which is incorporated in India.

The company's results are included in the consolidated financial statements of Mahindra & Mahindra Limited which are publicly available from Gateway Building, Apollo Bunder, Mumbai 400 001, India.

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover	**13,305**	74,397
CoS subcontractors	**–**	(44,121)
Gross profit	**13,305**	30,276
Gross profit %	**100.0%**	40.7%
Less: overheads		
Administration expenses	**(13,560)**	(13,211)
Operating (loss)/profit	**(255)**	17,065
Interest receivable	**3,435**	–
Profit for the year	**3,180**	17,065

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover		
Sales	**13,305**	74,397
	13,305	74,397

	2024 £	2023 £
Administration expenses		
Legal and professional	**6,406**	6,452
Auditors' remuneration	**6,600**	3,300
Bank charges	**263**	437
Difference on foreign exchange	**256**	2,987
Rates	**35**	35
	13,560	13,211

	2024 £	2023 £
Interest receivable		
Bank interest receivable	**3,435**	–
	3,435	–

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors Bristlecone, Inc.

Opinion

We have audited the financial statements of Bristlecone, Inc. (the “Company”) (a California Corporation and a wholly owned subsidiary of Bristlecone Worldwide Inc.) (formerly known as Bristlecone Limited) which comprise the balance sheets as of March 31, 2024 and 2023, and the related statements of comprehensive income, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton Bharat LLP

Place: Kolkata, India
Date: April 29, 2024

BALANCE SHEETS

Particulars	Notes	As at March 31, 2024 (US$)	As at March 31, 2023 (US$)
ASSETS			
Current assets			
Cash and cash equivalents	B	**7,877,943**	6,049,797
Accounts receivable, net and contract assets	C		
– Due from related party		**1,827,270**	1,191,531
– Contract assets		**1,542,768**	1,058,022
– Others		**16,230,791**	21,091,550
Loan to related parties	G	**5,000,000**	5,000,000
Prepaid Expenses		**625,047**	875,280
Others Current assets			
– Due from related party	M	**612,628**	259,452
– Others		**69,319**	117,172
Total current assets		**33,785,766**	35,642,804
Non-current assets			
Property and equipment, net	D (A)	**1,180,188**	1,659,459
Intangible assets, net	D (B)	**1,175**	11,731
Operating lease right to use assets, net		**825,156**	1,136,595
Advance Income Tax		**3,215**	131,287
Deferred tax assets, net	F	**1,371,537**	1,372,771
Other assets		**170,147**	141,523
Total non-current assets		**3,551,418**	4,453,366
Total assets		**37,337,184**	40,096,170
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable:			
– Due to related parties	M	**15,538,654**	13,367,397
– Others		**714,387**	1,136,228
Employee related liabilities		**4,516,183**	5,123,060
Accrued expenses	E	**1,226,523**	1,647,860
Provision for income tax expense		**414,947**	1,136,212
Unearned revenue		**2,495,044**	1,980,169
Lease liability	L	**491,975**	455,596
Total current liabilities		**25,397,713**	24,846,522
Non Current liabilities			
Long term lease liability	L	**802,118**	1,294,093
Total non current liabilities		**802,118**	1,294,093
Total liabilities		**26,199,831**	26,140,615
Stockholders' equity, including convertible preference shares	H		
Series A preferred stock, convertible, no par value 865,540 shares authorized and 865,540 shares issued as of March 31, 2024 and March 31, 2023		**774,518**	774,518
Series B preferred stock, convertible, no par value 3,628,960 shares authorized and 2,749,995 shares issued as of March 31, 2024 and March 31, 2023		**5,939,606**	5,939,606
Common stock, no par value 30,000,000 shares authorized and 8,492,157 shares issued of March 31, 2024 and March 31, 2023		**136,664**	136,664
Additional paid-in capital		**12,184,579**	18,992,576
Retained Earnings		**(7,898,014)**	(11,887,809)
Total stockholders' equity		**11,137,353**	13,955,555
Total liabilities and stockholders' equity		**37,337,184**	40,096,170

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Notes	**Year ended March 31, 2024 (US$)**	Year ended March 31, 2023 (US$)
Revenues	A(3.4)	**93,749,290**	92,235,188
Operating expenses			
Cost of revenues		**73,638,910**	73,286,807
Selling, general and administrative expenses		**14,765,864**	15,179,965
Depreciation and amortization	D	**563,204**	483,764
Total operating expenses		**88,967,978**	88,950,536
Operating Income		**4,781,312**	3,284,652
Other income, net		**492,423**	374,938
Income before income tax expense		**5,273,735**	3,659,590
Income tax expense	F	**1,283,940**	1,128,131
Net Income		**3,989,795**	2,531,459
Other comprehensive income		**–**	–
Total Comprehensive income		**3,989,795**	2,531,459

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Particulars	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Total stockholders' equity
	Shares	Amount (US$)	Shares	Amount (US$)	Amount (US$)	Amount (US$)	Amount (US$)
Balance as at April 1, 2022	3,615,535	6,714,124	8,492,157	136,664	18,799,290	(14,419,268)	11,230,810
Stock based compensation expense	–	–	–	–	193,286	–	193,286
Net income for the year	–	–	–	–	–	2,531,459	2,531,459
Balance as at March 31, 2023	**3,615,535**	**6,714,124**	**8,492,157**	**136,664**	**18,992,576**	**(11,887,809)**	**13,955,555**
Stock based compensation expense	–	–	–	–	192,003	–	192,003
Repayment of additional paid in capital	–	–	–	–	(7,000,000)	–	(7,000,000)
Net income for the year	–	–	–	–	–	3,989,795	3,989,795
Balance as at March 31, 2024	**3,615,535**	**6,714,124**	**8,492,157**	**136,664**	**12,184,579**	**(7,898,014)**	**11,137,353**

STATEMENTS OF CASH FLOWS

Particulars	**Year ended March 31, 2024 (US$)**	Year ended March 31, 2023 (US$)
Cash flow from operating activities		
Net Income	**3,989,795**	2,531,459
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	**563,204**	483,764
Amortization on right of use asset	**311,439**	300,141
Deferred tax (credit)	**1,236**	(133,766)
(Gain) on disposal of equipment and software	**–**	(6)
Unrealised exchange loss, net	**9,482**	6,654
Interest income, net	**(471,092)**	(227,874)
Advance written back	**(21,331)**	(147,064)
Bad debts	**19,600**	–
Creation / (reversal) of provision for doubtful debts	**517,064**	11,810
Stock compensation expense	**192,003**	193,286
Changes in assets and liabilities		
Accounts receivable and unbilled revenue	**3,215,459**	(7,867,021)
Due from related parties	**(353,176)**	402,190
Other current assets	**490,321**	647,795
Prepaid expenses	**250,233**	(81,877)
Income tax receivable	**128,072**	(6,667)
Accounts payable, related parties	**2,171,257**	300,819
Accounts payable	**(421,841)**	875,985
Other liabilities	**(1,234,608)**	997,227
Lease liability	**(455,596)**	(416,957)
Net cash (used in) / from operating activities	**8,901,521**	(2,130,102)
Cash flow from investing activities		
Purchase of property & equipment and software	**(73,375)**	(940,863)
Proceeds from sale of property, equipment	**–**	28
Repayment of loan by related parties	**–**	500,000
Net cash (used in) investing activities	**(73,375)**	(440,835)
Cash flow from financing activities		
Repayment of additional paid in capital	**(7,000,000)**	–
Net cash (used in) financing activities	**(7,000,000)**	–
Net increase in cash and cash equivalents	**1,828,146**	(2,570,937)
Cash and cash equivalents at the beginning of the year	**6,049,797**	8,620,734
Cash and cash equivalents at the end of the year	**7,877,943**	6,049,797
Supplemental cash flow information		
Interest received	**114,242**	41,804
Interest paid	**39,615**	50,912
Income taxes paid	**1,582,209**	1,079,203

(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements for the year ended March 31, 2024

NOTE A - BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone, Inc. (the "Company") is engaged in providing technology solutions and consulting services, with operations and customers primarily in the United States of America (the 'US' or 'USA'). The Company's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Company also provides application outsourcing services, data management services and development and integration services to independent software vendors.

1.1 BASIS OF PREPARATION OF FINCIAL STATEMENTS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

These financial statements have been presented in United State Dollars ('USD$'), which is the functional and reporting currency of the Company.

2. GENERAL INFORMATION

The Company was incorporated under the laws of the State of California in 1998. In May 2004, the Company became a wholly-owned subsidiary of Bristlecone Worldwide Inc., a USA Company (formerly Bristlecone Limited, a Cayman Island Company). The Company's then stockholders and stock option holders, in exchange for their stock interest in Bristlecone, Inc., received cash, common stock, preferred stock, warrants and common stock options of Bristlecone Worldwide Inc (formerly Bristlecone Limited). Mahindra & Mahindra Limited, an Indian Company is the Company's ultimate parent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

3.1. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting.

These financial statements have been presented in United States Dollars ('US$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The significant estimates and assumptions that affect the financial statements include, but are not limited to, useful lives of assets, realization of deferred tax assets, provision for variable pay and provision for sales commission the nature and timing of the satisfaction of performance obligations, estimated costs to complete fixed price contracts, provision against receivables, obligations related to employee benefit plans, income-tax uncertainties and other contingencies, assumptions used to calculate stock-based compensation expense, recoverability of long-lived assets, and intangibles.

3.3. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recorded in the statement of comprehensive income.

3.4. REVENUE RECOGNITION

The Company is principally engaged in business consulting, software implementation and related support services.

- Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.
- Revenues with respect to time and material contracts are recognized on input method basis i.e. based on time /efforts spent.
- Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. The use of this method requires significant judgment to estimate the cost required to complete the contracted scope of work, including assumptions and estimates relative to the length of time to complete the project and the nature and complexity of the work to be performed and resources engaged. We regularly monitor these estimates throughout the execution of the project and record changes in the period in which a change in an estimate is determined.
- Revenue from the sale of third party software is recognised upfront at the point in time when the software is delivered to the customer.
- Unbilled receivables represents revenues recognized for services rendered between the last billing date and the balance sheet date.
- Unearned and deferred revenue is recognised when there is billing in excess of revenues. The billing schedules agreed with customers include periodic performance - based payments and / or milestone - based progress payments. Invoices are payable within contractually agreed credit period. Deferred revenue also includes the amount for which services have been rendered but other conditions of revenue recognition are not met.
- Contract acquisition costs are amortized over the period of contract however the contract acquisition costs are charged to statement of comprehensive income when the life of contract is less than one year.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.
- Payment terms - All contracts entered into by the Company specify the payment terms and are defined for each contract separately.

Use of significant estimates and judgements

Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company uses significant judgments while determining the transactions price allocated to performance obligation using the expected cost-plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by geography and contract type, as it believes it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by industry, market and other economic factors.

The Company's revenue by geography is as follows:

Geographic location	**Year ended March 31, 2024 US$**	Year ended March 31, 2023 US$
North America	**84,900,310**	82,880,979
Europe	**7,579,992**	6,283,019
Rest Of the World	**1,268,988**	3,071,190
Total	**93,749,290**	92,235,188

The Company's revenue by type of contract is as follows:

Type of Contract	**Year ended March 31, 2024 US$**	Year ended March 31, 2023 US$
Time and material	**57,265,253**	56,844,582
Fixed Price	**36,484,037**	35,390,606
Total	**93,749,290**	92,235,188

3.5. ACCOUNTS RECEIVABLE

Effective April 1, 2023, the Company has adopted, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2022-02 Financial Instrument – Credit losses (ASC – 326), which changes the methodology to be used to measure credit losses for certain financial instruments and financial assets, including trade receivables. The new methodology requires the recognition of an allowance that reflects the current estimate of credit losses expected to be incurred over the life of the financial asset.

Accounts receivables are stated at the net amount expected to be collected. The allowance for doubtful accounts reflects the current estimate of expected credit losses to be incurred over the life of the accounts receivable. The company considers various factors in establishing, monitoring, and adjusting its allowance for doubtful accounts, including the aging of the accounts and aging trends, the historical level of charge-offs, and specific exposures related to customers. The company also monitors other risk factors and forward-looking information, for establishing adequate allowances. The allowance for doubtful debts was US$ 595,532 as on March 31, 2024 and US$ 78,468 as on March 31, 2023

3.6. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of ninety days or less to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash comprises balance in checking and money market accounts.

3.7. DIVIDENDS

Final dividend on common stock and preferred stock are recorded as a liability on the date of declaration by the Board of Directors.

3.8. PROPERTY, EQUIPMENT AND SOFTWARE

Equipment and software are stated at historical cost less accumulated depreciation and amortization.

Depreciation/ amortization is calculated on the straight-line method over the estimated useful life of the respective assets. Assets under capital leases and leasehold improvements are amortized over lower of their estimated useful lives and the term of the lease.

The Company has determined the estimated useful lives of assets for depreciation/ amortization purposes as follows:

Computers	3 – 5 years
Furniture and fixtures	5 – 7 years
Office equipment	3 – 5 years
Software	3 years
Leasehold improvements	Over the shorter of primary lease period and the useful life of the asset

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation and amortisation are eliminated from the financial records. Any gain or loss on disposal is credited or charged to the statement of comprehensive income.

Advances paid towards property and equipment and the cost of property and equipment not yet placed in service before the end of the reporting period are classified as capital work in progress.

3.9. IMPAIRMENT OF LONG LIVED ASSETS

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount to the estimated future net cash flows. If estimated future undiscounted net cash flows are less than the carrying amount, the asset is considered impaired and a loss is recorded equal to the amount required to reduce the carrying amount to fair value. Management has performed its impairment review and concludes that the Company's long lived assets are not impaired as of March 31, 2024.

3.10. COST OF REVENUES

Cost of revenues comprises salaries and employee benefits, stock compensation expense, sub-contractor fees, off-shore consultancy charges, project related travel and other costs, including those reimbursed by customers.

3.11. EMPLOYEE BENEFITS

The Company has a policy of unlimited vacation time for eligible employees. These employees can take unlimited vacation time off at their discretion. Accordingly, Company is not creating any liability towards such eligible employees.

The Company's liability towards compensated absences is determined on an arithmetical basis for the entire unavailed vacation balance standing to the credit of non-eligible employee as at year-end.

Contributions to defined contribution plans are charged to statements of operations in the year in which they accrue.

The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board and expense is recorded in the year to which such contributions pertain.

Long term cash incentive award include cash bonus (a long-term cash incentive award) consisting of performance-based awards and retention-based awards. Retention-based (LTI) awards is the award for which the payment is contingent on participant's continuing employment whereas the performance-based awards is an award for which the payment is contingent on the achievement of performance goals with respect to a performance period. The Company estimates the expected liability towards LTI as at each reporting date based on progress made by employees against the defined objectives. The expenses are recognized on straight-line basis over the estimated period of service over which such awards are provided.

3.12. STOCK COMPENSATION

The Company accounts for the equity-settled options and cash-settled options granted to its employees in accordance with ASC 718, "Shared based payments". ASC 718 addresses the accounting for stock based compensation transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

In accordance with the provisions of ASC 718, stock compensation for all awards granted, modified or settled, that the Company expects to vest is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award.

(a) Equity Settled Options

The employees of the Company participate in stock compensation plans which are operated by the Bristlecone Worldwide Inc. (formerly Bristlecone Limited) (Holding Company), based on which the employees of the Company have been granted stock options of the Holding Company. The Company accounts for stock compensation in accordance with ASC 718, "Share based payments".

The Company applies the same accounting principles as the Holding Company for recording stock compensation in respect of stock of the Holding Company granted to employees of the Company for the purposes of reporting in the separate financial statements of the Company. An amount equal to such compensation expense for the year is recorded as a capital contribution in stockholders' equity in the financial statements of the Company.

The Company recognizes stock-based compensation expense in the statements of income for awards of equity instruments to employees based on the grant-date fair value of those awards. The Company recognizes these compensation costs on straight-line basis over the requisite service period of the award which is generally the vesting period of the award. Forfeitures are accounted when the actual forfeitures occur.

ASC 718 requires the use of a valuation model to calculate the fair value of stock-based awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of stock-based awards on the date of grant. Refer Note J – Stock Compensation.

(b) Stock Appreciation right (SAR) (Cash Settled Options)

A stock appreciation right (SAR) gives an employee the contractual right to receive an amount of cash that equals the appreciation in the Company's stock from the award's grant date to the exercise date.

The liability for the Share Appreciation Rights (SARs) is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying a Black-Scholes-Merton model, taking into account the terms and conditions on which the SARs were granted. Liabilities for Share Appreciation Rights are recognized as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet. Refer Note J – Stock compensation.

3.13. INCOME TAXES

The Company applies the asset and liability method of accounting for income taxes as described in ASC 740, "Income Taxes". Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in Statement of comprehensive income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences.

The FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. The amendments in this update simplify the presentation of deferred income taxes and require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position.

Further, ASC 740-10 requires the Company to recognize a provision for uncertainty in income taxes based on minimum recognition threshold. The Company applies a two-step approach for recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining, based on the technical merits, that the position will be more likely than not sustained upon examination. The second step is to measure the tax benefit as the largest amount of the tax benefit that is greater than 50% likely of being realized upon settlement. The Company evaluates tax positions each year and adjust the related tax liabilities or assets in light of changing facts and circumstances, such as the progress of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax positions are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different from estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately accounted for these positions.

3.14. LEASES

Effective April 1, 2022, the Company has adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842), which replaces existing lease accounting rules (ASC 840) with a comprehensive lease measurement and recognition standard and expanded disclosure.

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are included in operating lease right-of-use ("ROU") assets and current and non-current operating lease liabilities on the Company's consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term. The corresponding lease liabilities represent its obligation to make lease payments arising from the lease. The Company does not recognize ROU assets or lease liabilities for leases with a term of 12 months or less for any asset classes.

Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement, net of any future tenant incentives. The Company only has entered into lease agreements where there are no non-lease components.

The Company's lease terms may include options to extend or terminate the lease. Periods beyond the non-cancellable term of the lease are included in the measurement of the lease liability when it is reasonably certain that the Company will exercise the associated extension option or waive the termination option. As most of the Company's leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using the risk free rate in the economic environment where the leased asset is located.

Lease expense for operating lease arrangements is recognized on a straight-line basis over the lease term.

The key change upon adoption of the standard was balance sheet recognition, given that operating lease was recognised as lease expense in the statement of comprehensive income under historical accounting. Using the modified retrospective transition method of adoption, the Company did not adjust the balance sheet for comparative periods.

The adoption of ASC 842 resulted in the recognition of an operating lease liability of US$ 2,166,645 and an operating right-of-use asset of the same amount. Refer Note L – Operating Leases.

3.15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The three-level hierarchy of fair value measurements is based on whether the inputs to those measurements are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair-value hierarchy requires the use of observable market data when available and consists of the following levels:

Level 1—Quoted prices for identical instruments in active markets;

Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and

Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Balance in checking and money market accounts	**7,877,943**	6,049,797

Cash balances of the Company are held in checking accounts, which are non-interest bearing, with the banks participating in the Transaction Account Guarantee Program of Federal Deposit Insurance Corporation (FDIC). Under that program, through March 2024, all non-interest bearing transaction accounts are guaranteed by the FDIC for US$ 250,000 per tax ID for State Bank of India, California, Silicon Valley Bank and JP Morgan Chase, NA.

The company opened an interest bearing account with JP Morgan Chase, NA during the year.

As at March 31, 2024, the Company has US$ 7,377,943 [2023 US$ 5,549,797] as balances in excess of the federally insured amounts.

NOTE C - ACCOUNTS RECEIVABLE NET AND CONTRACT ASSETS

Accounts receivables comprise of the following:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Due from related parties (refer Note - M)	**1,827,270**	1,191,531
Due from others (refer note below)	**15,283,555**	21,170,018
Contract assets	**1,542,768**	1,058,022
	18,653,593	23,419,571
Less: Allowance for uncollectible accounts receivables	**(595,532)**	(78,468)
Total	**18,058,061**	23,341,103

Accounts receivable include unbilled accounts receivable which represent revenues on contracts to be billed, in subsequent periods, as per the terms of the related contracts. As of March 31, 2024 the Company had US$ 2,497,310 [2023: US$ 3,559,288] of unbilled accounts receivable.

The allowance for uncollectible amounts reflected the following activity during the year:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Balance at the beginning of the year	**78,468**	66,658
Add: Allowance created/(reversed) during the year	**536,664**	11,810
Less: Written off during the year	**(19,600)**	–
Balance at the end of the year	**595,532**	78,468

NOTE D - PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS, NET

A) Property and equipment consist of the following:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Computers	**1,392,167**	1,318,791
Furniture and fixtures	**252,431**	252,431
Office equipment	**374,574**	374,574
Lease hold improvements	**1,584,322**	1,584,322
	3,603,494	3,530,118
Less: Accumulated Depreciation	**(2,423,306)**	(1,870,659)
Total	**1,180,188**	1,659,459

Depreciation expense for the year ended March 31, 2024 was US$ 552,648 (2023: US$ 468,984)

B) Intangible assets consist of the following:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Software	**251,301**	251,301
Capitalised software development costs	**839,388**	839,388
	1,090,689	1,090,689
Less: Accumulated amortization	**(1,089,514)**	(1,078,958)
Intangible assets, net	**1,175**	11,731

Amortization expense for the year ended March 31, 2024 was US$ 10,556 (2023: US$ 14,780)

NOTE E - ACCRUED EXPENSES

Accrued expenses and other current liabilities comprise of the following:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Accrued expenses	**1,226,523**	1,647,860
	1,226,523	1,647,860

NOTE F - INCOME TAXES

Income tax expense for the year comprises of the following:

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Current tax expense	**1,502,027**	1,261,897
Deferred tax (credit)	**1,236**	(133,766)
Penalty on income tax	**15,808**	–
(Excess) provision of earlier years written back	**(235,130)**	–
Total	**1,283,940**	1,128,131

The difference between the amount of income tax expense that would result from applying domestic federal statutory income tax rates to the net profit and the net deferred tax assets is related to certain non-deductible expenses, state income taxes and the change in valuation allowance. Permanent differences are primarily on account of non-deductible meals and entertainment expenses. During the year, the company utilized carry forward Net Operating Losses (NOL) of US$ 122,294 [2023: US$ 122,294].

The Company recorded valuation allowances of USD$ 566,149 as of March 31, 2024 and 2023, respectively, against deferred tax assets principally associated with certain tax credit and tax net operating loss carry forwards, as it believes that it is more likely than not that these assets will not be realized. For all other deferred tax assets, we believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets.

Particulars	**As at March 31, 2024 US$**	As at March 31, 2023 US$
Deferred tax assets		
Net operating loss carry forwards	**587,328**	615,968
Accrued payroll	**1,169,315**	1,325,879
Provision for uncollectible receivables	**160,794**	21,186
Sub-total	**1,917,437**	1,963,033
Valuation allowance	**(566,149)**	(566,149)
Total deferred tax asset	**1,351,288**	1,396,884
Deferred tax liability		
Equipment and software	**92,629**	8,374
Leases	**(72,380)**	(32,487)
Net deferred tax asset	**1,371,537**	1,372,771

As at March 31, 2024, the Company has US$ 2,096,848 [2023: US$ 2,219,142] in US Federal Net Operating Loss ("NOL") carryovers, which can be carried forward for future utilization within 20 years from the year in which such losses are generated subject to certain limitations under US tax laws.

As at March 31, 2024, the Company also has US$ 605,865 [2023: US $ 1,282,185] in State Operating Losses carried forward, which can be carried forward for future utilization within 5-17 years.

The carry forward of the NOLs prior to the date of change of ownership will be impacted by Sec 382 limitation under the International Revenue Code. In terms of this limitation, while the carry forward of any of the NOL's will not be restricted, there will be a limitation on the annual amounts available for set-off under the Code, (currently computed as the value of Bristlecone Inc. prior to the Transaction * 4.45%).

During the year ended March 31, 2024, the Company has not reversed any valuation allowance. In evaluating the Company's ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, Company's future plans and results of recent operations. In evaluating the objective evidence that historical results provide, the Company considers three years of cumulative operating income. Using all available evidence, the Company determined that it was uncertain that it will realize the deferred tax asset for certain of these carry forwards within the carry forward period.

No statutes have been extended on any of the Company's federal income tax filings. The statute of limitation on the Company's March 2021, March 2022 and March 2023 Federal income tax returns will expire on July 15, 2024, July 15, 2025 and July 15, 2026, respectively.

The Company is currently not under examination by any state authority for income tax purposes and no statutes of limitation for state income tax filings have been extended. As of March 31, 2024, the Company does not have any uncertain tax position in respect of unrecognized tax positions as per ASC 740-10.

NOTE G - LOAN TO RELATED PARTIES

The Company has granted an unsecured loan of US$ 5,000,000 [2023: US$ 5,000,000] being inter-corporate deposits to Holding Company (Bristlecone Worldwide Inc, formerly Bristlecone Limited). The loan bears an interest rate of 6.50% p.a. till June 30, 2023 and interest rate of 7.25% p.a from July 1, 2023 on US$ 5,000,000 as at March 31, 2024 [2023: 6.50% p.a] and is repayable on demand.

NOTE H - STOCKHOLDERS' EQUITY

The Company's authorized stock comprised of 4,494,500 preferred stock at no par value and 30,000,000 common stock at no par value as at March 31, 2024 and March 31, 2023; of which 865,540 preferred stock Series A, 2,749,995 preferred stock series B and 8,492,157 common stock are issued and outstanding as at March 31, 2024 and March 31, 2023.

Conversion of preferred stock

Each preferred stock series A and preferred stock series B is entitled to be converted, without payment of any additional consideration, into one fully paid common stock.

Voting

Every holder of preferred stock series A and preferred stock series B is entitled to one vote for each common stock held into which such series A or series B preferred stock could be converted.

Liquidation

In the event of a liquidation, dissolution or winding up of the Company:

(a) Holders of preferred stock series A and preferred stock series B, shall on a pari passu basis, in preference to any distribution to holders of common stock receive an amount per stock equal to (i) US$ 0.94 for each outstanding stock of preferred stock series A and (ii) US$ 2.21 for each outstanding stock of preferred stock series B subject to appropriate adjustments for stock splits, stock dividends, combinations or recapitalization etc. If upon the occurrence of such event, the assets available for distribution shall be insufficient to permit the payment of the full aforesaid preferential amounts, then the available funds shall be distributed rateably in proportion to the preferential amount each such holder is otherwise entitled to receive pursuant to this clause.

(b) Upon the completion of distribution required by clause (a) above, the remaining assets available for distribution shall be distributed among the holders of series A preferred stock, series B preferred stock and common stock pro rata based on the number of stocks of common stock held by each, provided that the common stock holders shall not receive any distribution unless the series A preferred stock holders have received an aggregate of US$ 0.47 per stock and the series B preferred stock holders have received an aggregate of US$ 1.11 per stock (not including amounts paid pursuant to clause (a) above).

NOTE I - EMPLOYEE BENEFIT PLANS

Effective April 1, 2021, the Company has discontinued accrual for compensated absences for exempt employees. Accrual for compensated absences is applicable for non-exempt employees. The accrual for compensated absences for non-exempt employees as at March 31, 2024 is US$ 4984 [2023: US$ 14,845].

The Company in the current year made a contribution of US$ 232,913 [2023: US$ 237,117] to 401(k) plan.

NOTE J - STOCK COMPENSATION

Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited), the Holding Company has following stock option plans under which the options are granted to the employees of the Company:

1. Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) 2004 stock option plan (arising out of conversion of the earlier Bristlecone Inc. existing stock option plan) and Bristlecone Worldwide, Inc.(formerly called Bristlecone Limited) 2008 stock option plan:

   Pursuant to the terms of the acquisition of Bristlecone Inc. on May 17, 2004 by Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) (the "transaction"), the then existing outstanding options of Bristlecone Inc., aggregating to a total of 2,058,493 options were cancelled and fresh options were issued by Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) under 2004 stock option plan based on the exchange criteria set out in the transaction documents.

   Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the Shares subject to the Option, vest on the one (1) year anniversary of the vesting commencement date, and 1/48 of the options vest each month thereafter on the same day of the month as the vesting commencement date, subject to the grantee continuing to be an employee through each such date. The term of each option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the Board on the date of grant, unless otherwise ratified by the Board.

2. Bristlecone Worldwide, Inc. (formerly called Bristlecone Limited) 2021 stock plan:

   Under 2021 stock plan, the Group has issued stock options and stock appreciation rights as below:

   Options granted under this plan include incentive stock options and non-statutory stock options. As per this plan, 100 per cent of the shares subject to the option, vest on the completion of 48 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 48 months, subject to the grantee continuing to be an employee through each such period. The term of each option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per share as determined by the Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per share determined by the Board on the date of grant.

On September 15, 2021 the Group granted 300,000 Stock Appreciation Rights (SARs) to employees that entitle them to a cash payment. Each SAR entitles the participant to receive, upon exercise, an amount equal to the excess of (a) the Fair Market Value of one share on the date of exercise, over (b) the Exercise Price (the "Appreciation Value"). Further during the year the Group has granted 81,200 SARs to employees that entitle them to cash payment.

The SAR's will vest and become exercisable with respect to twenty-five percent (25%) of the SAR's on the first anniversary of the vesting commencement date and will vest with respect to an additional one forty-eighth (1/48th) of the SAR's on the expiration of each month thereafter.

3. The Black-Scholes-Merton model is considered to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, management is required to make certain estimates of the key assumptions that include expected term, expected volatility of shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant with a term equal to the expected term. We estimate the expected term based on the simplified method for employee stock options considered to be "plain vanilla" options, as our historical share option exercise experience does not provide a reasonable basis upon which to estimate the expected term. The expected dividend yield is 0.0% as we have not paid and do not anticipate paying dividends on our common stock. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

Activity pursuant to Stock option :

Particulars	**Options outstanding Year ended March 31, 2024**	**Weighted average exercise price March 31, 2024**	Options outstanding Year ended March 31, 2023	Weighted average exercise price March 31, 2023
Stock Option				
Outstanding at April 1	**763,374**	**$2.61**	730,274	$2.04
Granted	**74,526**	**$3.69**	153,934	$4.72
Exercised	**(115,166)**	**$2.03**	(75,000)	$1.75
Expired / forfeited	**(18,000)**	**$2.14**	(45,834)	$2.03
Outstanding at March 31	**704,734**	$2.83	763,374	$2.61

Additional information on outstanding options

Grant Price	**March 31, 2024**	March 31, 2023
$0.10	**–**	6,000
$0.77	**12,500**	17,500
$2.03	**403,774**	457,940
$2.14	**10,000**	28,000
$2.38	**–**	50,000
$2.87	**50,000**	50,000
$4.72	**153,934**	153,934
$3.69	**74,526**	–
Total	**704,734**	763,374

Options outstanding that have vested and exercisable and unvested are as follows:

	March 31, 2024			March 31, 2023		
Particulars	**Outstanding options**	**Weighted average exercise price (in US$)**	**Weighted average remaining contract term (in years)**	Outstanding options	Weighted average exercise price (in US$)	Weighted average remaining contract term (in years)
Vested and exercisable	**534,930**	**2.58**	**6.56**	498,578	2.33	6.98
Unvested	**169,804**	**3.64**	**7.99**	264,796	3.14	8.14

Stock unit activity under stock-based compensation plans is shown below:

Particulars	**March 31, 2024**		March 31, 2023	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Those vested at the beginning of the year	**498,578**	**2.33**	387,445	2.00
Vested	**169,518**	**2.88**	186,133	2.79
Forfeited	**(18,000)**	**2.14**	–	0.00
Exercised during the year	**(115,166)**	**2.03**	(75,000)	1.75
Those vested at the end of the year	**534,930**	**2.58**	498,578	2.33

Particulars	**March 31, 2024**		March 31, 2023	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Those unvested at the beginning of the year	**264,796**	**3.14**	342,829	2.09
Those unvested at the end of the year	**169,804**	**3.64**	264,796	3.14
Those that during the year were:				
Vested	**169,518**	**2.88**	186,133	2.79
Granted	**74,526**	**3.69**	153,934	4.72
Forfeited	**–**	**–**	(45,834)	2.03

Assumptions for Fair valuation

Dividend yield	0.00 percent
Expected life	6.25 years
Risk free interest rate	4.06 percent
Volatility	44.22 percent

Recognised compensation expenses

Particulars	**Year ended March 31, 2024**	Year ended March 31, 2023
Stock compensation expense	**192,003**	193,287

Unrecognised compensation expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Unrecognized compensation cost for shares expected to vest	**241,335**	300,091
Weighted average period for unrecognised expenses	**1.96**	2.02

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Aggregate FV of options granted during the year	**133,248**	186,313
Grant date unit fair value of options granted during the year	**1.7879**	1.2103

There have been no modifications or cancellations of the above plans during the current or preceding year.

Sales and marketing and general and administrative expenses were as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Stock based compensation expenses:		
Sales and marketing	**13,265**	13,228
General and administrative	**178,738**	180,059
Total stock option expenses	**192,003**	193,287

Activity pursuant to Stock Appreciation Rights (SARs) :

Particulars	SARS outstanding Year ended March 31, 2024	Weighted average exercise price March 31, 2024	SARs outstanding Year ended March 31, 2023	Weighted average exercise price March 31, 2023
2021 Plan				
Outstanding at the beginning of the year	**268,950**	**$3.62**	225,000	$2.03
Granted	**54,200**	**$3.69**	158,950	$4.72
Exercised	**(22,917)**	**$2.03**	(15,625)	$2.03
Expired / forfeited	**(56,783)**	**$3.44**	(99,375)	$2.03
Outstanding at the end of the year	**243,450**	**$3.83**	268,950	$3.62

Assumptions for Fair valuation

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Dividend yield	**0.00 percent**	0.00 percent
Expected life	**5-6.5 years**	5-6.5 years
Risk free interest rate	**4.45 percent**	3.77 percent
Volatility	**39.80 percent**	43.74 percent

Particulars	Outstanding number of SARs Year ended 31 March, 2024	Weighted average exercise price March 31, 2024	Outstanding number of SARs Year ended 31 March, 2023	Weighted average exercise price March 31, 2023
Vested	**95,682**	**3.42**	51,875	2.03
Unvested	**147,768**	**4.09**	217,075	4.00
Total	**243,450**	**3.83**	268,950	3.62

Weighted average remaining contractual life (in years)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Vested	**7.94**	8.42
Unvested	**8.89**	9.19

Aggregate intrinsic value

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Vested	**94,350**	86,113
Unvested	**48,646**	96,488

Recognised and unrecognised compensation expenses

Particulars	Year ended March 31, 2024 US$	Year ended March 31, 2023 US$
Recognised compensation cost for SARs compensation expense	**259,843**	173,642
Unrecognized compensation cost for SARs expected to vest	**269,149**	334,574

Intrinsic value of SARs exercised

Particulars	Year ended March 31, 2024 US$	Year ended March 31, 2023 US$
Intrinsic value of SARs exercised	**38,042**	19,219

General and administrative expenses were as follows:

Particulars	Year ended March 31, 2024 US$	Year ended March 31, 2023 US$
SARs expenses:		
General and administrative	**86,201**	133,312
Total SARs expenses	**86,201**	133,312

NOTE K - CONTINGENCIES

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 “Contingencies”. It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

NOTE L - OPERATING LEASES

The Company has various operating leases for certain facilities with lease term ranging from 5 to 6 years.

A. Components of lease costs for the year ended March 31, 2024 included in the statement of comprehensive income are as follows:

Particulars	March 31, 2024	March 31, 2023
Operating lease cost	**347,393**	347,393
Short term lease cost	**–**	85,051
Total lease cost		432,444

B. Cash paid for amounts included in measurement of lease liability:

Particulars	March 31, 2024	March 31, 2023
Operating cash flow towards operating leases	**495,210**	467,869

C. Components of lease assets and liabilities as at March 31, 2024 included in the balance sheet are as follows:

Particulars - assets	March 31, 2024	March 31, 2023
Operating lease right-of-use assets*	**816,645**	1,124,424

Particulars - liabilities	March 31, 2024	March 31, 2023
Operating lease:		
Current	**491,975**	455,596
Non-current	**802,118**	1,294,093

* net of lease incentive

D. Remaining Lease term and Discount Rate:

Particulars - assets	March 31, 2024	March 31, 2023
Remaining Lease Term:		
Operating leases	2.60 years	3.58 years
Discount Rate:		
Operating leases	2.57%	2.57%

Future minimum rental payments over the next five years and thereafter as of March 31, 2024 for all non-cancelable leases with terms in excess of one year are as follows:

Particulars - Operating leases	Amount
Remaining Lease Term:	
2025	519,445
2026	531,202
2027	271,138
2028	18,006
Total lease payments	**1,339,790**
Less: Imputed Interest	45,697
Net	**1,294,093**

NOTE M - RELATED PARTY TRANSACTIONS

1. List of related parties and their relationships (where there are transactions):

Name of related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company
Tech Mahindra (Americas) Inc.	Affiliate of the Ultimate Holding Company
Tech Mahindra Limited	Affiliate of the Ultimate Holding Company
Bristlecone Worldwide Inc (formerly Bristlecone Limited)	Holding Company
Bristlecone India Limited	Fellow subsidiary
Bristlecone Consulting Limited	Fellow subsidiary
Bristlecone International AG	Fellow subsidiary
Bristlecone Middle East DMCC	Fellow subsidiary
Bristlecone (Singapore) Pte Ltd	Fellow subsidiary
Bristlecone (Malaysia) Sdn Bhd	Fellow subsidiary
Bristlecone UK Limited	Fellow subsidiary
Bristlecone GmbH	Fellow subsidiary
Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada	Fellow subsidiary
Ulhas Yargop (till 31st March 2024)	Director
Nirav Patel	Director and Key Management Personnel
Kulashekar Raghavan (till 30th April 2023)	Director and Key Management Personnel
Padam Pandit (w.e.f 10th May 2023)	Director and Key Management Personnel

2. Related parties transactions:

Nature of transaction	Name of related party	March 31, 2024	March 31, 2023
		Amount (in US$)	Amount (in US$)
Interest income	Bristlecone Worldwide Inc	**353,176**	224,075
Reimbursement of expenses received	Bristlecone Worldwide Inc	**79,353**	78,841
Subcontracting expenses paid	Bristlecone India Ltd	**46,807,696**	43,657,079
Income from services rendered	Bristlecone India Ltd	**–**	18,963
Reimbursement of expenses paid	Bristlecone India Ltd	**578,071**	592,786
Reimbursement of expenses received	Bristlecone India Ltd	**–**	17,356
Reimbursement of expenses received	Bristlecone GmbH	**17,289**	39,107
Reimbursement of expenses paid	Bristlecone GmbH	**4,753**	2,331
Income from services rendered	Bristlecone GmbH	**4,115,489**	4,291,751
Subcontracting expenses paid	Bristlecone GmbH	**1,002,849**	778,914
Reimbursement of expenses received	Bristlecone International AG	**207,914**	187,341
Income from services rendered	Bristlecone International AG	**3,415,029**	1,194,818
Reimbursement of expenses paid	Bristlecone (Singapore) Pte. Ltd	**1,716**	–
Reimbursement of expenses received	Bristlecone (Singapore) Pte. Ltd	**–**	99,933
Subcontracting expenses paid	Bristlecone (Singapore) Pte. Ltd	**27,264**	97,113
Income from services rendered	Bristlecone (Singapore) Pte. Ltd	**63,145**	1,216,100
Income from services rendered	Bristlecone UK Ltd	**–**	52,475

Nature of transaction	Name of related party	March 31, 2024	March 31, 2023
		Amount (in US$)	Amount (in US$)
Subcontracting expenses paid	Bristlecone UK Ltd	**16,860**	–
Reimbursement of expenses received	Bristlecone Middle East DMCC	**3,678**	45,287
Purchase of licenses	Bristlecone Middle East DMCC	**398,414**	388,430
Income from services rendered	Bristlecone Middle East DMCC	**676,418**	1,233,018
Reimbursement of expenses paid	Bristlecone Malaysia Sdn. Bhd	**–**	9,032
Subcontracting expenses paid	Bristlecone Malaysia Sdn. Bhd	**–**	42,219
Income from services rendered	Bristlecone Malaysia Sdn. Bhd	**52,627**	36,246
Subcontracting expenses paid	Bristlecone Consulting Limited	**398,471**	250,513
Reimbursement of expenses paid	Bristlecone Consulting Limited	**1,646**	–
Reimbursement of expenses paid	Mahindra & Mahindra Limited	**133,405**	136,789
Consultancy fees	Ulhas Yargop	**60,000**	60,000
Salaries and other Benefits	Nirav Patel*	**1,142,348**	957,949
Salaries and other Benefits	Kulashekar Raghavan	**336,124**	459,009
Reimbursement of expenses paid	Kulashekar Raghavan	**1,235**	10,152
Salaries and other Benefits	Padam Pandit*	**275,000**	–
Reimbursement of expenses paid	Padam Pandit	**2,646**	–

* This does not include cost of stock options granted. During the current year, 74,526 stock option (2023-153,934) were granted to Director.

3. Related parties balances:

Nature of balances	Name of related party	March 31, 2024	March 31, 2023
		Amount (in US$)	Amount (in US$)
Loan outstanding as at year end	Bristlecone Worldwide Inc	**5,000,000**	5,000,000
Interest receivable as at year end	Bristlecone Worldwide Inc	**612,628**	259,452
Amount receivable as at year end	Bristlecone Worldwide Inc	**79,353**	78,841
Amount payable as at year end	Bristlecone Worldwide Inc	**283,829**	–
Amount payable as at year end	Bristlecone India Ltd	**14,706,419**	13,144,410
Provision for expenses	Bristlecone India Ltd	**314,585**	–
Amount receivable as at year end	Bristlecone India Ltd	**–**	36,319
Amount receivable as at year end	Bristlecone GmbH	**331,218**	405,366
Amount payable as at year end	Bristlecone GmbH	**221,223**	74,843
Amount receivable as at year end	Bristlecone International AG	**1,348,988**	460,910
Amount receivable as at year end	Bristlecone (Singapore) Pte. Ltd	**–**	13,172
Amount payable as at year end	Bristlecone (Singapore) Pte. Ltd	**1,940**	8,314
Amount payable as at year end	Bristlecone Middle East DMCC	**168,629**	97,108
Amount receivable as at year end	Bristlecone Middle East DMCC	**–**	161,642
Amount receivable as at year end	Tech Mahindra Limited	**21,216**	21,216
Amount receivable as at year end	Bristlecone Malaysia Sdn. Bhd	**9,525**	2,905
Amount payable as at year end	Bristlecone Consulting Limited	**151,573**	27,110
Amount receivable as at year end	Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada	**36,971**	–
Amount payable as at year end	Bristlecone UK Ltd	**2,041**	–
Amount payable as at year end	Mahindra & Mahindra Limited	**2,086**	3,538
Amount payable as at year end	Ulhas Yargop	**–**	5,700
Amount payable as at year end	Nirav Patel	**490,696**	443,483
Amount payable as at year end	Kulashekar Raghavan	**–**	157,733
Amount payable as at year end	Padam Pandit	**128,516**	–

NOTE N - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, trade receivables, loan to related party and bank deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash equivalents and bank deposits are invested with banks with high investment grade credit ratings.

Trade receivables (primarily denominated in US$) are typically unsecured and are derived from revenues earned from large multinational customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. In the current year, the Company had two major customer which individually accounted for more than 10% of Company's revenues. Revenue from this customer amounted to US$ 24,485,359 or 26.12% of the total revenue. Revenue from one major customer in 2023 which individually accounted for more than 10% of Company's revenues amounted to US$ 12,868,480 or 13.95% of total revenue. Total accounts receivable from such customers is US$ 3,413,848 [2023: US$ 1,038,251] at March 31, 2024 or 21.23% [2023: 5.57%] of total receivables.

During the year ended March 31, 2024, the sales in United States of America and Canada accounted for 90.56% of the total sales (2023: 89.86%).

NOTE O - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, accounts receivables, loans, accounts payable and accrued expenses approximated their fair values due to their short maturities.

NOTE P - RECENT ACCOUNTING PRONOUNCEMENT

New Accounting Standards adopted by the Company

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The standard will be effective for nonpublic companies for fiscal years beginning after December 15, 2025. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In October 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-06, "Disclosure Improvements-Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." This ASU modified the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC's regulations. This guidance is effective for the Company no later than June 30, 2027. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In March 2023, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") to give private companies and certain not-for-profit entities the flexibility to use the written terms and conditions of a common control arrangement, rather than the legally enforceable terms, to determine whether a lease exists and to classify and account for the lease. This ASU is effective for fiscal years beginning after 15 December 2023, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

NOTE Q - SUBSEQUENT EVENTS

In accordance with ASC 855-10 "Subsequent events", the Company has evaluated subsequent events through April 29, 2024, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Independent Auditor's Report

To the Shareholder of Bristlecone Middle East DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone Middle East DMCC (the "Company"), which comprise the statement of financial position as at March 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code),* and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of DMCC Companies Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether theOur objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the applicable provisions of the DMCC Companies Regulations 2020. Based on the information that has been made available to us during our audit of the financial statements of the Company for the year ended March 31, 2024, nothing has come to our attention that causes us to believe that the activities undertaken by the Company and as disclosed in note 1 to these financial statements, are not significantly different from the activities mentioned in the license issued to the Company by DMCCA.

GRANT THORNTON UAE
Dr. Osama El-Bakry
Registration No. 935
Dubai, UAE

22 April 2024

Statement of financial position
As at March 31, 2024

	Note	2024 AED	2023 AED
ASSETS			
Non-current			
Property and equipment	5	**1,344**	4,849
		1,344	4,849
Current			
Trade and other receivables	6	**1,337,738**	3,405,805
Cash and cash equivalents	7	**4,095,451**	2,061,412
		5,433,189	5,467,217
TOTAL ASSETS		**5,434,533**	5,472,066
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**50,000**	50,000
Retained earnings		**4,395,060**	4,105,134
Total equity		**4,445,060**	4,155,134
LIABILITIES			
Non-current			
Employees' end of service benefits	9	**112,330**	67,226
Current			
Trade and other payables	11	**877,143**	1,249,706
		877,143	1,249,706
TOTAL LIABILITES		**989,473**	1,316,932
TOTAL EQUITY AND LIABILITIES		**5,434,533**	5,472,066

The financial statements for the year ended March 31, 2024 (including comparatives) were approved on 22 April 2024 by:

Ms. Lisa Lesko
Director

Statement of comprehensive income
For the year ended March 31, 2024

	Notes	**2024 AED**	2023 AED
Revenue		**5,808,264**	8,441,049
Cost of sales	12	**(5,677,264)**	(7,629,437)
GROSS PROFIT		**131,000**	811,612
Selling, administrative and general expenses	13	**(301,517)**	(143,279)
Depreciation	5	**(3,505)**	(3,505)
Reversal/(provision) for expected credit losses	6	**463,948**	(563,701)
NET PROFIT FOR THE YEAR		**289,926**	101,127
Other comprehensive income for the year		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**289,926**	101,127

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Statement of changes in equity
For the year ended March 31, 2024

	Share capital	Retained earnings	Total equity
	AED	AED	AED
Balance at March 31, 2022	50,000	7,676,507	7,726,507
Net profit for the year	–	101,127	101,127
Dividend declared and paid (note 8.1)	–	(3,672,500)	(3,672,500)
Balance at March 31, 2023	50,000	4,105,134	4,155,134
Net profit for the year	–	289,926	289,926
Balance at March 31, 2024	**50,000**	**4,395,060**	**4,445,060**

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Statement of cash flows
For the year ended March 31, 2024

	Notes	**For the year ended March 31, 2024 AED**	For the year ended March 31, 2023 AED
OPERATING ACTIVITIES			
Net profit for the year		**289,926**	101,127
Adjustment for:			
Depreciation	5	**3,505**	3,505
Provision for employees' end of service benefits	9	**45,104**	36,545
(Reversal)/provision for expected credit losses	6	**(463,948)**	563,701
Net changes in working capital:			
Trade and other receivables		**2,532,015**	266,048
Trade and other payables		**(372,563)**	(1,508,229)
		2,034,039	(537,303)
Employees' end of service benefits paid		**–**	(1,752)
Net cash (used in)/from operating activities		**2,034,039**	(539,055)
FINANCING ACTIVITIES			
Dividend paid	8.1	**–**	(3,672,500)
Net cash used in financing activities		**–**	(3,672,500)
Net change in cash and cash equivalents		**2,034,039**	(4,211,555)
Cash and cash equivalents, beginning of year		**2,061,412**	6,272,967
Cash and cash equivalents, end of year	7	**4,095,451**	2,061,412

The accompanying notes from 1 to 17 form an integral part of these financial statements.

Notes to the financial statements
For the year ended March 31, 2024

1 Legal status and nature of operations

Bristlecone Middle East DMCC (the "Company") was incorporated in Dubai, United Arab Emirates ("UAE") on July 18, 2016 under the commercial license number DMCC-208734 issued by Dubai Multi Commodities Centre. The registered address of the Company is Unit No. 3O-01-3572, DMCC Business Center, Level No. 1, Jewellery & Gemplex 3, Dubai, UAE.

The principal activities of the Company is to provide supply chain services ranging from supply chain strategy and network design to supply chain system implementation.

The Company is a wholly-owned subsidiary of Bristlecone Worldwide, Inc. (previously known as Bristlecone Ltd.) (the "Parent Company"). The Parent Company has been de-registered in Cayman Island and re-domiciled to the United States.

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or "the Law") to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime is effective from June 1, 2023 and accordingly, it has an income tax related impact on the financial statements for accounting period beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of certain free zone entities.

Current taxes shall be accounted for as appropriate in the financial statements for the period beginning April 1, 2024. In accordance with the applicable requirements of IAS 12 - Income Taxes, the related deferred tax accounting impact has been considered for these financial statements. The Company has assessed the deferred tax implications for the current reporting period and, after considering its interpretations of the applicable tax law, official pronouncements, cabinet decisions and ministerial decisions, it has been concluded that the deferred tax implications are not expected to be material. Further, the Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

The Company is subject to taxation effective April 1, 2024.

2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective in 2023

Standards, interpretations, and amendments that are effective for the first time in 2023 (for entities with a March 31, 2024, year-end) are:

- IFRS 17 'Insurance Contracts'
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12).

These standards, amendments and interpretations do not have a significant impact on these financial statements and therefore the disclosures have not been made.

3.2 Standards, interpretations and amendments to existing standards not yet adopted early by the Company

At the date of authorisation of thsee financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4 Summary of material accounting policies

The material accounting policies that have been used in the preparation of the financial statements are consistent with those used in prior year and are summarised below:

4.1 Overall considerations

These financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional currency.

These financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Foreign currency

Foreign currency transactions are converted into functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.3 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset has expired, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or has expired.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified and measured at amortised cost if both of the following conditions are met:

- The asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, if any, on the principal amount outstanding.

Notes to the financial statements
For the year ended March 31, 2024 (continued)

If the financial asset does not pass either of the above conditions, or only one of the above conditions, it is measured at fair value through profit or loss (‘FVTPL’). Even if both conditions are met, management may designate a financial asset at FVTPL if doing so reduces or eliminates a measurement or recognition inconsistency.

As at the reporting date, the Company’s financial assets comprise trade and most other receivables, amounts due from related parties, other financial assets and cash and cash equivalents. These are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All income and expenses relating to financial assets measured at amortised cost are recognised in profit or loss and presented within ‘finance costs – net’ or ‘other income – net’, except for impairment of trade receivables which is presented separately in the statement of comprehensive income.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Impairment of financial assets

IFRS 9’s impairment requirements use forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’); and
- ‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

Classification and subsequent measurement of financial liabilities

Financial liabilities comprise trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Discounting is omitted if the impact is immaterial.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.4 Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents in the statement of financial position comprise cash on hand and balance in bank accounts and are initially and subsequently recorded at fair value.

For purpose of the statement of cash flows, all cash and bank balances are considered to be cash and cash equivalents.

4.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense when the employee renders services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

Employees’ end of service benefits

A provision for employees’ end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law and is reported as a separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees’ salary and length of service, subject to the completion of a minimum service period as specified in U.A.E. Labour Law. The expected costs of these benefits are accrued over the period of employment.

The provision for staff terminal benefit is based on the liability that would arise if the employment of all the employees was terminated at the end of the reporting year.

4.6 Share capital and retained earnings

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior period profits/losses (net of dividends).

4.7 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Notes to the financial statements
For the year ended March 31, 2024 (continued)

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

4.8 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable by the Company, excluding discounts, rebates, and duty.

IFRS 15 'Revenue from Contracts with Customers' outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model, explained below, which will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Company's efforts or inputs to the satisfaction of the performance obligations.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Amounts included in the financial statements, which relate to recoverable costs and accrued margins, if any, not yet billed on contracts are classified as "Unbilled revenue".

4.9 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Cost of sales comprises salaries and employee benefits, sub-contractor fees, project-related travel and other costs.

4.10 Leases

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.11 Significant management judgments and estimates in applying material accounting policies

The preparation of the financial statements in conformity with the recognition and measurement principles of IFRSs requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Key source of estimation uncertainty at the date of the financial statements, which may cause material adjustments to the carrying amount of assets and liabilities within the next financial year, is in respect of allowance for uncollectible amounts and efforts to completion for fixed price projects.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due and based on historical recovery rates. Any difference between the amounts collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Efforts to completion for fixed price contracts

The management considers man-days to be the best possible measure of progress in these contracts. Revenues from fixed-price contracts are recognized in accordance with percentage of completion method measured by the percentage of man-days incurred to date in relation to the estimated total man-days for such contracts.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date by assessing the expected utility of the assets to the Company.

Notes to the financial statements
For the year ended March 31, 2024 (continued)

5 Property and equipment

Furniture and fixtures	2024 AED	2023 AED
Gross block (at cost)		
Opening balance	**10,514**	10,514
Closing balance	**10,514**	10,514
Accumulated depreciation		
Opening balance	**(5,665)**	(2,160)
Charge for the year	**(3,505)**	(3,505)
Closing balance	**(9,170)**	(5,665)
Net carrying value as at March 31,	**1,344**	4,849

6 Trade and other receivables

	2024 AED	2023 AED
Financial assets		
Trade receivables	**591,665**	2,392,031
Unbilled revenue	**192,055**	1,238,915
Amounts due from a related party (note 10)	**619,329**	356,668
Deposits	**1,000**	1,000
Advance to employees	**14,540**	–
	1,418,589	3,988,614
Less: provision for expected credit losses on trade receivables and unbilled revenue	**(193,642)**	(657,590)
	1,224,947	3,331,024
Non-financial asset		
Prepayments	**97,609**	74,781
VAT receivable, net	**15,182**	–
	112,791	74,781
	1,337,738	3,405,805

Movement in provision for expected credit losses is as follows:

	2024 AED	2023 AED
Opening balance	**657,590**	93,889
(Reversal)/provision for expected credit losses	**(463,948)**	563,701
Closing balance	**193,642**	657,590

7 Cash and cash equivalents

	2024 AED	2023 AED
Cash at banks	**4,095,451**	2,061,412
	4,095,451	2,061,412

8 Share capital

The share capital of the Company consists of 50 fully paid ordinary shares with a par value of AED 1,000 each.

Shares issued and fully paid:

Beginning and end of the year	**50**
Total shares authorised at March 31, 2024 and March 31, 2023	**50**
Total share capital (issued and fully paid at March 31, 2024 and March 31, 2023) (in AED)	**50,000**

The Company's issued share capital is held by the following shareholder:

	2024 AED	2023 AED
Bristlecone Worldwide, Inc. (formerly known as Bristlecone Limited)	**50,000**	50,000

8.1 Dividend

During the current year, the Company has not declared and paid any dividend (2023: AED 3,672,500).

9 Employees' end of service benefits

	2024 AED	2023 AED
Opening balance	**67,226**	32,433
Charge for the year	**45,104**	36,545
Paid during the year	**–**	(1,752)
Closing balance	**112,330**	67,226

10 Related parties

The Company in the normal course of business carries on transactions with other business enterprises that fall within the definition of a related party. These transactions are carried out in the normal course of business and are measured at exchange amounts, being the amounts agreed by both the parties.

The Company's related parties mainly include its shareholder, key management personnel and entities under common control.

Amounts due to related parties

	2024 AED	2023 AED
Entities under common control		
Bristlecone Inc.	**–**	593,699
	–	593,699

Amounts due from related parties

	2024 AED	2023 AED
Entity under common control		
Bristlecone Inc	**619,329**	356,668
	619,329	356,668

Notes to the financial statements
For the year ended March 31, 2024 (continued)

Transactions with related parties

Significant transactions carried out with related parties:

	For the year ended March 31, 2024	For the year ended March 31, 2023
	AED	AED
Sub-contracting charges	**2,484,243**	4,528,429
Sub-contracting Sub-contracting revenue	**1,463,176**	1,426,510
Reimbursement of expenses	**13,454**	166,335
Dividend declared and paid	**–**	3,672,500
Revenue	**628,121**	–

Key management personnel compensation

The key management personnel of the Company is the Director. During the year, the key management personnel compensation was paid by a related party and not recharged to the Company.

11 Trade and other payables

	2024	2023
	AED	AED
Financial liabilities		
Trade payables	**398,092**	380,205
Amounts due to related parties (note 10)	**–**	593,699
Accruals and provisions	**479,051**	274,611
	877,143	1,248,515
Non-financial liabilities		
VAT payable, net	**–**	1,191
	877,143	1,249,706

12 Cost of sales

	For the year ended March 31, 2024	For the year ended March 31, 2023
	AED	AED
Sub-contracting charges	**2,974,046**	4,696,752
Software license fees	**1,422,654**	1,391,919
Salaries and other benefits	**1,212,932**	1,324,147
Travelling expenses	**41,447**	196,103
Insurance expense	**17,185**	16,016
Other	**9,000**	4,500
	5,677,264	7,629,437

13 Selling, administrative and general expenses

	2024	2023
	AED	AED
Bad debts	**89,119**	–
Legal and professional fees	**48,568**	54,110
License fees	**40,548**	40,932
Rent*	**16,000**	16,000
Bank charges	**8,595**	10,106
Membership and subscription	**1,081**	3,555
Others	**97,606**	18,576
	301,517	143,279

*The Company has elected not to recognize a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments under such leases are expensed on a straight-line basis.

14 Contingencies and commitments

As at the year end, commitments under non-cancellable operating leases as lessee were:

	2024	2023
	AED	AED
Within one year	**4,000**	4,000

15 Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at Parent Company level, in close cooperation with the management, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes. The significant financial instrument risks to which the Company is exposed are described below.

15.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Company's transactions are carried out in AED and US dollars (USD). The AED is effectively pegged to the USD thus balances in USD do not represent significant currency risks.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the Company does not have any variable interest-bearing financial instruments.

Notes to the financial statements
For the year ended March 31, 2024 (continued)

15.2 Credit risk analysis

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	2023
	AED	AED
Trade and other receivables (note 6)	**1,224,947**	3,331,024
Cash at banks (note 7)	**4,095,451**	2,061,412
	5,320,398	5,392,436

Trade and other receivables

The Company is not exposed to any significant credit risk exposure from any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates, management considers the credit quality of trade and other receivables that are not past due or impaired to be good. The Company's credit risk exposure arising from trade and other receivables is managed through collection of advances from the customers on a periodical basis prior to the rendering of services; timely invoicing upon rendering of services and through periodic follow-ups by management to maximize the collections.

Cash at banks

The Company seeks to limit its credit risk with respect to bank balances by only dealing with reputable banks and continuously monitoring outstanding balances.

The ageing of trade receivables as of the reporting date can be analysed as follows:

		Days overdue			
	Not due	0-90	91-180	Over 180	Total
Trade and other receivables	AED	AED	AED	AED	AED
March 31, 2024	**192,055**	**290,377**	**90,101**	**211,187**	**783,720**
March 31, 2023	1,975,619	939,562	57,989	657,776	3,630,946

15.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis. Long-term liquidity needs are identified monthly.

The Company's undiscounted financial liabilities are summarised below:

	2024	2023
	AED	AED
Trade and other payables (note 11)	**877,143**	1,248,515
	877,143	1,248,515

16 Fair value measurement

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

None of the Company's financial instruments, non-financial assets and non-financial liabilities as at the reporting date are measured at fair value.

17 Capital management policies and procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to the shareholder. Capital for the reporting period under review is summarised as follows:

	2024	2023
	AED	AED
Equity	**4,445,060**	4,155,134
Cash and cash equivalents (note 7)	**4,095,451**	2,061,412

A. Audit engagement

Our report below on the non-statutory audit of the annual financial statements of Bristlecone GmbH, Frankfurt am Main, as at March 31, 2024 is addressed to the audited company.

At the shareholders' meeting held on March 16, 2024 of

Bristlecone GmbH, Frankfurt am Main
(referred to below as the "Company")

we were appointed as auditors of the annual financial statements for the financial year from April 1, 2023 until March 31, 2024. Accordingly, the Company's management engaged us to audit the annual financial statements, together with the accounting records, for the financial year from April 1, 2023 until March 31, 2024 in analogous voluntary application of §§ 316 and 317 of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

The Company is classified as a small corporation as defined in § 267 (1) HGB and, pursuant to §§ 316 *et seq*. HGB, is therefore exempt from the requirement to have its financial statements and management report audited.

We confirm that we have conducted our audit in compliance with the applicable independence regulations pursuant to § 321 (4 a) HGB.

Our engagement is not subject to any reasons for exclusion pursuant to §§ 319, 319 a, 319 b HGB, §§ 49 and 53 of the German Public Accountants Act (*Wirtschaftsprüferordnung*, "WPO") and §§ 28 et seq. of the Professional Charter for Professional Accountants in Public Practice (*Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer*, "BS WP / vBP").

We carried out our engagement at our offices in April 2024. The long-form audit report was then completed.

We have documented the nature and scope of our audit procedures in our working papers.

We present the following report on the findings of our audit procedures.

We have appended the audited 2023 / 2024 annual financial statements, comprising the balance sheet **(Annex 1)**, the income statement **(Annex 2)** and the notes to the annual financial statements **(Annex 3)** to this report.

We have prepared this audit report in accordance with Auditing Standard IDW PS 450 (revised) (10.2021) "German Generally Accepted Standards on the Preparation of Long-form Audit Reports" (*Grundsätze ordnungsmäßiger Erstellung von Prüfungsberichten*) as promulgated by the Institut der Wirtschaftsprüfer in Deutschland e. V. (IDW), Düsseldorf.

The terms governing this engagement and our liability, including towards third parties, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] (*Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften*) in the version dated 1 January 2024 which are attached to this report. We refer to § 323 (2) HGB. No. 1 (2) and No. 9 of the General Engagement Terms are controlling with respect to third parties.

This report on the audit of the annual financial statements is not intended for disclosure to third parties. If it is disclosed or made available to third parties with our consent, the Company shall undertake to agree with such third parties in writing that the agreed-upon liability provisions shall also apply to potential third-party claims against us.

B. Basic findings

I. Opinion on the executive director's assessment of the company's position

In accordance with § 321 (1) sentence 2 HGB, we provide below in our report our opinion on the executive director's assessment of the position of the Company in the annual financial statements.

We issue our opinion on the basis of our own assessment of the economic position of the Company, which we gained in the course of our audit of the annual financial statements. This includes in-depth explanations and the indication of the causes of the individual developments as well as a critical assessment of the underlying assumptions, but not our own forecast calculations. Our reporting obligation exists to the extent that the examined documents allow us to make an assessment.

Specifically, we examined the going concern assumption and the assessment of the future development of the Company, as expressed in the annual financial statements.

The documents audited by us in accordance with § 321 (1) sentence 2 HGB comprised those documents which constituted the direct subject matter of our audit of the annual financial statements (involving the accounting records) as well as any documents such as cost accounting records, planning projections, significant agreements, sets of minutes and reports to the persons responsible for supervision and monitoring, which we examined in the course of our audit.

We considered the management's presentation and assessment of the Company's position and its expected development in the annual financial statements to be accurate.

The management has duly exercised the option exempting it from preparing a management report. It was therefore not possible for us to evaluate the management's assessment of the Company's position in accordance with § 321 (1) sentence 2 HGB in reference to the management report. Nor was it our responsibility as auditors to include such an assessment in the audit report on behalf of the executive directors.

Our audit has found that the going concern assumption is correct.

C. Replication of the Audit Opinion

We have granted the following audit opinion as stated below to the financial statements as of March 31, 2024 of Bristlecone GmbH, Frankfurt am Main:

"Opinion of the Independent Auditor"

To Bristlecone GmbH, Frankfurt am Main:

Audit Opinion

We have audited the annual financial statements of Bristlecone GmbH, Frankfurt am Main, which comprise the balance sheet as at March 31, 2024, and the income statement for the financial year from April 1, 2023 until March 31, 2024, and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at March 31, 2024 as well as the results of operations for the financial year from April 1, 2023 until March 31, 2024 in accordance with German principles of proper accounting. Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 of the German Commercial Code (HGB) and in compliance with German generally accepted standards of auditing of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Thereafter, the audit shall be planned and performed in such a way as to provide reasonable assurance about whether the accounts and the annual financial statements (including the accounting records) are free from material misstatement due to wilful misconduct (fraud) or error. As part of the audit, evidence supporting the amounts and disclosures in the accounting records and annual financial statements is assessed on a sample basis.

The audit includes an assessment of the accounting, valuation and classification principles applied and the significant assessments made by management, as well as an evaluation of the overall presentation of the annual financial statements. We believe that our audit provides a sufficient basis for our audit opinions.

Executive Director's Responsibilities for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nettetal, April 12, 2024

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Schmedt	ppa. Sonfeld
Wirtschaftsprüfer	Wirtschaftsprüfer
(Auditor)	*(Auditor)*

D. Subject, nature and scope of the audit

I. Subject of the audit

In accordance with § 317 HGB, as part of our engagement we have audited the annual financial statements (involving the accounting records), which were prepared in accordance with German accounting requirements, in order to verify compliance with the relevant statutory requirements.

The executive directors are responsible for the accounting, the accounting-related internal controls and the information provided to us in our function as the auditors. Our responsibility as the auditors is to express an opinion on these documents based on the accounting records and the information provided to us in our audit.

The audit of compliance with other statutory requirements only falls within the scope of our audit to the extent that these other requirements commonly affect the annual financial statements prepared in accordance with German accounting requirements.

Our audit of the annual financial statements did not include any special review for the purposes of identifying misrepresentation in relation to monetary or service transactions (misappropriation audit). Our audit activities did not reveal any indications that would have necessitated any further examinations in that regard.

II. Nature and scope of the audit procedures

We have determined the type and extent of the audit procedures required for this engagement within the scope of our own discretion and professional responsibility, which is limited by statutory regulations and ordinances, the German Principles of Auditing Statutory Statutes as established by IDW, as well as any extended conditions for the engagement and the respective reporting obligations.

In addition, we refer to the International Standards on Auditing (ISA).

Pursuant to § 317 (4 a) HGB, our audit does not extend to whether assurances can be made as to the continued existence of the audited entity as a going concern or the effectiveness and efficiency of its management.

As part of our risk-based audit approach, we first developed an audit strategy. This was based on an assessment of the corporate environment and information provided by management on the company's main objectives and business risks.

We selected the analytical audit procedures (plausibility assessments) and tests of details in relation to the substantiation of balances, recognition, presentation and measurement in the annual financial statements based on the findings from our audit of processes and the accounting-related internal control system. In the individual audit plan for the company, we defined the focal points of our audit, the nature and scope of our audit activities as well as the sequencing of audit procedures and the use of human resources. In so doing, we observed the principles of materiality and risk orientation and therefore arrived at our audit opinion primarily on a test basis.

The critical audit objectives identified in our audit strategy resulted in the identification of the following focal points for our audit:

Trade receivables as well as receivables from and payables to related parties.

External confirmations were obtained as follows and subject to the following criteria:

Bank confirmations were obtained from credit institutions.

Balance confirmations were obtained from some debtors.

The opening balance sheet amounts were properly taken from the prior-year annual financial statements audited by us.

All necessary explanations and evidence requested by us at our due discretion to enable us to duly perform our audit were provided by the executive directors. The management has provided us on April 12, 2024 with written confirmation of the completeness of the accounting records and the annual financial statements in the letter of representation obtained by us.

E. Findings and explanatory notes regarding the accounting

I. Propriety of the accounting

1. Accounting records and related documents

In our audit, we found that, in all material respects, the accounting records and further audited documents comply with the statutory requirements, including the German Legally Required Accounting Principles.

We found the company's records of transactions to be complete, continuous and timely. The chart of accounts renders it possible to clearly and transparently organise the accounting data with a sufficient level of detail in keeping the interests of the company. Insofar as accounting records were inspected in the course of our audit, they contain all the necessary information to enable proper documentation. The records are stored in a clearly organized manner, so that the records can be accessed directly on the basis of the information in the accounts. The accounting records therefore comply with the statutory requirements in all material respects for the entire financial year.

The organisation of the accounting records, the internal control system, the flow of data and the records management system facilitate the complete, accurate, timely and orderly recognition and posting of transactions.

Our audit found that, in all material respects, the information obtained from further audited documents was properly reflected in the accounting records and in the annual financial statements prepared in accordance with German accounting requirements.

The Company's financial reporting (financial bookkeeping, fixed asset accounting, payroll accounting) is managed externally by the accounting and tax advising firm Schiff-Martini & Cie. GmbH, Frankfurt am Main.

No significant organisational changes were made to the accounting processes during the year under review.

In our opinion, there are no indications that the organisational and technical measures taken by the Company are not appropriate to ensure the security of accounting-relevant data and IT systems.

2. Annual financial statements

In all material respects, the annual financial statements as at March 31, 2024, prepared in accordance with German accounting requirements and submitted to us for audit, complied with all applicable statutory requirements, including the German Legally Required Accounting Principles and all size-related, legal form-related and sector-specific requirements.

We found the balance sheet and the income statement of Bristlecone GmbH, Frankfurt am Main for the financial year from April 1, 2023 to March 31, 2024 to be properly derived from the accounting records and the other audited documents. The relevant recognition, presentation and measurement requirements were, in all material respects, complied with, as was the principle of continuity set out in § 252 (1) no. 6 HGB.

With respect to the propriety of the disclosures contained in the notes, which we do not report on elsewhere, we note that the reporting in the notes has been carried out by the executive directors in full and to the extent required by law.

II. Overall presentation of the annual financial statements

1. Conclusions on the overall presentation of the annual financial statements

In our opinion, the annual financial statements – i. e., the overall assertion of the annual financial statements provided by the interaction of balance sheet, income statement and notes – give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German Legally Required Accounting Principles (§ 264 (2) HGB).

2. Measurement bases

The measurement bases in accordance with § 321 (2) sentence 4 clause 1 HGB comprise the accounting and valuation methods and the relevant factors affecting the valuation of assets and liabilities (parameters, assumptions and the exercise of discretion).

No changes were made to the measurement bases during the reporting period.

For information on the presentation of the material measurement bases, please refer to the corresponding disclosures in the notes, because their inclusion in this audit report would only be repetitive.

F. Concluding Remark

The audit report was prepared in accordance with legal requirements and the principles of drawing up audit reports established by the German Institute of Chartered Accountants ("Grundsätze ordnungsmäßiger Berichterstattung bei Abschlussprüfungen" (IDW PS 450 (revised) (10.2021)).

Any use of the above-reproduced auditor's opinion outside of this audit report is subject to our prior consent.

Nettetal, April 12, 2024

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Schmedt	ppa. Sonfeld
Wirtschaftsprüfer	Wirtschaftsprüfer
(Auditor)	*(Auditor)*
Marco Schmedt	Florian Sonfeld
16.04.2024	16.04.2024

Annexure 1

Balance Sheet as of March 31, 2024

	2024/3/31 €	2023/3/31 €
Assets		
A. Fixed assets		
I. Tangible fixed assets		
1. Other equipment, operating and office equipment	**7,146.00**	10,161.00
II. Long-term financial assets		
1. Loans to affiliated companies	**3,987,594.15**	3,987,594.15
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	**1,636,435.73**	810,171.36
2. Receivables from affiliated companies	**428,465.38**	127,028.58
3. Other assets	**20,745.84**	56,985.52
	2,085,646.95	994,185.46
– of which due after more than one year € 14,351.56 (€ 14,351.56)		
II. Cash-in-hand, central bank balances, bank balances and cheques	**1,495,138.42**	1,679,836.49
C. Prepaid expenses	**5,474.67**	4,324.73
	7,581,000.19	6,676,101.83
Equity and liabilities		
A. Equity		
I. Subscribed capital	**50,000.00**	50,000.00
II. Capital reserve	**425,000.00**	425,000.00
III. Retained profits brought forward	**5,126,108.08**	4,966,970.00
IV. Net income for the financial year	**463,172.59**	159,138.08
B. Provisions		
1. Provisions for taxes	**244,352.38**	202,688.42
2. Other provisions	**874,273.51**	542,949.85
	1,118,625.89	745,638.27
C. Liabilities		
1. Trade payables	**61,884.03**	12,322.73
– of which due within one year € 61,884.03 (€ 12,322.73)		
2. Liabilities to affiliated companies	**306,371.32**	303,928.51
– of which due within one year € 306,371.32 (€ 303,928.51)		
3. Other liabilities	**29,838.28**	13,104.24
	398,093.63	329,355.48
– of which taxes € 13,327.36 (€ 1,133.18)		
– of which social security € 9,053.66 (€ 8,553.11)		
– of which due within one year € 29,838.28 (€ 13,104.24)		
	7,581,000.19	6,676,101.83

Annexure 2

Income Statement for the Period April 1, 2023 through March 31, 2024

		Financial year	Prior year
		€	€
1.	Sales	**8,029,388.73**	6,464,807.54
2.	Other operating income	**129,349.70**	49,049.42
	– of which currency translation gains € 40,302.15 (€ 18,737.07)		
3.	Cost of materials		
	Cost of purchased services	**4,789,399.61**	4,113,921.63
4.	Personnel expenses		
	a) Wages and salaries	**2,204,638.10**	1,384,696.86
	b) Social security, post-employment and other employee benefit costs	**306,388.02**	212,876.53
		2,511,026.12	1,597,573.39
	– of which in respect of old age pensions € 16,187.50 (€ 9,975.00)		
5.	Depreciation, amortisation and write-downs Amortisation and write-downs of intangible fixed assets and depreciation and write downs of tangible fixed assets	**5,431.35**	4,809.80
6.	Other operating expenses		
	– of which currency translation losses € 32,367.53 (€ 60,126.46)	**287,620.75**	678,123.99
7.	Other interest and similar income		
	of which from affiliated companies € 93,413.44 (€ 97,298.46)	**93,450.44**	98,143.46
8.	Taxes on income	**195,538.45**	58,433.53
9.	**Net income/net loss after tax**	**463,172.59**	159,138.08
10.	**Net income for the financial year**	**463,172.59**	159,138.08

Annexure 3

Notes to the Financial Statements for the fiscal year from April 1, 2023 to March 31, 2024

I. GENERAL EXPLANATIONS

Bristlecone GmbH, Frankfurt am Main (referred to below as the "Company"), has its domicile in Frankfurt am Main and has been registered in the trade register at the local court in Frankfurt am Main in department B, with number 58387.

The financial statements of the Company for the fiscal year ended March 31, 2024 have been prepared according to the Sect. 242 ff. and 264 ff. of the German Commercial Code (HGB) and the relevant Sections of the Law on Limited Liability Companies (GmbHG).

The income statement is structured towards the cost-summary method in accordance with Sect. 275 Para. 2 German Commercial Code (HGB).

The Company is a small corporation according to Sect. 267 Para. 1 German Commercial Code (HGB).

II. ACCOUNTING POLICIES

Fixed assets

Tangible assets are stated at acquisition- or production cost and, if utilizable, depreciated through the useful life.

Depreciation on additions to tangible assets is calculated pro rata temporis. Low value items are fully depreciated in the year of acquisition.

Depreciation takes place as follows:

Item	Depreciation method	Useful lifetime
Other equipment, operational and office equipment	straight line	3 years

Among financial assets, shares and securities are measured at the lower of cost or market and loans are recognized at their nominal value.

Accounts receivable and other assets

Accounts receivable and other assets are stated at nominal value or their net realizable value. All items subject to risk are written down on an item-by-item basis.

Provisions and accrued liabilities

Tax accruals, other provisions and accrued liabilities are stated with the settlement amount based on reasonable business judgement and cover all identifiable risks from uncertain liabilities and anticipated losses from pending transactions.

Liabilities

Liabilities are stated at the settlement amount.

Deferred assets and liabilities

Deferred taxes resulting from temporary or quasi-permanent differences between the commercial values and the respective tax base of assets, liabilities and deferred items as well as from tax loss carry forwards are measured at the tax rates specific to the Company that are expected to apply to the period when the asset is realised or the liability is settled and are not discounted. Deferred tax assets and deferred tax liabilities are offset. Deferred taxes were set up according to § 249 HGB.

Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are evaluated with the exchange rate at the business transaction date.

Receivables and payables in foreign currencies with a remaining term of less than one year are stated with the average spot exchange rate of the balance sheet date.

Receivables and payables in foreign currencies with a remaining term of more than one year are stated with the average spot exchange rate of the balance sheet date or the lower or higher of cost or market value.

III. INDIVIDUAL COMMENTS TO THE BALANCE SHEET

Fixed assets

Reference is made to the separate analysis of fixed assets (see exhibit to the notes).

Other provisions and accrued liabilities

Other provisions and accrued liabilities in the amount of K€ 874 represent provisions for personnel expenses (K€ 479), for outstanding invoices (K€ 369), as well as accruals for legal and advisory fees (K€ 17) and for the audit of the financial statements (K€ 9).

Receivables and liabilities from shareholder and affiliated companies

Receivables due from and liabilities due to affiliated companies result from current business operations and a granted loan for general business operation purposes. Receivables due from affiliated companies comprise receivables amounting to K€ 221 with a remaining term of more than one year.

IV. NOTES TO THE INCOME STATEMENT

Purchased services in the amount of K€ 1,001 were reclassified from other operating expenses to cost of purchased services for reporting purposes.

V. OTHER INDIVIDUAL COMMENTS

Affiliated companies

Companies which are directly or indirectly controlled by Mahindra & Mahindra Ltd., Mumbai, India, are considered as affiliated companies.

Financial commitments

Substantial financial commitments which are not stated in provisions, liabilities or contingent liabilities, exist of the following commitments from a rental and lease agreement:

	Total amount K€
Office premises	8

The payments refer to the following years:

	Total amount K€
2024 / 2025	8

Contingent liabilities

As of balance sheet date, there are no contingent liabilities according to Sect. 251 German Commercial Code (HGB) which have to be reported on.

Headcount

During the fiscal year the Company employed an average of 14 employees (prior year: 12 employees).

Consolidation scope

Mahindra & Mahindra Ltd., Mumbai, India is the ultimate parent company responsible for preparing the consolidated financial statements for the largest and smallest group of companies.

Frankfurt am Main, April 8, 2024

Lisa Anne Lesko

Padamnath Somnath Pandit

Fixed Asset Schedule as of 31 March 2024

		Cost/Production costs			Depreciations			Carrying amount	
		April 1, 2023	Additions	March 31, 2024	April 1, 2023	financial year	March 31, 2024	March 31, 2024	March 31, 2023
		€	€	€	€	€	€	€	€
	Fixed assets								
I.	**Tangible fixed assets**								
	1. Other equipment, operating and office equipment	15,666.71	2,416.35	18,083.06	5,505.71	5,431.35	10,937.06	7,146.00	10,161.00
	Total tangible fixed assets	15,666.71	2,416.35	18,083.06	5,505.71	5,431.35	10,937.06	7,146.00	10,161.00
II.	**Long-term financial assets**								
	1. Loans to affiliated companies	3,987,594.15	0.00	3,987,594.15	0.00	0.00	0.00	3,987,594.15	3,987,594.15
	Total long-term financial assets	3,987,594.15	0.00	3,987,594.15	0.00	0.00	0.00	3,987,594.15	3,987,594.15
	Total fixed assets	4,003,260.86	2,416.35	4,005,677.21	5,505.71	5,431.35	10,937.06	3,994,740.15	3,997,755.15

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BRISTLECONE (SINGAPORE) PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone (Singapore) Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages herein.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KNAV SERVICES LLP
Public Accountants and Chartered Accountants

Singapore
17 April 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		S$	S$
Revenue	4	**167,431**	2,237,386
Cost of sales		**(118,367)**	(2,093,250)
Gross profit		**49,064**	144,136
Other gain/ (loss), net	5	**22,484**	(53,722)
Selling and marketing expense		**(5,421)**	(6,694)
Administrative expense		**(35,629)**	(38,875)
Profit before income tax	6	**30,498**	44,845
Income tax expense	8	**(422)**	(13,801)
Profit for the financial year, representing total comprehensive income for the financial year		**30,076**	31,044

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024	2023
		S$	S$
ASSETS			
Non-current assets			
Equipment	9	**–**	698
ASSETS			
Current assets			
Trade and other receivables	10	**8,331**	406,307
Cash and bank balances	11	**1,722,104**	1,349,572
Total current assets		**1,730,435**	1,755,879
Total assets		**1,730,435**	1,756,577
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**1,670,000**	1,670,000
Retained earnings		**37,564**	7,488
Total equity		**1,707,564**	1,677,488
Current liabilities			
Trade and other payables	13	**22,449**	47,341
Contract liabilities	4	**–**	17,650
Current tax payable	8	**422**	14,098
Total liabilities		**22,871**	79,089
Total liabilities and equity		**1,730,435**	1,756,577

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital	Retained earnings/ (Accumulated losses)	Total
	S$	S$	S$
Balance at 1 April 2022	1,670,000	(23,556)	1,646,444
Profit for the financial year, representing total comprehensive income for the financial year	–	31,044	31,044
Balance at 31 March 2023	1,670,000	7,488	1,677,488
Profit for the financial year, representing total comprehensive income for the financial year	**–**	**30,076**	**30,076**
Balance at 31 March 2024	**1,670,000**	**37,564**	**1,707,564**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		S$	S$
Cash flows from operating activities			
Profit before income tax	6	**30,498**	44,845
Adjustments for:			
Depreciation on equipment	9	**581**	697
Loss on sale of equipment	9	**25**	–
Unrealised foreign exchange (gain) / loss		**(27,471)**	68,855
Reversal of allowance for estimated credit loss	10	**–**	(1,692)
Operating cash flows before movements in working capital		**3,633**	112,705
Changes in working capital:			
Trade and other receivables		**401,845**	283,584
Contract liabilities		**(17,650)**	19,597
Trade and other payables		**(24,892)**	(423,383)
Cash generated from (used in) operating activities		**362,936**	(7,497)
Income tax paid	8	**(14,098)**	(41,811)
Net cash generated from (used in) operating activities		**348,838**	(49,308)
Net cash generated from investing activities			
Proceeds from sale of equipment	9	92	–
Net increase (decrease) in cash and cash equivalents		**348,930**	(49,308)
Cash and cash equivalents at beginning of financial year		**1,349,572**	1,465,221
Effect on foreign exchange difference		**23,602**	(66,341)
Cash and cash equivalents at end of financial year	11	**1,722,104**	1,349,572

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Bristlecone (Singapore) Pte Ltd. (the "Company") is domiciled and incorporated in Singapore with its registered office at 77 Robinson Road #13-00, Robinson 77, Singapore 068896 and principal place of business is at 12 Marina Boulevard, Level 17-01 Marina Bay Financial Centre Tower 3, Singapore 018982.

The principal activities of the Company is those providing software related consulting services. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding corporation of the Company is Bristlecone India Limited, a company incorporated in India. The intermediate holding corporation is Bristlecone Worldwide, Inc. (previously known as Bristlecone Limited), a company that is currently domesticated to the United States after its deregistration in Cayman Island effective 3 April 2023. The penultimate holding corporation is Mahindra Holdings Limited, a company incorporated in India. The ultimate holding corporation of the Company is Mahindra & Mahindra Ltd, a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors as at date of the Directors' Statement.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S$") which is the Company's functional currency.

2.2 Adoption of new or revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the annual periods beginning on or after 1 April 2023. The adoption of these new or revised FRS and INT FRS did not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRS, INT FRS and amendments to FRS were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1-Jan-24
FRS 116	Amendments to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1-Jan-24
FRS 1	Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1-Jan-24
FRS 7 and 107	Amendments to FRS 7 Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures: Supplier Finance Arrangements	1-Jan-24
FRS 21	Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1-Jan-25
FRS 110 and 28	Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Company do not intend to early adopt any of the above new/ revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/ new standards will not have a material impact on the financial statements of the Company in the period of their initial adoption.

2.4 Foreign currency transactions and balances

Transactions in a foreign currency are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or a translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Cash and bank balances

Cash and bank balances comprise of cash on hand and cash at bank (collectively known as "cash and cash equivalents") and are subject to an insignificant risk of changes in value.

2.6 Financial instruments

The Company recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Company assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Company uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Company uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Company’s contracts with customers under FRS 115 are assessed for impairment in accordance with FRS 109, similar to that of trade receivables.

The Company directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary share and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Company commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.7 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring the promised services to a customer. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue are presented, net of goods and services tax, rebates and discounts.

The Company provide software related consulting services. Revenue is recognised when the control over the agreed services has been transferred to the customer. At contract inception, the Company assesses whether the Company transfers control of the services over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Company; and (b) the Company has an enforceable right to payment for performance completed to date.

For contract where the asset created has no alternative use for the Company due to contractual restriction, and the Company has enforceable rights to payment arising from the contractual terms, revenue is recognised over time by reference to the Company's progress towards completing the asset. The measure of progress is determined based on the proportion of actual service provided to date relative to the estimated total services to be provided. This is determined based on the direct expenses incurred or actual labour hours spent relative to the total expected labour hours.

For contracts where the Company does not have an enforceable right to payment, revenue is recognised only when the asset is delivered to the customers and the customers have accepted it in accordance with the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a milestone payment schedule. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Company has not yet performed under the contract but has billed the customer. Contract assets are transferred to the receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue when the Company performs under the contract.

2.10 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.11 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted by the end of the financial year.

(b) Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.12 Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset of as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.13 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.14 Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company.

The effect of the Company's transactions and arrangements with related parties is reflected in these financial statements.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

2.15 Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the equipment.

Subsequent expenditures relating to equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Computer	3 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fully depreciated equipment are retained in the financial statements until they are no longer in use. The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of equipment is recognised in profit or loss.

2.16 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount:

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of comprehensive income.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Measurement of expected credit losses ("ECLs") of other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matric to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade and other receivables is disclosed in Note 15.

4. REVENUE

	2024	2023
	S$	S$
Type of good or service		
Rendering of service	**167,431**	2,237,386
Time of revenue recognition		
Over time	**167,431**	2,237,386
Contract liabilities	**–**	17,650

The change in contract liabilities pertains to the recognition of revenue in the current period that was included in the contract liabilities balance at the beginning of the period.

The contract liabilities are denominated in United States Dollar.

5. OTHER GAIN/ (LOSS), NET

	2024	2023
	S$	S$
Foreign exchange gain/ (loss) - net	**22,484**	(53,722)

6. PROFIT BEFORE INCOME TAX

In addition to the charges disclosed elsewhere in the financial statements, the following charge was included in the determination of profit before income tax:

	2024	2023
	S$	S$
Under cost of sales		
Subcontractor cost	**84,946**	1,683,031
Employee benefits expense (Note 7)	**33,146**	390,377
Under selling and marketing expense		
Employee benefits expense (Note 7)	**–**	2,182
Short term lease expense*	**5,260**	4,512
Under administrative expenses		
Professional and consulting fee	**13,025**	13,300
Employee benefits expense (Note 7)	**3,000**	2,625

* The Company leases its office space under a lease arrangement which does not qualify as lease.

7. EMPLOYEE BENEFITS EXPENSE

	2024	2023
	S$	S$
Staff salaries and bonuses	**33,146**	392,559
Directors' fees	**3,000**	2,625

8. INCOME TAX EXPENSE

	2024	2023
	S$	S$
Income tax		
- Current year	**422**	10,575
- Under provision in prior year	**–**	3,226
	422	13,801

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2023: 17%) to profit before income tax as a result of the followings differences:

	2024	2023
	S$	S$
Profit before income tax	**30,498**	44,845
Tax calculated at a tax rate of 17%	**5,185**	7,624
Tax effect of:		
- Expenses not deductible for tax purposes	**515**	14,376
- Non-taxable income	**(4,012)**	–
- Tax exemptions	**(1,266)**	(11,425)
Under provision in prior year	**–**	3,226
	422	13,801

Movement in income tax payable

	2024	2023
	S$	S$
At the beginning of financial year	**14,098**	42,108
Income tax paid	**(14,098)**	(41,811)
Income tax expense		
- Current year	**422**	10,575
- Under provision in prior year	**–**	3,226
At the end of financial year	**422**	14,098

9. EQUIPMENT

	2024	2023
	S$	S$
Cost		
As at 1 April	**2,093**	**2,093**
Additions	**–**	**–**
Disposals	**(2,093)**	**–**
As at 31 March	**–**	**2,093**
Accumulated depreciation		
As at 1 April	**1,395**	**698**
Charge for the financial year	**581**	**697**
Disposal	**(1,976)**	**–**
As at 31 March	**–**	**1,395**
Carrying amount		
At 31 March 2024		**–**
At 31 March 2023		**698**

The Company sold its equipment in January 2024 for S$92 and accordingly recorded a loss from sale of equipment amounting to S$25 in the statement of comprehensive income.

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	S$	S$
Trade receivables		
- related corporation	**2,614**	11,032
- third parties	**–**	387,439
	2,614	398,471
Prepayments	**2,066**	4,640
Deposits	**3,196**	3,196
GST receivables	**455**	–
	8,331	406,307

Trade receivables are non-interest bearing and the average credit period of 30 to 60 days (2023: 30 to 60 days) according to the terms agreed with the customers. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2024	2023
	S$	S$
At the beginning of financial year	**–**	1,692
Provision for estimated credit loss	–	–
Reversal of allowance for estimated credit loss	**–**	(1,692)
At the end of financial year	–	–

The currency profiles of the Company's trade and other receivables as at 31 March are as follows:

	2024	2023
	S$	S$
United States Dollar	**2,614**	398,471
Singapore Dollar	**5,717**	7,836
	8,331	406,307

11. CASH AND BANK BALANCES

	2024	2023
	S$	S$
Cash and cash equivalents	**1,722,104**	1,349,572

The currency profiles of the Company's cash and bank balances as at 31 March are as follows:

	2024	2023
	S$	S$
United States Dollar	**1,674,855**	1,301,215
Singapore Dollar	**47,249**	48,357
	1,722,104	1,349,572

12. SHARE CAPITAL

	2024		2023	
	No. of shares	**S$**	No. of shares	S$
At beginning and end of financial year	**1,670,000**	**1,670,000**	1,670,000	1,670,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

13. TRADE AND OTHER PAYABLES

	2024	2023
	S$	S$
Trade payables		
- related corporation	–	17,479
- third parties	2,422	–
GST payables	**–**	1,888
Accruals	**20,027**	27,974
	22,449	47,341

Trade payables are non-interest bearing and the average credit period on services is 30 days (2023: 30 days) according to the terms agreed with the suppliers.

Amount due to immediate holding corporation and related corporation are unsecured, interest free and repayable on demand.

The currency profiles of the Company's trade and other payables as at 31 March are as follows:

	2024	2023
	S$	S$
United States Dollar	**–**	17,479
Singapore Dollar	**22,449**	29,862
	22,449	47,341

14. RELATED PARTY TRANSACTIONS

Apart from the disclosures made elsewhere in the financial statements, the following significant transactions between the Company and related parties took place during the financial year at terms agreed between the parties.

	2024	2023
	S$	S$
Rendering of services		
Related corporation		
- Professional service charges	**36,745**	133,597
Purchase of services		
Related corporation		
- Subcontractor fees	**84,946**	1,683,031

Key management personnel remuneration

Except for the directors of the Company, there are no other key management personnel. For the director other than Mr Tiong Hin Won, Eric (Note 7), remuneration is paid by its related corporation (Bristlecone Inc.).

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Company does not expect the impairment loss from bank balances to be material, if any.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Trade receivables (Note 10)

The Company uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses the gross domestic production growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

		Past due			
	Current	**Within 30 days**	**30 to 60 days**	**Over 60 days**	**Total**
	S$	**S$**	**S$**	**S$**	**S$**
31 March 2024					
Expected loss rate	**–**	**–**	**–**	**–**	**–**
Trade receivables (gross)	**2,614**	**–**	**–**	**–**	**2,614**
Loss allowance	**–**	**–**	**–**	**–**	**–**
					2,614
31 March 2023					
Expected loss rate	–	–	–	–	–
Trade receivables (gross)	54,549	129,948	213,974	–	398,471
Loss allowance	–	–	–	–	–
					398,471

There are no credit loss allowance for other financial asset at amortised cost as at 31 March 2024 and 2023.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The normal trade credit terms granted to customers ranged from 30 to 60 days (2023: 30 to 60 days) or contractual periods based on project contract sales.

The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that the remaining receivables are recoverable as these accounts are still active.

Market risks

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

Foreign currency risk

The Company's main foreign currency exposures arise from the exchange rate movements of United States dollar against Singapore Dollar, which is the Company's functional currency. As at the end of the reporting date, foreign currency balances for trade and other receivables, cash and bank balances, and trade and other payables are disclosed in Notes 10, 11 and 13, to the financial statements.

Sensitivity analysis for foreign currency risk

A 5% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would increase profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase/(Decrease) in Profit or Loss	
	2024	2023
	S$	S$
United States Dollar	**83,873**	84,110

Liquidity risk

Liquidity risks refer to the risks in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Company is not exposed to any significant liquidity risk however the Company adopts prudent liquidity risk management by maintaining sufficient cash and available funding through an adequate amount of committed credit facilities.

All the Company's financial assets and liabilities are due within 12 months after the reporting date.

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	2024	2023
	S$	S$
Financial assets at amortised cost		
Cash and bank balances	**1,722,104**	1,349,572
Trade and other receivables* (excluding prepayments)	**5,810**	401,667
	1,727,914	1,751,239

*excluding prepayments and GST receivables

	2024	2023
Financial liabilities at amortised cost		
Trade and other payables**	**22,449**	45,453

*excluding GST receivables
**excluding GST payables

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

Except as disclosed in the respective notes, the carrying amounts of cash and bank balances, trade and other receivables and payables, approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital management of the Company is monitored by the management on an ongoing basis. The Company is not subject to any externally imposed capital requirements during the financial years ended 31 March 2024 and 2023.

The capital structure of the Company consists of share capital and retained earnings/(accumulated losses).

ATTESTATION ON FINANCIAL STATEMENTS

Sirs
Bristlecone Internacional Costa Rica, S.R.L.

The undersigned Certified Public Accountant was engaged by **Bristlecone Internacional Costa Rica, S.R.L.** ("the Company") to attest the financial figures shown in the statement of financial position as of March 31st, 2024 and the statement of profit or loss and other comprehensive income for the year then ended. The Company's management is responsible for the preparation and fair presentation of these financial statements based on the International Financial Reporting Standards.

In accordance with the International Financial Reporting Standards, a set of financial statements consists of the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements as of a given date in accordance with the International Financial Reporting Standards. For the issuance of this attestation, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements were not under scope.

Our engagement was conducted in accordance with the professional standards that regulate public accounting in Costa Rica, taking into consideration communication No. 02: "Minimum Requirements to Issue an Attestation Report" and communication No.14: "Minimum Guidance to Issue an Attestation Report on the Financial Statements regarding a Specific Element, Account, or Item of a Financial Statement", published by the Association of Public Accountant of Costa Rica. An attestation engagement consists of attesting to the certainty of the matter or specific element indicated in the report, therefore this attestation was carried out with the sole purpose of informing the user that the figures shown in the statement of financial position and the statement of profit or loss and other comprehensive income, shown in Exhibit I, were extracted from the Company's accounting records of the Company as of March 31st, 2024 and for the year then ended, which I also verified in accordance with the procedures described in the next section:

Procedure

The procedure performed in order to confirm what has been indicated in the previous paragraphs is described as follows:

1. Compare the figures of the statement of financial position and the statement of profit or loss and other comprehensive income in US dollars with the corresponding figures that show the Company´s accounting records as of March 31st, 2024 and for the year then ended (detailed in Exhibit 1).

Result

Based on the procedure described above, we will verify that:

1. The figures in the statement of financial position and the statement of profit or loss and other comprehensive income detailed in Exhibit 1 were extracted from the Company's accounting records as of March 31st, 2024 and for the year then ended.

Attestation

By virtue of the foregoing, I attest that the figures in the statement of financial position and the statement of profit or loss and other comprehensive income, detailed in Exhibit I, correspond to those shown in the Company's accounting records as of March 31st, 2024 and for the year then ended.

The procedures described above are substantially less than the requirements of an audit on a full set of financial statements according to the International Standards on Auditing, and they are not sufficient to express a conclusion about whether, based on the review, the financial statements are prepared in accordance with the applicable financial information framework since, as mentioned above, the work consisted of comparing the figures of the statement of financial position and the statement of profit or loss and other comprehensive income with the corresponding figures shown in the Company's accounting records as of March 31st, 2024 and for the year then ended. Consequently, this attestation is not and should not be interpreted as an opinion on the fairness of the referred information or as a comprehensive review thereof. Had we had applied additional procedures, other potential matters could have come to our attention that we would have reported to you.

Our report is solely intended for the purpose stated in the third paragraph of this report and for your information, and it should not be used for any other purpose or distributed to any other parties.

Statement of Competence and Independence

I hereby express that I am authorized, in accordance with Article 4 of Law No.1038, to issue this attestation on the consolidated financial statements, and I state that I am independent by complying with the provisions set forth in Article 9 of Law No.1038, Articles 20 and 21 of the Regulation to the same Law, and the independence requirements and other ethics requirements established in the Professional Ethics Code issued by the Association of Certified Public Accountants of Costa Rica.

Place and Date of Issue

This attestation report is issued in the city of San José on April 11th, 2024.

Jorge Salazar Rodríguez - C.P.A. No.4573
Insurance Policy R 0116. FIG 7
Expires September 30, 2024.
Revenue Stamp - Law No.6663, ¢25.00
Affixed and paid in the original

STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2024 USD	As at March 31, 2023 USD
ASSETS		
Current Assets		
Cash and cash equivalents	**108,474**	99,902
Other current assets	**20,525**	–
Total Current Assets	**128,999**	99,902
TOTAL ASSETS	**128,999**	99,902
EQUITY AND LIABILITIES		
Stockholders' Equity		
Share Capital	**100,000**	100,000
64,076 authorized share capital at par value of CRC 1,000 each share out of which 54,387 shares issued as at March 31, 2024 (54,387 shares issued as at March 31, 2023)		
Additional Paid-in-Capital	**100,000**	–
Reserves & Surplus		
Retained Loss	**(112,672)**	(98)
Total Shareholders' Equity	**87,328**	99,902
Current liabilities		
Trade and other payables	**36,971**	–
Accrued expenses and other current liabilities	**4,700**	–
Total liabilities	**41,671**	–
TOTAL EQUITY AND LIABILITIES	**128,999**	99,902

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Year ended March 31, 2024 USD	Year ended March 31, 2023 USD
Revenues	**–**	–
Operating expenses		
Cost of revenue	**–**	–
Selling, general and administrative expenses	**112,573**	98
Total operating expenses	**112,573**	98
Operating profit / (loss)	**(112,573)**	(98)
Other income / (expense)	**–**	–
Profit / (loss) before income tax expense	**(112,573)**	(98)
Income tax expense / (benefit)	**–**	–
Net profit / (loss)	**(112,573)**	(98)
Other comprehensive income	**–**	–
Total comprehensive income	**(112,573)**	(98)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Amounts in USD

Particulars	Share Capital	Additional Paid-in-Capital	Reserves and Surplus	Total stockholders' equity
	USD	USD	USD	USD
Balance as at March 31, 2022	**–**	**–**	**–**	**–**
Share Capital	100,000	–		100,000
Profit for the year	–	–	(98)	(98)
Balance as at March 31, 2023	**100,000**	**–**	**(98)**	**99,902**
Share Capital	–	–	–	–
Additional Paid-in-Capital	–	100,000	–	100,000
Profit for the year	–	–	(112,573)	(112,573)
Balance as at March 31, 2024	**100,000**	**100,000**	**(112,672)**	**87,328**

STATEMENT OF CASH FLOWS

Particulars	Year ended March 31, 2024 USD	Year ended March 31, 2023 USD
Cash flow from operating activities		
Net profit	**(112,573)**	(98)
Adjustments to reconcile net profit to net cash provided by / (used in) operating activities	**–**	–
Changes in assets and liabilities		
(Decrease)/Increase in accounts payable	**36,971**	–
Increase in Accrued Interest	**4,700**	–
Decrease/(Increase) in account receivables	**(20,525)**	–
Net cash generated from operating activities	**(91,427)**	(98)
Cash flow from investing activities		
	–	–
Net cash (used in)/ provided by investing activities	**–**	–
Cash Flow from Financing Activities		
Proceeds from issue of equity shares	**100,000**	100,000
Net cash (used in)/ provided by financing activities	**100,000**	100,000
Net increase in cash and cash equivalents	**8,573**	99,902
Cash and cash equivalents at the beginning of the year	**99,902**	–
Cash and cash equivalents at the end of the year	**108,474**	99,902

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA – BT INVESTMENT COMPANY (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra – BT Investment Company (Mauritius) Limited**, the "Company", which comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of the financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises of information included under the Corporate Data and Commentary of the Directors sections but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this Report

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 19 April 2024

Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2024	2023	2023
		USD	**INR**	USD	INR
			(Note 1)		(Note 1)
INCOME					
Interest income on bank deposits	10	**858,094**	**71,539,297**	419,642	34,985,554
Dividend income	9(iv)	**126,475**	**10,544,221**	142,879	11,911,822
		984,569	**82,083,518**	562,521	46,897,376
EXPENDITURES					
Professional fees	12	**53,841**	**4,488,724**	33,443	2,788,143
Audit fees		**7,111**	**592,845**	6,658	555,078
Licence fees		**2,700**	**225,099**	2,700	225,099
Bank charges		**3,614**	**301,300**	3,845	320,558
		67,266	**5,607,968**	46,646	3,888,878
PROFIT BEFORE TAX		**917,303**	**76,475,550**	515,875	43,008,498
Tax expense	8(iii)	**(138,665)**	**(11,560,502)**	(77,025)	(6,421,574)
PROFIT FOR THE YEAR		**778,638**	**64,915,048**	438,850	36,586,924
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss					
Fair value gain/(loss) on financial asset at fair value through other comprehensive income	9(i)	**377,998**	**31,513,693**	(1,548,863)	(129,128,708)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX		**377,998**	**31,513,693**	(1,548,863)	(129,128,708)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		**1,156,636**	**96,428,741**	(1,110,013)	(92,541,784)

These notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024	2024	2023	2023
		USD	INR (Note 1)	USD	INR (Note 1)
ASSETS					
Non-current assets					
Financial asset at fair value through other comprehensive income (“FVOCI”)	9	**3,634,896**	**303,041,280**	3,256,898	271,527,586
Current					
Prepayments		**2,798**	**233,269**	2,675	223,015
Cash and cash equivalents	10	**19,551,849**	**1,630,037,651**	18,772,698	1,565,079,832
Current assets		**19,554,647**	**1,630,270,920**	18,775,373	1,565,302,847
Total assets		**23,189,543**	**1,933,312,200**	22,032,271	1,836,830,433
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	**11,880,000**	**990,435,600**	11,880,000	990,435,600
Retained earnings		**7,706,184**	**642,464,560**	6,927,546	577,549,510
Fair value reserves for financial asset at fair value through other comprehensive income	9(iii)	**3,544,851**	**295,534,228**	3,166,853	264,020,535
Total equity		**23,131,035**	**1,928,434,388**	21,974,399	1,832,005,645
Liabilities					
Current liabilities					
Accruals		**27,288**	**2,275,001**	11,151	929,658
Income tax payable	8(iii)	**31,220**	**2,602,811**	46,721	3,895,130
		58,508	**4,877,812**	57,872	4,824,788
Total equity and liabilities		**23,189,543**	**1,933,312,200**	22,032,271	1,836,830,433

Approved by the Board of Directors on 19 April 2024 and signed on its behalf by:

Zakir Niamut
Director

Rathee Jugessur
Director

These notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital	Retained earnings	Fair value reserves for financial asset at FVOCI	Total
	USD	**USD**	**USD**	**USD**
Balance at 01 April 2022	11,880,000	6,488,696	4,715,716	23,084,412
Profit for the year	–	438,850	–	438,850
Other comprehensive loss	–	–	(1,548,863)	(1,548,863)
Total comprehensive income/(loss) for the year	–	438,850	(1,548,863)	(1,110,013)
Balance at 31 March 2023	11,880,000	6,927,546	3,166,853	21,974,399
Balance at 01 April 2023	**11,880,000**	**6,927,546**	**3,166,853**	**21,974,399**
Profit for the year	**–**	**778,638**	**–**	**778,638**
Other comprehensive income	**–**	**–**	**377,998**	**377,998**
Total comprehensive income for the year	**–**	**778,638**	**377,998**	**1,156,636**
Balance at 31 March 2024	**11,880,000**	**7,706,184**	**3,544,851**	**23,131,035**

	Stated capital	Retained earnings	Fair value reserves for financial asset at FVOCI	Total
	INR (Note 1)	**INR (Note 1)**	**INR (Note 1)**	**INR (Note 1)**
Balance at 01 April 2022	990,435,600	540,962,586	393,149,243	1,924,547,429
Profit for the year	–	36,586,924	–	36,586,924
Other comprehensive loss	–	–	(129,128,708)	(129,128,708)
Total comprehensive income/(loss) for the year	–	36,586,924	(129,128,708)	(92,541,784)
Balance at 31 March 2023	990,435,600	577,549,510	264,020,535	1,832,005,645
Balance at 01 April 2023	**990,435,600**	**577,549,510**	**264,020,535**	**1,832,005,645**
Profit for the year	**–**	**64,915,048**	**–**	**64,915,048**
Other comprehensive income	**–**	**–**	**31,513,693**	**31,513,693**
Total comprehensive income for the year	**–**	**64,915,048**	**31,513,693**	**96,428,741**
Balance at 31 March 2024	**990,435,600**	**642,464,560**	**295,534,228**	**1,928,434,388**

These notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Operating activities				
Profit before tax	**917,303**	**76,475,550**	515,875	43,008,498
Adjustments for:				
Dividend income	**(126,475)**	**(10,544,221)**	(142,879)	(11,911,822)
Interest income	**(858,094)**	**(71,539,297)**	(419,642)	(34,985,554)
	(67,266)	**(5,607,968)**	(46,646)	(3,888,878)
Changes in working capital:				
(Increase)/decrease in prepayments	**(123)**	**(10,254)**	308	25,678
Increase in accruals	**16,137**	**1,345,343**	1,533	127,806
Net cash from operations	**16,014**	**1,335,089**	1,841	153,484
Tax paid	**(127,334)**	**(10,615,836)**	–	–
Net cash used in operating activities	**(178,586)**	**(14,888,715)**	(44,805)	(3,735,394)
Investing activities				
Interest received	**858,094**	**71,539,297**	419,642	34,985,554
Dividend received (Net)	**99,643**	**8,307,237**	112,575	9,385,378
Net cash from investing activities	**957,737**	**79,846,534**	532,217	44,370,932
Net change in cash and cash equivalents	**779,151**	**64,957,819**	487,412	40,635,538
Cash and cash equivalents, beginning of year	**18,772,698**	**1,565,079,832**	18,285,286	1,524,444,294
Cash and cash equivalents, end of year	**19,551,849**	**1,630,037,651**	18,772,698	1,565,079,832
Cash and cash equivalents made up of:				
Cash at bank (Note 10)	**19,551,849**	**1,630,037,651**	18,772,698	1,565,079,832

These notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS

Mahindra – BT Investment Company (Mauritius) Limited (the "Company") was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 09 May 2005 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the USD amounts actually represent or have been or could be converted into INR. The amounts shown in INR are for convenience only, the rate of 1 USD = INR 83.37 has been used for the purpose of presentation of the INR amounts in the accompanying financial statements for the year ended 31 March 2024 and 31 March 2023.

2 ADOPTION OF NEW AND AMENDED STANDARDS

2.1 New and amended standards that are effective for the current year

The following new and amended standards and Interpretations are mandatory for the first time for the financial year beginning 01 April 2023:

IFRS 17	Insurance contracts: Amendments to IFRS 17 Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments IAS 12)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
IFRS for SMEs	International Tax Reform – Pillar Two Model Rules (Amendments to the IFRS for SMEs Standard)

Management has assessed the impact of these revised amendments and concluded that only IAS 1: Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2) has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below:

IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
IAS 21	Lack of Exchangeability (Amendments to IAS 21)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3 MATERIAL ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Revenue

Dividend income is recognised when the Company's right to receive such dividend is established.

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: *Revenue from contracts with customers*, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ('FVOCI')

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income will be recycled upon derecognition of the asset.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of accruals.

Financial liabilities are measured subsequently at amortised cost, using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Equity and reserves

Stated capital is determined using the value of shares that have been issued.

Retained earnings include all current and prior years' results as disclosed in the statement of comprehensive income.

Fair value reserves comprises of accumulated gains and losses relating to financial asset at FVOCI.

3.8 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.9 Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States Dollar ("USD"), which is the functional and presentation currency of the Company. The Company has also presented the financial statements in Indian Rupee ("INR") for the convenience of users of financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION CERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyber attacks and espionage.

5 FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Financial assets				
Non-current				
Financial asset at fair value through other comprehensive income:				
Investment in listed equity securities	**3,634,896**	**303,041,280**	3,256,898	271,527,586
Current				
Financial asset measured at amortised cost:				
Cash and cash equivalents	**19,551,849**	**1,630,037,651**	18,772,698	1,565,079,832
Total financial assets	**23,186,745**	**1,933,078,931**	22,029,596	1,836,607,418
Financial liabilities				
Current				
Financial liabilities measured at amortised cost:				
Accruals	**27,288**	**2,275,001**	11,151	929,658

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The most significant financial risks to which the Company is exposed are described below.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and other price risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: *Financial Instruments:* Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign exchange risk on account of its financial assets at fair value through other comprehensive income denominated in the Indian Rupee ("INR").

The currency profile of its financial assets and financial liabilities is as follows:

	Financial assets 2024	**Financial liabilities 2024**	Financial assets 2023	Financial liabilities 2023
	USD	**USD**	USD	USD
Long term exposure				
Indian Rupee (INR)	**3,634,896**	**–**	3,256,898	–
Short term exposure				
United States Dollar (USD)	**19,551,849**	**27,288**	18,772,698	11,151
Total exposure	**23,186,745**	**27,288**	22,059,596	11,151

	Financial assets 2024	**Financial liabilities 2024**	Financial assets 2023	Financial liabilities 2023
	INR (Note 1)	**INR (Note 1)**	INR (Note 1)	INR (Note 1)
Long term exposure				
Indian Rupee (INR)	**303,041,280**	**–**	271,527,586	–
Short term exposure				
United States Dollar (USD)	**1,630,037,651**	**2,275,001**	1,565,079,832	929,658
Total exposure	**1,933,078,931**	**2,275,001**	1,836,607,418	929,658

The following analysis illustrates the sensitivity of other comprehensive income and equity with regard to the Company's financial assets and the USD/INR exchange rate, "all other things being equal".

It assumes a 1% change of the USD/INR exchange rate for the year ended 31 March 2024 (31 March 2023: 9%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the INR by 1%, other comprehensive income would have increased by **USD 52,186** (2023: USD 278,290) and equity would have increased by USD **52,186** (2023: USD 278,290). If the USD had weakened against the INR by 1%, then other comprehensive income and equity would have decreased by USD **52,186** (2023: USD 278,290).

There would be no impact on profit or loss for the year as the investment denominated in INR comprises listed securities classified as financial asset at fair value through other comprehensive income.

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market interest rates. At 31 March 2024, the bank balance stood at USD **19,551,849** (2023: USD 18,772,698). A change in the market interest rate would impact marginally on the Company's operating cash flows.

Other price sensitivity

The Company is exposed to other price risk in respect of the listed securities held by it, which are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The average volatility observed in the share price during the year ended 31 March 2024 is shown in the table below:

Name of investee company	**% change in share price 2024**	% change in share price 2023
Tech Mahindra Limited	**13%**	27%

	Other comprehensive income and equity			
	2024 USD	**2024 INR (Note 1)**	2023 USD	2023 INR (Note 1)
Increase	**472,536**	**39,395,326**	879,363	73,312,493
Decrease	**(472,536)**	**(39,395,326)**	(879,363)	(73,312,493)

The listed securities are classified as a financial asset at fair value through other comprehensive income and therefore no effect on profit has occurred.

5.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	2024	2023	2023
	USD	INR (Note 1)	USD	INR (Note 1)
Financial assets				
Non-current				
Financial asset at fair value through other comprehensive income:				
Investment in listed equity securities	**3,634,896**	**303,041,280**	3,256,898	271,527,586
Current				
Financial assets measured at amortised cost:				
Cash and cash equivalents	**19,551,849**	**1,630,037,651**	18,772,698	1,565,079,832
Total financial assets	**23,186,745**	**1,933,078,931**	22,029,596	1,836,607,418

The Company holds investment in Tech Mahindra Limited, a listed company incorporated in the Republic of India. As at 31 March 2024, the Company held 242,904 ordinary shares in the investee company, representing a 0.0251% of its shareholding. The fair value of the investment has increased as at year end, resulting in a fair value gain of USD **377,998** (Note 9).

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the Company's financial assets are secured by collateral or other credit enhancements.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company might be unable to meet its obligations.

The Company manages its liquidity risk by carefully monitoring all its cash inflows and outflows. Cash inflows during the year mainly relate to dividend income and interest income and cash outflows mainly relate to operating expenses.

At 31 March 2024, the Company's financial liabilities have contractual maturities which are summarised below:

	Within 1 year	Within 1 year
	USD	INR (Note 1)
Accruals	**27,288**	**2,275,001**

This compares with the maturity of the Company's financial liabilities in the previous reporting year as follows:

	Within 1 year	Within 1 year
	USD	INR (Note 1)
Accruals	11,151	929,658

6 FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and

– Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2024 and 31 March 2023:

31 March 2024	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Investments at FVOCI	**3,634,896**	**–**	**–**	**3,634,896**

31 March 2024	Level 1	Level 2	Level 3	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Assets				
Investments at FVOCI	**303,041,280**	**–**	**–**	**303,041,280**

31 March 2023	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Investments at FVOCI	3,256,898	–	–	3,256,898

31 March 2023	Level 1	Level 2	Level 3	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Assets				
Investments at FVOCI	271,527,586	–	–	271,527,586

There were no transfers between Level 1 and Level 2 during the years ended 31 March 2024 and 31 March 2023.

Measurement of fair value of financial instruments

The method used for the purpose of measuring fair value are unchanged compared with the previous reporting year.

(i) Listed investment (Level 1)

The listed equity investment is denominated in INR and is publicly traded on the Bombay Stock Exchange and the National Stock Exchange of India. Fair values have been determined by reference to its quoted closing share price at the reporting date.

The Company's other financial assets and financial liabilities are measured at their carrying amounts, which approximate to their fair values.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial asset consists of prepayments. For these items, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. As at 31 March 2024 the Company does not have any non-financial liability.

7 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its members, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended 31 March 2024 and 31 March 2023, the Company was not geared.

8 TAXATION

(i) Income tax

The Company, under current laws and regulations, is liable to pay income tax on its net income at the rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritian tax payable in respect of its foreign source income. Gains or profits arising from sale of units or securities are exempt from tax in the Republic of Mauritius and any dividends or redemption proceeds paid by the Company to shareholders would not attract withholding tax in the Republic of Mauritius.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of certain specific income, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

(ii) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2024, the Company had no temporary differences and hence no deferred taxation is to be recognised in the financial statements.

(iii) Income tax reconciliation

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Profit before tax	**917,303**	**76,475,550**	515,875	43,008,498
Tax calculated at the rate of 3%	**137,595**	**11,471,333**	77,381	6,451,254
Exempt income not subject to tax	**–**	**–**	–	
Withholding tax	**74**	**6,169**	63	5,253
Expenses not allowable for tax purposes	**1,490**	**124,221**	–	–
Foreign tax credit	**(27,326)**	**(2,278,169)**	(30,723)	(2,561,377)
Tax expense	**111,833**	**9,323,554**	46,721	3,895,130
Withholding tax	**26,832**	**2,236,948**	–	–
Tax expense	**138,665**	**11,560,502**	–	–
Tax paid during the year	**(107,445)**	**(8,957,691)**	–	–
Income tax payable	**31,220**	**2,602,811**	–	–

(iv) Withholding tax

	2024	**2024**	2023	2023
	USD	**INR**	USD	INR
Withholding tax paid	**26,326**	**2,278,169**	30,304	2,561,377

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	**2024**	2023	2023
	USD	**INR**	USD	INR
		(Note 1)		(Note 1)
(i) Fair value				
At beginning of year	**3,256,898**	**271,527,586**	4,805,761	400,656,295
Fair value adjustment for the year	**377,998**	**31,513,693**	(1,548,863)	(129,128,708)
At end of year	**3,634,896**	**303,041,280**	3,256,898	271,527,586

(ii) Details pertaining to the listed company incorporated in the Republic of India and representing a stake of 0.0251% are as follows:

Name of investee company	**Cost 2023 & 2024**	**Fair value 2024**	Fair value 2023	**Cost 2023 & 2024**	**Fair value 2024**	Fair value 2023
	USD	**USD**	USD	**INR**	**INR**	INR
				(Note 1)	**(Note 1)**	(Note 1)
Tech Mahindra Limited	**90,045**	**3,634,896**	3,256,898	**7,507,052**	**303,041,280**	271,527,586

(iii) Fair value reserves for financial asset at fair value through other comprehensive income

	2024	**2024**	2023	2023
	USD	**INR**	USD	INR
		(Note 1)		(Note 1)
At beginning of year	**3,166,853**	**264,020,535**	4,715,716	393,149,243
Fair value adjustment for the year	**377,998**	**31,513,693**	(1,548,863)	(129,128,708)
At end of year	**3,544,851**	**295,534,228**	3,166,853	264,020,535

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. The potential impact from the emerging conflict remains uncertain, including but not limited to, global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the investee company is unclear at this stage.

(iv) During the year ended 31 March 2024, the Company earned a dividend income of USD 126,475 inclusive of withholding tax of USD 26,326 (2023: USD 142,879 inclusive of withholding tax of USD 30,304).

10 CASH AND CASH EQUIVALENTS

	2024	2024	2023	2023
	USD	INR (Note 1)	USD	INR (Note 1)
Cash at bank - USD	**240,967**	**20,089,419**	319,909	26,670,814
Short term deposits	**19,226,446**	**1,602,908,803**	18,375,357	1,531,953,513
Interest receivable	**84,436**	**7,039,429**	77,432	6,455,506
Total	**19,551,849**	**1,630,037,651**	18,772,698	1,565,079,833

The Company has fixed deposit placements with HSBC Bank (Mauritius) Limited as at 31 March 2024 which will be matured within three months. During the year ended 31 March 2024, the Company has earned interest income of USD 858,094 (2023: USD 419,642) on its short-term deposits.

11 STATED CAPITAL

	2024 & 2023	2024 & 2023
	USD	INR (Note 1)
Issued and fully paid:		
11,880,000 Ordinary shares of USD1 each	**11,880,000**	**990,435,600**

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

12 PROFESSIONAL FEES

	2024	2024	2023	2023
	USD	INR (Note 1)	USD	INR (Note 1)
Administration fees and disbursements	**33,050**	**2,755,379**	22,999	1,917,427
Directors' fees	**3,863**	**322,059**	3,750	312,638
Secretarial fees	**1,545**	**128,808**	1,500	125,055
Professional fees	**468**	**39,017**	450	37,517
Tax filing fees	**2,111**	**175,994**	2,308	192,418
Trademark fees	**1,199**	**99,958**	980	81,703
FATCA filing fees	**260**	**21,676**	250	20,843
Data Protection fee	**700**	**58,359**	200	16,672
Office charges	**608**	**50,689**	506	42,185
FSC Survey fee	**10,037**	**836,785**	500	41,685
Total	**53,841**	**4,488,724**	33,443	2,788,143

13 CONTINGENT ASSETS AND LIABILITIES

Contingent assets

On 22 March 2010, the Company disposed part of its shareholding in Tech Mahindra Limited, a listed company incorporated in the Republic of India, to AT&T International, Inc. ("AT&T"). Following the withholding tax order received from the Indian Tax Authorities, AT&T withheld an amount of INR190,061,898 as 'withholding tax' under Section 195 of the Indian Income Tax Act and remitted the amount to the treasury of the Government of India. In the opinion of the Company, there is no tax liability on this transaction as the Company is a resident of the Republic of Mauritius and capital gains realised in the Republic of India on this disposal are therefore exempted from tax under the Mauritius - India Tax Treaty. Accordingly, in line with the decision of its Board of Directors, the Company filed an application to the Authority for Advance Rulings ("AAR") in the Republic of India on the taxability of capital gains under the Mauritius - India Tax Treaty. The AAR pronounced its ruling in favour of the Company on 08 August 2016. However, the Indian Tax Authorities have filed a Writ Petition against the AAR ruling in the High Court of Bombay in India. On 24 January 2019, the Counsel granted the Company's Notice of Motion requesting an early hearing of the Writ Petition. The Writ Petition was listed for final hearing as from the week commencing on 11 February 2019 but has not yet been heard, owing to the volume of cases ahead of it in the list.

During the year ended 31 March 2020, the Counsels representing the Company had planned to mention the matter to Court for early hearing. However, the Counsels of the Indian Tax Authorities were not present at Court and hence the matter was postponed.

In January 2020, the tax bench of the Bombay High Court has changed. The Counsels are deliberating regarding mentioning of this matter before the new bench for an early hearing. Since January 2020 due to the COVID-19 pandemic and lockdown in the Republic of India, the Bombay High Court has prioritised to take urgent matters only. Matters which were filed and admitted in 2017 have still not been taken up by the High Court. Once Court starts functioning normally, the Counsels will strategise on approaching the court for an early hearing. For the year ended 31 March 2024, the Writ Petition is yet to be listed for hearing by the High Court.

Contingent liabilities

At 31 March 2024, the Company had no material litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on its financial position or results.

14 RELATED PARTY TRANSACTIONS

The Company's related party includes Mahindra Overseas Investment Company (Mauritius) Ltd, ("the Shareholder") a company incorporated in the Republic of Mauritius, and its key management personnel.

During the year under review, the Company had no transactions with the above-mentioned related party.

The key management personnel are the directors of the Company namely, Zakir Hussein Niamut, Shah Ahmud Khalil Peerbocus and Rathee Jugessur. None of the directors of the Company are deemed to have interest in the Service Agreement between the Company and Apex Financial Services (Mauritius) Ltd, the Administrator and Secretary.

15 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which require disclosure or adjustment to the 31 March 2024 financial statements.

16 HOLDING COMPANIES

The directors regard Mahindra Overseas Investment Company (Mauritius) Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Mahindra & Mahindra Limited, a listed company incorporated in India, as the Company's ultimate holding company.

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Accelo Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Accelo Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 to the standalone financial statements.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 42 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 42 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.:101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN:24112399BKFRHW8024

Place: Mumbai
Date: 24 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA ACCELO LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to companies during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms or limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other companies as below:

	Rupees in crore
Particulars	**Loans**
Aggregate amount during the year	
Subsidiaries*	69.40
Balance outstanding as at balance sheet date	
Subsidiaries*	34.30

* As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not provided any guarantees or security during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/to a company in which the Director is interested to which provisions of Section 185 of the Act apply and hence not commented upon. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans given and investments made. The Company has not provided guarantee or security during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Value Added Tax, Central Sales Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in crores)	Amount not deposited under dispute (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Maharshtra Value Added Tax, 2002	Value Added Tax	0.16	0.15	April 2017 to June 2017	Joint Commissioner
Goods and Service Tax Act, 2017	Goods and Service Tax	9.53	9.06	F.Y. 2018-19	Deputy Commissioner
Income Tax Act, 1961	Income Tax	0.22	–	A.Y. 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.97	–	A.Y. 2020-21	Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.10	–	A.Y. 2022-23	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W–100022

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN:24112399BKFRHW8024

Place: Mumbai
Date: 24 April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA ACCELO LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Accelo Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W–100022

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN:24112399BKFRHW8024

Place: Mumbai
Date: 24 April 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rs. in Crores

		Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A		**ASSETS**			
	1	**Non-current assets**			
	a)	Property, plant and equipment	5	**111.58**	101.52
	b)	Capital work-in-progress	5	**175.61**	0.31
	c)	Other intangible assets	6	**0.14**	0.01
	d)	Financial assets			
		(i) Investments	7	**167.87**	167.87
		(ii) Other financial assets	8	**1.98**	0.19
	e)	Deferred tax assets (net)	21	**2.80**	3.11
	f)	Other Tax Assets (net)	9	**12.04**	8.87
	g)	Other non-current assets	10	**2.44**	14.75
		Total non-current assets		**474.46**	296.63
	2	**Current assets**			
	a)	Inventories	11	**687.97**	703.77
	b)	Financial assets			
		(i) Investments	7	**–**	5.01
		(ii) Trade receivables	12	**345.44**	315.15
		(iii) Cash and cash equivalents	13	**7.88**	25.51
		(iv) Loans	14	**30.30**	70.70
		(v) Other financial assets	8	**2.42**	1.81
	c)	Other current assets	10	**38.35**	4.22
		Total current assets		**1,112.36**	1,126.17
		Total assets (1+2)		**1,586.82**	1,422.80
B		**EQUITY AND LIABILITIES**			
	1	**EQUITY**			
	a)	Equity share capital	15	**16.60**	16.60
	b)	Other equity	16	**893.15**	805.64
		Total equity		**909.75**	822.24
		LIABILITIES			
	2	**Non-current liabilities**			
	a)	Financial liabilities			
		(i) Borrowings	17	**44.44**	–
		(ii) Other financial liabilities	18	**0.26**	0.03
	b)	Provisions	19	**3.31**	3.35
		Total non-current liabilities		**48.01**	3.38
	3	**Current liabilities**			
	a)	Financial liabilities			
		(i) Borrowings	17	**24.46**	–
		(ii) Lease liabilities		**–**	1.78
		(iii) Trade payables			
		(a) total outstanding dues of micro enterprises and small enterprises;	22	**4.77**	3.27
		(b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	**564.34**	573.36
		(iv) Other financial liabilities	18	**28.57**	9.70
	b)	Other current liabilities	23	**6.02**	8.35
	c)	Provisions	19	**0.90**	0.72
		Total current liabilities		**629.06**	597.18
		Total equity and liabilities (1+2+3)		**1,586.82**	1,422.80

The accompanying notes 1 to 42 are integral part of the Standalone financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration
number : 101248W/W-100022

Koosai Lehery
Partner
Membership number : 112399

Place: Mumbai
Date: 24 April 2024

For and on behalf of board of directors U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer
Membership No : 114230

Place: Mumbai
Date: 24 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Crores

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
	INCOME			
I	Revenue from operations	24	**3,340.84**	3,231.52
II	Other income	25	**16.81**	12.28
III	**Total income (I + II)**		**3,357.65**	3,243.80
IV	**Expenses**			
	a) Cost of materials consumed	26	**2,163.90**	1,978.24
	b) Purchases of stock-in-trade		**897.96**	1,052.44
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	**23.16**	(46.39)
	d) Employee benefits expense	28	**22.44**	20.52
	e) Finance costs	29	**11.87**	9.92
	f) Depreciation and amortisation expense	5 & 6	**7.57**	9.07
	g) Other expenses	30	**56.01**	69.66
	Total expenses		**3,182.91**	3,093.46
V	**Profit before tax (III – IV)**		**174.74**	150.34
VI	**Tax expense**			
	a) Current tax	20	**41.40**	40.14
	b) Deferred tax	21	**0.35**	(2.89)
	Total tax expense		**41.75**	37.25
VII	**Profit after tax for the year (V – VI)**		**132.99**	113.09
VIII	**Other comprehensive income**		**0.12**	(0.31)
	(i) Items that will not be reclassified to profit or loss – Remeasurements of the defined benefit liabilities/(asset)		**0.16**	(0.42)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	21	**(0.04)**	0.11
IX	**Total comprehensive income for the year (VII – VIII)**		**132.87**	113.40
X	**Earnings per equity share (of Rs. 10 each): Basic/Diluted (Rs.)**	33	**80.11**	68.12

The accompanying notes 1 to 42 are integral part of the Standalone financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number : 101248W/W-100022

Koosai Lehery
Partner
Membership number : 112399

Place: Mumbai
Date: 24 April 2024

For and on behalf of board of directors U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer
Membership No : 114230

Place: Mumbai
Date: 24 April 2024

STATEMENT OF CHANGES IN EQUITY

Rs. in Crores

A. Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Issued, Subscribed and paid-up		
Balance at the beginning of the year	**16.60**	16.60
Changes in equity share capital during the year	**–**	–
Balance at the end of the year	**16.60**	16.60

B. Other equity

Particulars	General reserve	Capital redemption reserve	Retained earnings	Total
As at April 01, 2022	**52.87**	**18.75**	**663.78**	**735.40**
Profit for the year	–	–	113.09	113.09
Other comprehensive loss (net of tax)	–	–	0.31	0.31
Total comprehensive income for the year	–	–	113.40	113.40
Dividend paid on equity shares (Rs. 26.00 per share on fully paid & Rs. 7.80 per share on partly paid equity share)	–	–	(43.16)	(43.16)
Balance as at March 31, 2023	**52.87**	**18.75**	**734.02**	**805.64**
Profit for the year	–	–	132.99	132.99
Other comprehensive profit (net of tax)	–	–	(0.12)	(0.12)
Total comprehensive income for the year	–	–	132.87	132.87
Dividend paid on equity shares (Rs. 27.33 per share on fully paid & Rs. 8.20 per share on partly paid equity share)	–	–	(45.36)	(45.36)
Balance as at March 31, 2024	**52.87**	**18.75**	**821.53**	**893.15**

Description of the nature and purpose of Other Equity

i) General reserve : General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013

ii) Capital Redemption Reserve: It represents reserve generated on preference share redemption.

iii) Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the company in accordance with the provisions of Companies Act, 2013

The accompanying notes 1 to 42 are integral part of the Standalone financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number : 101248W/W-100022

Koosai Lehery
Partner
Membership number : 112399

Place: Mumbai
Date: 24 April 2024

For and on behalf of board of directors U51900MH1978PLC020222

Bharat Doshi
Chairman
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Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer
Membership No : 114230

Place: Mumbai
Date: 24 April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
		Rs. in Crores
A. Cash flows from operating activities		
Profit before tax	**174.74**	150.34
Adjustments for:		
Finance costs	**11.87**	9.92
Depreciation and amortisation expense	**7.57**	9.07
Dividend income	**(7.76)**	(4.52)
Interest income	**(4.19)**	(5.69)
Gain on closure of lease arrangements	**(0.11)**	–
Gain on sale of current investments (Net)	**(0.84)**	(0.93)
Unrealised loss on foreign exchange transactions and translations (Net)	**0.27**	0.82
Bad debts written off	**–**	0.00
Provision for doubtful debts	**–**	0.78
Provision for doubtful loans	**2.10**	1.90
Fair value (gain)/loss on financial instruments at fair value through profit or loss	**(0.25)**	2.06
Net loss/(gain) on sale/scrapped/write off of property, plant and equipment	**0.02**	(0.04)
	8.68	13.38
Operating profit before working capital changes	**183.42**	163.71
Changes in working capital:		
Decrease/(Increase) in inventories	**15.80**	(168.52)
(Increase)/Decrease in trade receivables	**(30.29)**	139.01
(Increase)/Decrease in other assets	**(35.76)**	13.59
(Decrease) in trade payables	**(7.76)**	(28.66)
(Decrease) in provisions	**(0.02)**	(0.15)
(Decrease) in other liabilities	**(5.86)**	(1.95)
	(63.89)	(46.68)
Cash generated from operations	**119.53**	117.03
Net income tax paid	**(44.61)**	(44.10)
Net cash generated from operating activities (A)	**74.92**	72.93
B. Cash flows from investing activities		
Payment for property, plant and equipment and intangible assets	**(162.64)**	(65.18)
Proceeds from sale of property, plant and equipment and intangible assets	**0.02**	0.33
Inter corporate deposits placed	**(69.40)**	(189.10)
Inter corporate deposits matured	**107.70**	140.00
Bank balances not considered as cash and cash equivalents		
– Matured	**–**	13.93
Investment in equity shares of subsidiaries	**–**	(31.41)
Current investments not considered as cash and cash equivalents		
– Purchased	**(1,006.00)**	(1,621.32)
– Proceeds from sale	**1,011.85**	1,682.75
Interest received	**3.86**	4.71
Dividend received		
– Subsidiaries	**7.77**	4.52
Net cash (used in) investing activities (B)	**(106.84)**	(60.77)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024 (CONTINUED)

Rs. in Crores

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
C. Cash flows from financing activities		
Proceeds from non-current borrowings	**50.00**	–
Payments for the principal portion of the lease liabilities	**(0.43)**	(1.64)
Payments for the interest portion of the lease liabilities	**(0.03)**	(0.21)
Proceeds from short term borrowings (Net)	**18.90**	–
Dividend paid	**(45.36)**	(43.16)
Finance costs	**(8.86)**	(9.71)
Net cash generated from/(used in) financing activities (C)	**14.22**	(54.72)
Net decrease in cash and cash equivalents (A + B + C)	**(17.70)**	(42.56)
Cash and cash equivalents at beginning of the year	**25.51**	68.08
Increase/(Decrease) in Bank overdraft	**0.07**	(0.01)
Cash and cash equivalents at end of the year	**7.88**	25.51
	(17.70)	(42.56)
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 13)	**7.88**	25.51
Total	**7.88**	25.51

Notes:

The above cash flow statements has been prepared under the “Indirect method” as set out in Indian Accunting Standard (IND AS-7) “Statement of Cash Flow”.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm’s registration
number : 101248W/W-100022

Koosai Lehery
Partner
Membership number : 112399

Place: Mumbai
Date: 24 April 2024

For and on behalf of board of directors U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer
Membership No : 114230

Place: Mumbai
Date: 24 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate information

Mahindra Accelo Limited is a public limited company domiciled in India and is incorporated on 20 March 1978 under the erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is steel processing from the plants located at Nashik and Vadodara. The Company is principally engaged in processing of automotive and electrical steel.

2 Statement of Compliance and Basis of preparation and presentation:

2.1 These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 (the Act) and other relevant provision of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest crores.

The financial statements were approved by the Board of Directors and authorised for issue on 24th April, 2024.

The Financial Statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 3.1	Property, plant & equipment
Note No. 3.7	Fair value of financial assets and liabilities and investments
Note No. 3.10 & 3.11	Employee benefits, stock appreciation rights and long term incentive scheme
Note No. 3.17	Leases

3 Material accounting policies:

3.1 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method on the depreciable amount i.e. the cost less estimated residual value over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class, based on technical advise which has considered estimated uses and operating condition of the assets:

(a) Vehicles : 5 years

(b) Blanking Line (Nashik) and Roll forming line (Nashik) : 20 years

(c) Building : 30 years

(d) Computer : 3 years

3.2 Intangible asset:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

3.3 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets, intangible assets and investment in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

3.4 Inventories:

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads.

3.5 Foreign exchange transaction and translation:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit or Loss in the period in which they arise.

3.6 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

3.7 Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

3.8 Investment in subsidiaries

The Company account for its equity investments in subsidiaries at cost less accumulated impairment, if any.

3.9 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company consider:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the Company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services:

Service income is recognized over time based on as and when service is performed.

Dividend and interest income

Dividend from investments are recognised in profit or loss when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

3.8 Employee benefits:

Superannuation Fund, ESIC and Labour Welfare Fund

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident Fund

Contributions to Provident Fund are made to a Trust administered by the Holding Company and are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of income realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Long term Compensated Absences

Company's liability towards long term compensated absences are determined by independent actuaries, using the projected unit credit method.

Gratuity and post retirement medical benefit

Company's liability towards gratuity and post retirement medical benefit are determined by independent actuaries, using the projected unit credit method.

The obligation on long term compensated absences and defined benefit plans are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the obligation.

3.11 Stock appreciation rights (SARs)/cash based Long term incentive scheme (LTI):

For cash-settled share-based payments and cash based Long term incentive scheme, a liability is recognized for the services availed, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit and Loss for the year.

3.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred.

3.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.14 Taxes on income:

Income Tax expense represents the sum of the current tax payable in respect of taxable income for the year and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.16 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

3.17 Earning per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax attributatble to the owner of the Company by the weighted average number of equity shares outstanding during the year.

3.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property and equipment’ and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 5 - Property, Plant and Equipment

Rs. in Crores

Description of Assets	Land - freehold	Right of use asset - Land	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost										
Balance as at April 1, 2023	**42.34**	**6.06**	**27.64**	**110.73**	**0.49**	**0.65**	**0.90**	**2.25**	**3.38**	**194.45**
Additions	–	13.84	0.25	3.25	0.05	0.10	0.00	0.35	1.08	18.92
Disposals	–	(4.89)	–	–	–	(0.05)	–	(0.24)	(0.10)	(5.29)
Balance as at March 31, 2024	**42.34**	**15.01**	**27.89**	**113.98**	**0.54**	**0.70**	**0.90**	**2.36**	**4.36**	**208.08**
II. Accumulated depreciation										
Balance as at April 1, 2023	**–**	**3.44**	**12.35**	**72.64**	**0.31**	**0.49**	**0.42**	**1.76**	**1.52**	**92.93**
Depreciation expense for the year	–	0.54	0.85	5.17	0.05	0.05	0.06	0.25	0.59	7.56
Eliminated on disposal of assets	–	(3.64)	–	–	–	(0.03)	–	(0.22)	(0.10)	(3.99)
Balance as at March 31, 2024	**–**	**0.34**	**13.20**	**77.81**	**0.36**	**0.51**	**0.48**	**1.79**	**2.01**	**96.50**
Net carrying amount (I-II)										
Balance as at March 31, 2024	**42.34**	**14.67**	**14.69**	**36.17**	**0.18**	**0.19**	**0.42**	**0.57**	**2.35**	**111.58**
Balance as at March 31, 2023	42.34	2.62	15.29	38.10	0.18	0.16	0.48	0.49	1.86	101.52

Rs. in Crores

Description of Assets	Land - freehold	Right of use asset - Land	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost										
Balance as at April 1, 2022	1.11	5.94	27.64	101.08	0.49	0.61	0.68	1.99	2.45	141.99
Additions	41.23	0.12	–	9.73	–	0.10	0.40	0.30	1.74	53.61
Disposals	–	–	–	(0.08)	–	(0.05)	(0.18)	(0.04)	(0.80)	(1.16)
Balance as at March 31, 2023	42.34	6.06	27.64	110.73	0.49	0.65	0.90	2.25	3.38	194.45
II. Accumulated depreciation										
Balance as at April 1, 2022	–	1.78	11.50	66.93	0.26	0.49	0.55	1.62	1.60	84.73
Depreciation expense for the year	–	1.66	0.85	5.74	0.05	0.05	0.05	0.18	0.49	9.07
Eliminated on disposal of assets	–	–	–	(0.03)	–	(0.05)	(0.18)	(0.04)	(0.57)	(0.87)
Balance as at March 31, 2023	–	3.44	12.35	72.64	0.31	0.49	0.42	1.76	1.52	92.93
Net carrying amount (I-II)										
Balance as at March 31, 2023	42.34	2.62	15.29	38.10	0.18	0.16	0.48	0.49	1.86	101.52
Balance as at March 31, 2022	1.11	4.16	16.14	34.15	0.23	0.12	0.13	0.37	0.85	57.26

Note : Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31 March 2024 Rs. 19.92 crores (31 March 2023 Rs. 10.76 crores)

Capital-work-in-progress (CWIP)

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Cost		
Opening balance	**0.31**	–
Additions during the year	**174.64**	0.31

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Addition during the year - due to interest capitalisation	**0.66**	–
Total additions during the year	**175.61**	0.31
Deletions during the year		
Transfer to property, plant and equipment	**–**	–
Deletions during the year	**–**	–
Total Deletions during the year	**–**	–
Closing Balance	**175.61**	0.31

Ageing of capital work in progress

Rs. in Crores

Particulars	Amount in CWIP for a period of: Less than 1 year	1-2 Year	2-3 Year	More than 3 Years	Total
Balance as at March 31, 2024					
Projects in progress	**175.30**	**0.31**	**–**	**–**	**175.61**
a) Projects temporarily suspended : Exceeded cost or overdue	**–**	**–**	**–**	**–**	**–**
b) Projects temporarily suspended : Other than covered in above (a)	**–**	**–**	**–**	**–**	**–**
	175.30	**0.31**	**–**	**–**	**175.61**
As at March 31, 2023					
Projects in progress	**0.31**	**–**	**–**	**–**	**0.31**
a) Projects temporarily suspended : Exceeded cost or overdue	**–**	**–**	**–**	**–**	**–**
b) Projects temporarily suspended : Other than covered in above (a)	**–**	**–**	**–**	**–**	**–**
	0.31	**–**	**–**	**–**	**0.31**

Note 6 - Other intangible assets

Rs. in Crores

Description of Assets	Computer software
I. Cost	
Balance as at April 1, 2023	**0.60**
Additions	0.14
Disposals	–
Balance as at March 31, 2024	**0.74**
II. Accumulated amortisation	
Balance as at April 1, 2023	**0.59**
Amortisation expense for the year	0.01
Eliminated on disposal of assets	–
Balance as at March 31, 2024	**0.60**
Net carrying amount (I-II)	
Balance as at March 31, 2024	**0.14**
Balance as at March 31, 2023	0.01

Rs. in Crores

Description of Assets	Computer software
I. Cost	
Balance as at April 1, 2022	0.60
Additions	–
Disposals	–
Balance as at March 31, 2023	0.60
II. Accumulated amortisation	
Balance as at April 1, 2022	0.59
Amortisation expense for the year	0.00
Eliminated on disposal of assets	–
Balance as at March 31, 2023	0.59
Net carrying amount (I-II)	
Balance as at March 31, 2023	0.01
Balance as at March 31, 2022	0.01

Note 7 - Investments

Rs. in Crores

Particular	As at March 31, 2024 Quantity	Amounts Current	Amounts Non-current	As at March 31, 2023 Quantity	Amounts Current	Amounts Non-current
A. Investment carried at cost						
Unquoted investments						
Investments in equity instruments of subsidiaries (fully paid-up)						
a) Equity shares of USD 550 each in Mahindra MiddleEast Electrical Steel Service Centre (FZC), Sharjah	**900**	**–**	**2.25**	900	–	2.25

Rs. in Crores

Particular	As at March 31, 2024 Quantity	Amounts Current	Non-current	As at March 31, 2023 Quantity	Amounts Current	Non-current
b) Equity shares of Rs. 10 each in Mahindra Electrical Steel Private Limited	**500,000**	**–**	**0.50**	500,000	–	0.50
c) Equity shares of Rs. 10 each in Mahindra Steel Service Centre Limited	**10,089,257**	**–**	**42.45**	10,089,257	–	42.45
d) Equity shares of Rs. 10 each in Mahindra Auto Steel Private Limited	**51,717,500**	**–**	**64.94**	51,717,500	–	64.94
e) Equity shares of Rs. 10 each in Mahindra MSTC Recycling Private Limited	**30,000,000**	**–**	**30.00**	30,000,000	–	30.00
f) Equity shares of Indonesian Rp. 10,000,000 each in PT Mahindra Accelo Steel Service Indonesia	**5,549**	**–**	**27.73**	5,549	–	27.73
Investment carried at cost [A]		**–**	**167.87**		–	167.87
B. Investments mandatorily measured and carried at fair value through profit and loss						
Unquoted investments						
Investments in mutual funds						
a) ICICI Prudential Overnight Fund - Growth	**–**	**–**	**–**	50,000,000	5.01	–
Investment carried at FVTPL [B]		**–**	**–**		5.01	–
Total investments [A] + [B]		**–**	**167.87**		5.01	167.87
Aggregate amount of unquoted investments (Gross)		**–**	**167.87**		5.01	167.87

Note 8 - Other financials assets

Rs. in Crores

Particulars	As at March 31, 2024 Amounts Current	Non-current	As at March 31, 2023 Amounts Current	Non-current
Financial assets carried at amortised cost				
Security deposits	**–**	**1.98**	–	0.19
Interest receivable (Unsecured)				
Related parties				
Interest accrued on inter-corporate deposit	**1.78**	**–**	1.46	–
Others				
Export incentive receivable	**0.24**	**–**	0.24	–
Total (A)	**2.02**	**1.98**	1.70	0.19
Financial assets at fair value				
Derivatives financial instruments				
Foreign currency forward contracts	**0.40**	**–**	0.11	–
Total (B)	**0.40**	**–**	0.11	–
Total (A+B)	**2.42**	**1.98**	1.81	0.19

Note 9 - Other Tax Assets (net)

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provision for tax)	**12.04**	8.87
Total	**12.04**	8.87

Note 10 - Other assets

Rs. in Crores

Particulars	As at March 31, 2024 Current	Non-current	Total	As at March 31, 2023 Current	Non-current	Total
Capital advances	**–**	**1.85**	**1.85**	–	14.11	14.11
Prepayments	**0.36**	**–**	**0.36**	0.54	–	0.54

Rs. in Crores

Particulars	As at March 31, 2024 Current	Non-current	Total	As at March 31, 2023 Current	Non-current	Total
Balances with government authorities						
a) GST credit	**34.38**	**–**	**34.38**	2.06	–	2.06
b) GST refund receivable	**0.76**	**–**	**0.76**	–	–	–
c) Custom duty	**0.43**	**–**	**0.43**	0.43	–	0.43
d) VAT/GST receivable	**0.01**	**0.48**	**0.49**	–	–	–
e) CST refundable	**0.18**	**–**	**0.18**	–	–	–
	35.76	**0.48**	**36.24**	2.49	–	2.49
Others						
a) Advance to vendors	**1.91**	**–**	**1.91**	0.80	–	0.80
b) Surplus of plan assets over obligation – gratuity	**–**	**0.11**	**0.11**	–	0.45	0.45
c) Others	**0.32**	**–**	**0.32**	0.39	0.19	0.58
	2.23	**0.11**	**2.34**	1.19	0.64	1.83
Total	**38.35**	**2.44**	**40.79**	4.22	14.75	18.97

Note 11 - Inventories

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
a) Raw materials [refer note 26]	**448.44**	441.42
b) Work-in-Progress [refer note 27]	**42.33**	50.54
c) Finished goods [refer note 27]	**40.32**	25.75
d) Stock-in-trade [refer note 27]	**153.75**	183.27
e) Stores and spares	**3.13**	2.79
Total	**687.97**	703.77
Included above, goods-in-transit:		
Raw materials	**51.97**	63.96

Notes:

i) The cost of inventories recognised as an expenses during the year was Rs. 3,085.02 crores (31st March, 2023 - Rs. 2,984.29 crores) including Rs. 0.61 crores (2023 : Rs. 3.11 crores) in respect of write-down of inventories to net realisable value, and has been reduced by Rs. 3.11 crores (2023 : Nil) in respect of the reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventories provided for in earlier years.

ii) The Company has availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, some of which are secured by hypothecation of inventories.

iii) The mode of valuation of inventories has been stated in note 3.4

Note 12 - Trade receivables

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
a) Unsecured - Considered good	**345.44**	315.15
b) Credit impaired	**2.35**	2.35
Less: Allowances for bad and doubtful debts	**(2.35)**	(2.35)
	–	–
Total (a+b)	**345.44**	315.15

Notes:

(i) The average credit period on Job work processing is 30 days and on sales of products ranges between 10 to 120 days.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired other than those disclosed above

(iii) Refer note 40 for trade receivable from related parties

Rs. in Crores

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
As at March 31, 2024							
Undisputed Trade receivables — considered good	**306.39**	**33.99**	**4.61**	**0.18**	**0.26**	**0.01**	**345.44**
Undisputed Trade receivables — credit impaired	**–**	**–**	**–**	**–**	**0.78**	**1.57**	**2.35**
	306.39	**33.99**	**4.61**	**0.18**	**1.04**	**1.58**	**347.79**
(Less) Loss Allowance							**(2.35)**
Total Trade Receivables							**345.44**

Rs. in Crores

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023							
Undisputed Trade receivables — considered good	304.33	10.76	0.03	0.01	0.01	0.01	315.15
Undisputed Trade receivables — credit impaired	–	–	–	0.78	–	1.57	2.35
	304.33	10.76	0.03	0.79	0.01	1.58	317.50
(Less) Loss Allowance							(2.35)
Total Trade Receivables							315.15

Note 13 - Cash and cash equivalents

Rs. in Crores

Particulars	**As at March 31, 2024**	As at March 31, 2023
a) Cash and cash equivalents		
Unrestricted balances with banks		
In current account	**3.20**	17.51
Fixed deposits with origional maturities less than 3 months	**–**	8.00
b) Cheques on hand	**4.68**	–
Cash on hand	*	*
	7.88	25.51

* Represents amount less than Rs. 1 lakh

Note 14 - Loans

Rs. in Crores

Particulars	**As at March 31, 2024**			As at March 31, 2023		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Loans						
Inter-corporate deposits given :						
to related parties						
Unsecured considered good						
a) Mahindra Auto Steel Private Limited (refer Note 40)*	**–**	**–**	**–**	30.00	–	30.00
b) Mahindra Steel Service Center Limited (refer Note 40)*	**10.00**	**–**	**10.00**	28.00	–	28.00
c) Mahindra Electrical Steel Private Limited (refer Note 40)*	**16.30**	**–**	**16.30**	14.60	–	14.60
d) PT Mahindra Accelo Steel Indonesia (refer Note 40)*	**8.00**	**–**	**8.00**	–	–	–
Total	**34.30**	**–**	**34.30**	72.60	–	72.60
Less : Provision for credit impaired	**(4.00)**	**–**	**(4.00)**	(1.90)	–	(1.90)
Total	**30.30**	**–**	**30.30**	70.70	–	70.70

* Private Limited companies in which directors of the Company are directors.

Note 15 - Share capital

Particulars	As at March 31, 2024 Number of Shares	As at March 31, 2024 Rs. in Crores	As at March 31, 2023 Number of Shares	As at March 31, 2023 Rs. in Crores
(a) Authorised				
Equity shares of Rs. 10 each................	**28,000,000**	**28.00**	28,000,000	28.00
Cumulative redeemable preference shares of Rs. 100 each	**1,875,000**	**18.75**	1,875,000	18.75
	29,875,000	**46.75**	29,875,000	46.75
(b) Issued				
Equity shares of Rs. 10 each................	**27,100,007**	**27.10**	27,100,007	27.10
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each................	**12,100,007**	**12.10**	12,100,007	12.10
(d) Subscribed but not fully paid up				
Equity shares of Rs. 10 each, Rs. 7 not paid up	**15,000,000**	**4.50**	15,000,000	4.50
	27,100,007	**16.60**	27,100,007	16.60

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024 Number of Shares	As at March 31, 2024 Rs. in Crores	As at March 31, 2023 Number of Shares	As at March 31, 2023 Rs. in Crores
Equity shares of Rs. 10 each				
Subscribed and fully paid up				
Opening Balance	**12,100,007**	**12.10**	12,100,007	12.10
Fresh issue	**–**	**–**	–	–
Buy back	**–**	**–**	–	–
Closing Balance	**12,100,007**	**12.10**	12,100,007	12.10
Subscribed but not fully paid up				
Opening Balance	**15,000,000**	**4.50**	15,000,000	4.50
Fresh issue	**–**	**–**	–	–
Buy back	**–**	**–**	–	–
Closing Balance	**15,000,000**	**4.50**	15,000,000	4.50

(ii) The Company has not allotted any equity shares for consideration other than cash , bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person or being a company present by a representative duly authorised shall have one vote. and (ii) On a poll: the voting rights of every member entitled to vote and present in person (including a company present by representative duly authorised) or by proxy shall be in proportion to his share of the paid up equity capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2024	As at March 31, 2023
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees) (Refer note 39)...	**27,100,007**	27,100,007

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 % of holding	As at March 31, 2023 Number of shares	As at March 31, 2023 % of holding
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees)	**27,100,007**	**100%**	27,100,007	100%

(v) Details of Ordinary (Equity) Shares held by Promoter and Promoter group

Particulars	As at March 31, 2024 No. of Shares	As at March 31, 2024 Shareholding %	As at March 31, 2024 % Change during the year	As at March 31, 2023 No. of Shares	As at March 31, 2023 Shareholding %	As at March 31, 2023 % Change during the year
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees).....	**27,100,007**	**100%**	**–**	27,100,007	100%	–

Note 16 - Other equity

Rs. in Crores

Particulars	General reserve	Capital redemption reserve	Retained earnings	Total
As at April 01, 2022......	**52.87**	**18.75**	**663.78**	**735.40**
Profit for the year	–	–	113.09	113.09
Other comprehensive loss (net of tax)......................	–	–	0.31	0.31
Total comprehensive income for the year........	–	–	113.40	113.40
Dividend paid on equity shares............................	–	–	(43.16)	(43.16)
Balance as at March 31, 2023	**52.87**	**18.75**	**734.02**	**805.64**
Profit for the year	–	–	132.99	132.99

Rs. in Crores

Particulars	General reserve	Capital redemption reserve	Retained earnings	Total
Other comprehensive loss (net of tax)	–	–	(0.12)	(0.12)
Total comprehensive income for the year........	–	–	132.87	132.87
Dividend paid on equity shares	–	–	(45.36)	(45.36)
Balance as at March 31, 2024	**52.87**	**18.75**	**821.53**	**893.15**

Proposed dividends on Equity shares

Rs. in Crores

Particulars	As at March 31, 2024
Proposed final dividend for the year ended on 31 March 2024: Rs. 30.12 per share on fully paid & Rs. 9.04 per share on partly paid.	**50.00**

Proposed dividends on equity shares are subject to approval in Annual General Meeting and are not recognised as a liability as at March 31, 2024.

Dividend paid on Equity shares

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Dividend paid on equity shares for the year ended on 31 March 2024 at Rs. 27.33 per share (2023: Rs. 26.00 per share) on fully paid and Rs. 8.20 per share (2023: Rs. 7.80 per share) on partly paid equity share..	**45.36**	43.16

Note 17 - Borrowings

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Borrowings:		
Secured (Carried at Amortised Cost):		
Loan from Bank (refer note (i) below)..............	**50.00**	–
Less : Current maturities of long term borrowings...	**(5.56)**	–
Total	**44.44**	–
Current Borrowings:		
Secured		
Loans and Advances on cash credit account from Banks (refer note (ii) below).....................	**18.90**	–
Current maturities of long term borrowings......	**5.56**	–
Total	**24.46**	–

(i) As at 31 March 2024, the Company has taken term loan of Rs. 50.00 crores from ICICI Bank at MCLR-3M plus 0.05% (interest payable monthly) secured by first pari passu charge on the movable fixed assets situated at SUPA plant, present and future. Further, the Company has created negative lien on the immovable fixed assets in SUPA plant in favour of ICICI Bank. The charge is yet to be created.

Rs. in Crores

Name of the Bank	Rate of interest	Repayment schedule				
		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
ICICI Bank	8.70%	5.56	11.11	11.11	11.11	11.11

(ii) As at 31 March 2024, the Company has taken cash credit facility from various banks at interest rate ranging 9.05% to 9.15% secured by hypothecation of inventories.

Reconciliation of movement in borrowings to cash flows from financing activities

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
a) **Opening balance**		
Long Term Borrowings....................................	**–**	–
Short Term Borrowings	**–**	–
	–	–
b) **Cash flow movements**		
Proceeds from borrowings..............................	**50.00**	–
Proceeds from short term borrowings	**18.90**	–
	68.90	–
c) **Closing Balance**		
Long Term Borrowings....................................	**50.00**	
Short Term Borrowings	**18.90**	
Total Closing Balance..	**68.90**	–

Note 18 - Other financial liabilities

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Financial liabilities measured at fair value		
Cash-settled share-based payments	**0.26**	0.03
Total	**0.26**	0.03
Current		
a) **Financial liabilities measured at fair value**		
i) Derivatives financial instruments		
Foreign currency forward contracts........	**0.14**	2.16
ii) Others		
Cash-settled share-based payments......	**0.36**	2.22
Total (a)	**0.50**	4.38
b) **Financial liabilities measured at amortised cost**		
i) Overdrawn bank balances (as per books)......	**0.11**	0.04
ii) Short term deposits...	**2.01**	1.59
iii) Creditors for capital supplies/services.............	**19.49**	–
iv) Interest accrued but not due	**2.98**	–
v) Salary & wages payable.................................	**3.48**	3.69
Total (b)	**28.07**	5.32
Total (a+b)	**28.57**	9.70

Note 19 - Provisions

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Provision for employee benefits		
a) Provision for compensated absences	**2.86**	2.95
b) Provision for post retirement medical benefit	**0.45**	0.40
Total	**3.31**	3.35
Current		
Provision for employee benefits		
a) Provision for compensated absences	**0.86**	0.70
b) Provision for post retirement medical benefit	**0.04**	0.02
Total	**0.90**	0.72

Note 20 - Current tax

(a) Income Tax recognised in profit and loss

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax:		
In respect of current year	**41.40**	40.14
In respect of prior year	**–**	–
Deferred tax (Asset)/Liability:		
In respect of current year origination and reversal of temporary differences	**0.35**	(2.89)
Total	**41.75**	37.25

(b) Income tax recognised in other comprehensive income

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligation	**(0.04)**	0.11
Total	**(0.04)**	0.11
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(0.04)**	0.11
– Items that may be reclassified to profit and loss	**–**	–

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	**174.74**	150.34
Expected applicable Income tax rate	**25.17%**	25.17%
Income tax expense	**43.98**	37.84
Effect of expenses that is non-deductible in determining taxable profit	**0.72**	0.55
Others	**(2.95)**	(1.14)
	41.75	37.25
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
Income tax expense recognised in the Statement of profit and loss	**41.75**	37.25

The tax rate used for the year ended 31st March, 2024 and 31st March, 2023 reconciliations above is the corporate tax rate of 25.168% (including surcharge of 10% and education cess of 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Law.

Note 21 - Deferred tax

Rs. in Crores

Particulars	As at March 31, 2024			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**(3.82)**	**0.15**	**–**	**(3.67)**
Tax effect of items constituting deferred tax assets				
Employee benefits	**1.38**	**(0.39)**	**0.04**	**1.03**
Allowance for bad and doubtful debts/advances	**1.06**	**0.53**	**–**	**1.59**
FVTPL financial instruments including derivatives	**0.12**	**0.20**	**–**	**0.33**
Others	**4.36**	**(0.84)**	**–**	**3.51**
Total	**3.11**	**(0.35)**	**0.04**	**2.80**

Rs. in Crores

Particulars	As at March 31, 2023			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(4.13)	0.31	–	(3.82)
Tax effect of items constituting deferred tax assets				
Employee benefits	1.77	(0.27)	(0.11)	1.38
Allowance for bad and doubtful debts	0.39	0.67	–	1.06
FVTPL financial instruments including derivatives	0.22	(0.10)	–	0.12
Others	2.08	2.28	–	4.36
Total	0.34	2.89	(0.11)	3.11

Note 22 - Trade payable

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable for goods and services		
a) total outstanding dues of micro enterprises and small enterprises;	**4.77**	3.27
b) total outstanding dues of creditors other than micro enterprise and small enterprises	**564.34**	573.36
i) Trade payable for goods and services	**328.25**	370.37
ii) Acceptances	**236.09**	202.99
Total	**569.11**	576.63

Note: Dues to Micro, Small and Medium Enterprises

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
a) The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	**4.77**	3.27
b) Interest due thereon	–	–
c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	–	–
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Ageing of trade payables

Rs. in Crores

Particulars	Outstanding for following periods from due: Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024						
Trade payables — MSME	**4.42**	**0.34**	**–**	**–**	**0.01**	**4.77**
Trade payables — Others	**455.05**	**101.54**	**0.19**	**0.00**	**0.03**	**556.81**
Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**–**
	459.47	**101.88**	**0.19**	**0.00**	**0.04**	**561.58**
Accrued expenses						**7.53**
Total Trade Payable						**569.11**
As at March 31, 2023						
Trade payables — MSME	2.64	0.61	0.01	–	0.01	3.27
Trade payables — Others	552.27	14.15	0.01	0.02	0.02	566.46
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	554.91	14.76	0.02	0.02	0.02	569.73
Accrued expenses						6.90
Total Trade Payable						576.63

Note 23 - Other current liabilities

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
a) Advances received from customers	**3.30**	3.67
b) Others		
– Employee recoveries and employer contributions	**0.14**	0.18
– Statutory dues (TDS, GST payable etc)	**2.58**	4.50
Total	**6.02**	8.35

Note 24 - Revenue from operations

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers :		
a) Revenue from sale of goods (Refer Note (a) below)	**3,261.61**	3,158.34
b) Revenue from rendering of services (Refer Note (b) below)	**5.97**	9.09
Total (A)	**3,267.58**	3,167.43

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Other operating income (Refer Note (c) below) (B)	**73.26**	64.09
Total (A+B)	**3,340.84**	3,231.52

Note :

The management determines that the segment information reported under Note 35 "Segment information" is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Note:		
(a) Sale of products comprises:		
Manufactured goods		
– Steel products	**2,286.52**	2,065.84
Traded goods		
– Steel products	**975.09**	1,092.50
Total	**3,261.61**	3,158.34
(b) Rendering of services comprises:		
– Job work processing	**0.57**	4.16
– Management fees	**5.40**	4.93
Total	**5.97**	9.09
(c) Other operating income comprise:		
– Scrap sales	**66.05**	55.24
– Commission income	**5.15**	7.88
– Insurance claim	**1.36**	0.11
– Other operating income	**0.70**	0.86
Total	**73.26**	64.09
Total	**3,340.84**	3,231.52

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contract price	**3,286.89**	3,185.05
Addition/Reduction towards discount (net)	**(14.57)**	(13.10)
Adjustment/Reduction towards sales return (net)	**(4.74)**	(4.52)
Revenue from contract with customers	**3,267.58**	3,167.43

Note 25 - Other income

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest income:		
– Bank deposits (at amortised cost)	**0.49**	1.68
– Interest on inter-corporate deposits (at amortised cost)	**3.70**	4.01
b) Dividend income:		
– From long-term investments in subsidiaries	**7.76**	4.52
c) Other:		
– Liabilities no longer required written back	**0.25**	0.07
– Net gain on foreign exchange transactions and translations	**0.11**	–
– Gain on sale of current investments	**0.84**	0.93
– Gain on sale of property, plant and equipment (net of loss on property, plant and equipment sold/scrapped/written off)	**–**	0.04
– Lease income	**3.55**	1.03
– Miscellaneous	**0.11**	–
Total	**16.81**	12.28

Note 26 - Cost of materials consumed

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	**441.42**	319.74
Add: Purchases	**2,170.92**	2,099.92
	2,612.34	2,419.66
Less: Closing Stock	**448.44**	441.42
Total	**2,163.90**	1,978.24

Note 27 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year: Steel products		
Finished goods	**40.32**	25.75
Work-in-progress	**42.33**	50.54
Stock-in-trade	**153.75**	183.27
	236.40	259.56
Inventories at the beginning of the year: Steel products		
Finished goods	**25.75**	19.82
Work-in-progress	**50.54**	23.68
Stock-in-trade	**183.27**	169.67
	259.56	213.17
Decrease/(Increase) in Stock	**23.16**	(46.39)

Note 28 - Employee benefits expense

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Salaries and wages including bonus	**18.85**	17.01
b) Contribution to provident and other funds (refer Note 36)	**1.31**	1.21

Rs. in Crores

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
c)	Share based payments to employees (refer Note 35)	**1.28**	1.76
d)	Staff welfare expenses	**1.00**	0.54
Total		**22.44**	20.52

Note 29 - Finance costs

Rs. in Crores

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
a)	Usance interest	**10.37**	8.63
b)	Unwinding interest on lease liability	**0.03**	0.21
c)	Interest on borrowings	**0.83**	0.38
d)	Other finance cost	**0.64**	0.70
Total		**11.87**	9.92

Analysis of interest expenses by category

Rs. in Crores

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
a)	On financial liability at amortised cost	**11.23**	9.22
b)	On non-financial liabilities	**0.64**	0.70
Total		**11.87**	9.92

Note 30 - Other expenses

Rs. in Crores

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
a)	Stores and spares consumed	**1.26**	1.81
b)	Power & fuel oil consumed	**1.66**	1.34
c)	Freight and handling charges	**23.81**	24.78
d)	Repairs and maintenance - Buildings	**0.35**	0.49
e)	Repairs and maintenance - Machinery	**0.76**	0.99
f)	Repairs and maintenance - Others	**1.44**	1.02
g)	Rent	**2.32**	0.15
h)	Rates and taxes	**0.17**	0.34
i)	Insurance charges	**1.50**	1.32
j)	Bad debts written off	**–**	0.00
k)	Provision for doubtful debts	**–**	0.78
l)	Provision for doubtful advances	**2.10**	1.90
m)	Net loss on foreign currency transactions and translation	**–**	11.96
n)	Fair value loss on derivatives financial instruments at fair value through profit or loss	**0.01**	0.01
0)	Net loss arising on financial assets designated as at FVTPL	**–**	–
p)	Auditors' remuneration (refer Note below)	**0.44**	0.38
q)	Legal and professional fees	**4.49**	6.86
r)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 (refer Note 34)	**2.85**	2.17
s)	Loss on sale of property, plant and equipment (net of gain on property, plant and equipment sold / scrapped / written off)	**0.02**	–
t)	Miscellaneous expenses	**12.83**	13.36
Total		**56.01**	69.66

Note

Rs. in Crores

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to auditors			
To Statutory auditors-			
a)	For audit	**0.35**	0.37
b)	Certification	**0.09**	–
c)	For other services	**–**	0.01
c)	Reimbursement of expenses*	**–**	–
* Represents amount less than Rs. 1 lakh		**0.44**	0.38

Note 31 - Ratios

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Refer foot note
1	**Current ratio (times)** Current assets/Current liabilities ..	**1.77**	1.89	-6%	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/ (Total equity)	**0.08**	–	100%	1
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation)/(gross interest for the period + principal repayments within a year)	**15.50**	–	100%	1
4	**Return on Equity** (Net profit for the period/Total equity)	**14.62%**	13.75%	6%	
5	**Inventory turnover (times)** (Cost of materials consumed/ Average inventories for the period)	**4.43**	4.82	-8%	
6	**Trade receivables turnover (times)** Revenue from sale of goods and services)/(Average trade receivable for the year)	**9.89**	8.23	20%	

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Refer foot note
7	**Trade payables turnover (times)** (Purchase of goods and services)/ (Average trade payable for the year)......................................	**5.45**	5.34	2%	
8	**Net working capital turnover (times)** Revenue from sale of goods and services)/ (working Capital i.e. current assets - current liabilities)...	**6.76**	5.99	13%	
9	**Net Profit margin (%)** (Net Profit for the period/Revenue from operations).......................	**3.98%**	3.50%	14%	
10	**Return on capital employed (%)** (Profit before interest and tax/total equity and total debt)	**20.89%**	19.49%	7%	
11	**Return on Investment (%)** (Total income from investment/ Average investment for the period)	**6.15%**	2.64%	133%	2

1) There were no borrowing in previous year.

2) ROI % higher compared to previous year mainly due to higher return delivered by mutual funds.

Note 32 - Contingent liabilities and commitments (to the extent not provided for)

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent liabilities and commitments (to the extent not provided for):		
(i) Claims against the Company not acknowledged as debts:		
a) Central Sales Tax (CST) (Gujarat) FY 2010-11	**–**	1.12
b) Goods and Service Tax (GST) (Maharashtra) FY 2018-19	**9.53**	9.53
c) Value Added Tax (VAT) (Maharashtra) FY 2017-18	**0.16**	0.16
(ii) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for...	**19.92**	10.76

Note : The Company has given comfort letter to its wholly owned subsidiary Mahindra Electrical Steel Private Limited (MESPL) to provide such financial support as may be required by MESPL from time to time to meet its financial obligations upto 31st March, 2025.

Note 33 - Earnings per share:

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic/Diluted		
Profit after tax for the year (Rs. in Crores) (A) ..	**132.99**	113.09
Weighted average number of shares Basic/ Diluted (B) (refer note (i) below)	**16,600,007**	16,600,007
Earnings per share Basic/Diluted (Rupees) (A/B)	**80.11**	68.12
Nominal value of equity share (Rupees)	**10.00**	10.00

(i) Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

Note 34 - Corporate social responsibility (CSR)

Details of CSR expenditure are as follows:

Rs. in Crores

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the Company during the year	**2.84**	2.17
Amount spent during the year		
– construction/acquisition of any asset	**1.04**	0.62
– on purpose other than above	**1.81**	1.55
Shortfall at the end of the year	**Nil**	Nil
Transaction with the related party	**Nil**	Nil
Movements in provisions	**Nil**	Nil
Nature of CSR activity	Promoting education, Environment protection, Healthcare, Sanitation, Rural development and Eradicating hunger	Promoting education, Environment protection, Healthcare, Sanitation, Rural development and Eradicating hunger

Note 35(a) - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants Stock Appreciation Rights (SARs) to eligible employees/directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

Details of stock appreciation rights outstanding as on March 31, 2024

Particulars	Number of Units	Grant date	Expiry date	Exercise price (In Rs.)	Fair value at grant date (In Rs.)
Cash settled					
F'21 grants	1,156	30-01-2021	31-03-2025	10	191.77
F'23 grants	478	14-12-2022	31-01-2025	10	438.70
F'23 grants	478	14-12-2022	31-01-2026	10	438.70
F'23 grants	479	14-12-2022	31-01-2027	10	438.70

Movement in Stock appreciation rights

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	The number of units outstanding at the beginning of the year	60,247	134,560
2	Granted during the period	–	2,417
3	Forfeited during the year	2,109	15,245
4	Exercised during the period	55,547	61,485
5	The number of units outstanding at the end of the year	2,591	60,247

Stock Appreciation Right's exercised during the year

Particulars	Number of SAR's	Exercised date	Share price at exercise date (In Rs.)
Cash settled			
F'20 grant	53,916	27-03-2024	655.00
F'21 grant	1,152	27-03-2024	655.00
F'23 grant	479	27-03-2024	655.00

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

		Cash settled Share Appreciation Rights	
	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Share price (In Rs.)	**655.00**	529.40
2	Exercise price (In Rs.)	**10**	10
3	Expected volatility (weighted-average)	**50.90%**	50.90%
4	Expected life/Option Life (weighted-average)	**2.41**	3.41
5	Expected dividends yield	**5.00%**	5.00%
6	Risk–free interest rate (based on government bonds)	**7.00%**	7.00%

Note 35(b) - Long term Incentive plan

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants Long Term Incentives (LTI) to eligible employees/directors. LTIs granted would vest over a period of three years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of LTIs eligible employees are entitled to earn cash benefits as prescribed.

One LTI shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once LTIs have vested, an eligible employee will have the option to exercise the same within a maximum period of two years from the vesting date during such periods of time as determined by the Company.

Once LTIs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those LTIs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the LTIs within a period of two years as aforesaid, the unexercised LTIs will lapse and the Company's liability for such unexercised LTIs will cease.

Details of Long term incentives outstanding as on March 31, 2024

Particulars	Number of Units	Grant date	Expiry date	Exercise price (In Rs.)	Fair value at grant date (In Rs.)
Cash settled					
F'24 grants	12,547	01-11-2023	01-11-2026	10	567.30
F'24 grants	12,547	01-11-2023	01-11-2027	10	567.30
F'24 grants	12,547	01-11-2023	01-11-2028	10	567.30

Movement in Cash based Long term incentives scheme

	Particulars	For the year ended March 31, 2024
1	The number of units outstanding at the beginning of the year	**–**
2	Granted during the period	**37,641**
3	Forfeited during the year	**–**
4	Exercised during the period	**–**
5	The number of units outstanding at the end of the year	**37,641**

		Cash based Long term incentive units
	Particulars	For the year ended March 31, 2024
1	Share price (In Rs.)	655.00
2	Exercise price (In Rs.)	10
3	Expected volatility (weighted-average)	45.20%
4	Expected life/Option Life (weighted-average)	2.58
5	Expected dividends yield	5.00%
6	Risk–free interest rate (based on government bonds)	6.94%

Note 36 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in the Statement of profit and loss for the year, an amount of Rs. 1.07 Crore (31st March, 2023 Rs. 0.96 Crore) as expenses under defined contribution plans.

Rs. in Crores

Benefit (Contribution to)	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund	**0.59**	0.51
Pension fund	**0.35**	0.33
Superannuation fund	**0.13**	0.12
Total	**1.07**	0.96

(b) Defined Benefit Plans:

(i) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) Post retirement medical benefits:

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent risk

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiaries and the plan carries the longevity risks.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on March 31, 2024

	Rs. in Crores			
Particulars	**Funded Plan**		**Unfunded Plans**	
	Gratuity		**Post retirement medical**	
	For the year ended March 31, 2024	For the year ended March 31, 2023	**For the year ended March 31, 2024**	For the year ended March 31, 2023
I. Expense recognised in the Statement of Profit and Loss				
1. Current/past service cost	**0.26**	0.27	**0.02**	0.03
2. Interest on net defined benefit liability/(asset)..	**(0.03)**	(0.03)	**0.03**	0.04
	0.23	0.24	**0.05**	0.07
II. Included in other Comprehensive Income				
1. Actual return on plan assets less interest on plan assets	**0.01**	(0.02)	**–**	–
2. Actuarial (Gain)/Loss on account of:............				
– Financial Assumptions...........	**0.11**	(0.19)	**0.02**	(0.03)
– Experience Adjustments............	**(0.03)**	0.01	**0.06**	(0.18)
3. Adjustment to recognise the effect of asset ceiling...............	**–**	–	**–**	–
	0.09	(0.20)	**0.08**	(0.21)
III. Net Asset/(Liability) recognised in the Balance Sheet				
1. Present value of defined benefit obligation as at 31st March	**4.69**	4.25	**0.49**	0.42
2. Fair value of plan assets as at 31st March	**4.80**	4.71	**–**	–
3. Amount not recognised due to asset limit.................	**–**	0.02	**–**	–
4. Surplus/(Deficit)........	**0.10**	0.44	**(0.49)**	(0.42)
5. Current portion of the above.........................	**–**	–	**(0.04)**	(0.02)
6. Non current portion of the above	**0.10**	0.44	**(0.45)**	(0.40)
IV. Change in the obligation during the year				
1. Present value of defined benefit obligation at the beginning of the year	**4.25**	4.35	**0.42**	0.59
2. Expenses Recognised in Profit and Loss Account				
– Current Service Cost........................	**0.26**	0.27	**0.02**	0.03

				Rs. in Crores
Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post retirement medical	
	For the year ended March 31, 2024	For the year ended March 31, 2023	**For the year ended March 31, 2024**	For the year ended March 31, 2023
– Past Service Cost ..	**–**	–	**–**	–
– Interest Expense (Income)	**0.30**	0.29	**0.03**	0.04
3. Recognised in Other Comprehensive Income Remeasurement gains/ (losses)				
– Actuarial Gain (Loss) arising from:				
i. Financial Assumptions	**0.11**	(0.19)	**0.02**	(0.03)
ii. Experience Adjustments	**(0.03)**	0.01	**0.06**	(0.18)
4. Benefit payments	**(0.23)**	(0.45)	**(0.06)**	(0.02)
5. Liabilities assumed/ (settled) on intra group transfer	**0.03**	(0.02)	**–**	–
6. Present value of defined benefit obligation at the end of the year	**4.69**	4.25	**0.49**	0.42
V. Change in fair value of assets during the year				
1. Fair value of plan assets at the beginning of the year	**4.71**	4.82	**–**	–
2. Interest on plan assets	**0.33**	0.32	**–**	–
3. Recognised in Other Comprehensive Income Remeasurement gains/ (losses)				
– Actual Return on plan assets in excess of the expected return	**(0.01)**	0.02	**–**	–
4. Contributions by employer (including benefit payments recoverable)...............	**–**	–	**0.06**	0.02
5. Benefit paid................	**(0.23)**	(0.45)	**(0.06)**	(0.02)
6. Assets acquired/(settled) on intra group transfer	**–**	–	**–**	–
7. Fair value of plan assets at the end of the year	**4.80**	4.71	**–**	–
VI. The Major categories of plan assets				
– List the plan assets by category here.....				
– Insurer managed funds........................	**4.80**	4.71	**–**	–
VII. Actuarial assumptions				
1. Discount rate	**7.20%**	7.60%	**7.20%**	7.60%

				Rs. in Crores
Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post retirement medical	
	For the year ended March 31, 2024	For the year ended March 31, 2023	**For the year ended March 31, 2024**	For the year ended March 31, 2023
2. Medical premium inflation	**–**	–	**6.00%**	6.00%
3. Rate of increase in compensation levels..	**8%**	8%	**–**	–
4. Mortality table	IALM (2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

				Rs. in Crores
			Impact on defined benefit obligation	
Principal assumptions	**Year**	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	**2024**	**1%**	**4.42**	**4.99**
	2023	1%	3.99	4.53
Salary growth rate	**2024**	**1%**	**4.98**	**4.42**
	2023	1%	4.52	3.99

Post retirement medical benefits

The benefit obligation results for the cost of paying hospitalization premiums to insurance company in future for the employee/beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Crores

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2024**	**1%**	**0.44**	**0.53**
	2023	1%	0.37	0.47
Medical inflation rate	**2024**	**1%**	**0.53**	**0.44**
	2023	1%	0.47	0.37

(d) Expected contributions for the next year:
The Company expects to contribute Nil to the gratuity trusts during the next financial year of 2025.

(e) Expected future benefits payable:

Gratuity

Rs. in Crores

Maturity profile of defined benefit obligation:	As at March 31, 2024	As at March 31, 2023
Within 1 year	**0.88**	0.59
1 - 2 year	**0.70**	0.58
2 - 3 year	**0.49**	0.64
3 - 4 year	**0.30**	0.45
4 - 5 year	**0.37**	0.32
5 - 9 years	**2.34**	2.16
10 years and above	**2.95**	2.95

Post retirement medical benefits

Rs. in Crores

Maturity profile of defined benefit obligation:	As at March 31, 2024	As at March 31, 2023
Within 1 year	**0.04**	0.02
1 - 2 year	**0.04**	0.02
2 - 3 year	**0.04**	0.02
3 - 4 year	**0.03**	0.02
4 - 5 year	**0.03**	0.02
5 - 9 years	**0.15**	0.11
10 years and above	**0.82**	1.00

Note 37 - Segment Reporting

Segment information:

The Company has identified ‘Steel Processing’ (for steel entities) as its only primary reportable segment. The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

The amount of the Company’s revenue reported under Note 23 “Revenue from operations” refer from external customers broken down by location of the customers is shown in the table below:

Rs. in Crores

Location	For the year ended March 31, 2024	For the year ended March 31, 2023
India	**3,257.03**	3,129.82
Overseas	**10.55**	37.61

The Company operates and has its manufacturing/processing facilities based out of Nashik and Vadodara in India.

There is one customer contributing to more than 10% of the Company’s revenue, total amount of revenue from such customers for the year ended on 31st March 2024 is Rs. 852.14 Crores (FY 2023 : Rs. 743.60 Crores).

Note 38 - Financial Instruments

Financial Risk Management Framework

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . The financial risk are managed in accordance with Company’s Risk Management Policy which is approved by Board of Directors.

[A] CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company’s policy. Investments of surplus funds are made only with approved mutual funds or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Group’s Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying value
Non-derivative financial liabilities						
March 31, 2024						
Non-interest bearing	**361.46**	**0.26**	**–**	**–**	**361.72**	**361.72**
Variable interest rate instruments*	**260.55**	**22.22**	**11.11**	**11.11**	**304.99**	**304.98**
Total	**622.01**	**22.48**	**11.11**	**11.11**	**666.71**	**666.7**
March 31, 2023						
Non-interest bearing	381.18	0.03	–	–	381.21	381.21
Variable interest rate instruments*	204.77	–	–	–	204.77	204.77
Total	585.95	0.03	–	–	585.98	585.98

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 3.05 Crore for the year ended 31 March 2024 (Rs. 2.04 Crore for the year ended 31 March 2023)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 3.05 Crore for the year ended 31 March 2024 (Rs. 2.04 Crore for the year ended 31 March 2023)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
March 31, 2024						
Non-interest bearing	**355.34**	**–**	**–**	**–**	**355.34**	**355.34**
Variable interest rate instruments	**–**	**–**	**–**	**–**	**–**	**–**
Fixed interest rate instruments	**30.3**	**–**	**–**	**1.98**	**32.28**	**30.3**
Total	**385.64**	**–**	**–**	**1.98**	**387.62**	**385.64**
March 31, 2023						
Non-interest bearing	339.37	–	–	–	339.37	339.37
Variable interest rate instruments	–	–	–	0.19	0.19	0.19
Fixed interest rate instruments	78.7	–	–	–	78.7	78.7
Total	418.07	–	–	0.19	418.26	418.26

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Liquidity analysis for its derivative financial instruments

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above
Derivative financial instruments				
March 31, 2024				
Gross settled:				
– foreign exchange forward contracts - liabilities	**0.14**	**–**	**–**	**–**
– foreign exchange forward contracts - assets	**0.40**	**–**	**–**	**–**
March 31, 2023				
Gross settled:				
– foreign exchange forward contracts - liabilities	2.16	–	–	–
– foreign exchange forward contracts - assets	0.11	–	–	–

(v) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Bank overdraft/ WCDL facility	**70.60**	89.50
Non-Fund Based facility: (LC, BG, LUT, LER)	**249.56**	530.50

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors .

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for contracted purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges, the derivatives covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Amounts in Crores

Particulars	**Currency**	**As at March 31, 2024**	As at March 31, 2023
Financial liabilities			
Trade Payables	**USD**	**3.45**	3.97
Payable on purchase of fixed assets	**USD**	**0.13**	0.01
Trade Payables	**EURO**	**–**	0.01
Financial assets			
Trade Receivables	**USD**	*****	0.03

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Amounts in Crores

Particulars	**Currency**	**As at March 31, 2024**	As at March 31, 2023
Financial liabilities			
Trade Payables	**USD**	**0.48**	0.71
Payable on purchase of fixed assets	**USD**	**0.13**	–
Trade Payables	**EURO**	**–**	0.01
Financial assets			
Trade Receivables	**USD**	*****	0.03

* Represents amount less than 1 lakh

1) Sensitivity Analysis

(i) Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant

Rs. in Crores

Particulars	**Currency**	**Change in rate**	Effect on profit before tax
Year ended 31st March, 2024	**USD**	**10%**	**5.09**
Year ended 31st March, 2023	**USD**	**10%**	5.66
	EURO	**10%**	0.10

(ii) Interest rate risk

Refer comment given above in maturities of financial liabilities under liquidity risk.

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to customers through appropriate adjustment to selling prices.

Note 39 - Fair value measurement

Fair valuation techniques and inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
  - interest rates and yield curves observable at commonly quoted intervals
  - implied volatilities
  - credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Fair value of financial assets and financial liabilities that are not measured at fair value

Rs. in Crores

Particulars	**Carrying value as at March 31, 2024**
Financial assets	
Financial assets carried at Amortised Cost	
– Trade and other receivables	**345.44**
– Cash and cash equivalents	**7.88**
– Loans	**34.30**
– Others	**4.00**
Total	**391.62**

Rs. in Crores

Particulars	Carrying value as at March 31, 2024
Financial liabilities	
Financial liabilities held at amortised cost	
– Borrowings	**68.90**
– Short term deposits	**2.01**
– Trade payables	**333.02**
– Others	**239.68**
Total	**643.61**

Particulars	Carrying value as at March 31, 2023
Financial assets	
Financial assets carried at Amortised Cost	
– Trade and other receivables	315.15
– Cash and cash equivalents	25.51
– Inter Corporate Deposits	72.60
– Interest receivable	1.46
– Others	0.43
Total	415.15
Financial liabilities	
Financial liabilities held at amortised cost	
– Lease liabilities	1.78
– Short term deposits	1.59
– Trade and other payables	580.36
Total	583.73

Financial assets/financial liabilities measured at fair value

Financial assets/ financial liabilities	Fair value as at: As at March 31, 2024	Fair value as at: As at March 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial assets						
Investments						
Mutual fund investments	**–**	5.01	**Level 1**	Net assets value declared by the respective asset management companies	NA	NA
Other financial assets						
Foreign currency forward contracts	**0.40**	0.11	**Level 2**	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Total financial assets	**0.40**	5.12				
Financial liabilities						
Other financial liabilities						
Foreign currency forward contracts	**0.14**	2.16	**Level 2**	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Cash-settled share-based payments	**0.62**	2.25	**Level 2**	The Black-Scholes model. Inputs used: Current Stock Price of the base instrument, Annual Volatility based on Sensex, Risk Free Return based on Zero Coupon Yield, Exercise Price, time to option maturity, dividend yield.	NA	NA
Total financial liabilities	0.76	4.41				

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair value.

Note 40 Related party transactions:

Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below:

(A) List of Related Parties:

Holding Company

M & M — Mahindra & Mahindra Limited

Subsidiary Companies

MESPL — Mahindra Electrical Steel Private Limited

MMESS — Mahindra MiddleEast Electrical Steel Service Centre (FZC), Sharjah

MSSCL — Mahindra Steel Service Centre Limited

MASPL — Mahindra Auto Steel Private Limited

MMSTC — Mahindra MSTC Recycling Private Limited

PT MASI — PT Mahindra Accelo Steel Indonesia

Key Managerial Personnel

Mr. Bharat Doshi, Chairman

Mr. Sumit Issar, Managing Director

Mr. Sudhir Mankad, Independent Director (till 22 June 2022)

Dr. Punita Kumar Sinha, Independent Director

Mr. Ashok Kumar Barat, Independent Director

Mr. Parag Shah, Non-executive and non-independent director

Mr. Ranjan Pant, Non-executive and non-independent director

Mr. Anil Kumar Chopra, Independent Director

Mr. Mohit Kapoor, Non-executive and non-independent director

Mr. Bharat Goenka, Non-executive and non-independent director (w.e.f. 30 May 2023)

Fellow Subsidiaries with whom transcations are done during the year:

MHRIL — Mahindra Holidays & Resorts India Limited

MBPO — Mahindra Integrated Business Solutions Private Limited

NBS — NBS International Limited

MLL — Mahindra Logistics Limited

MREVA — Mahindra Electric Mobility Limited

MEAL — Mahindra Electric Automobile Limited

MSLPL — Mahindra Solarize Private Limited

MLL — Mahindra Last Mile Mobility Limited

Company which is associate of holding Company

CIE — CIE Automotive India Limited *(till 24 May 2023)*

MEPC — Mahindra Susten Private Limited *(fellow subsidiary upto 15 December 2022, JV of Holding Company w.e.f. 16 December 2022)*

MTPL — Mahindra Teqo Private Limited *(fellow subsidiary upto 28 September 2023, JV of Holding Company w.e.f. 29 September 2023)*

(B) Disclosure of transactions between the Company and related parties during the year ended March 31, 2024

(a)	(Receipt/income)/Expenditure/payment						Rs. in Crores	
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Company which is associate of holding Company	
Particulars	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Purchase of Raw material/finished goods **	**4.20**	–	**3.11**	3.19	**0.69**	–	**–**	–
Purchase of Property, plant & equipment	**0.48**	0.59		–	**0.01**	0.01	**–**	38.82
Sale of Property, plant & equipment	**–**	–	**0.03**	0.10	**–**	–	**–**	–
Processing charges paid	**–**	–	**18.62**	14.89	**–**	–	**–**	–
Sale of finished goods **	**852.14**	743.60	**31.14**	44.95	**9.00**	0.42	**14.11**	82.72
Management Fees received **	**–**	–	**5.39**	4.93	**–**	–	**–**	–
Deputation of personnel to related parties	**0.25**	0.13	**2.20**	2.28	**–**	–	**–**	–
Deputation of personnel from related parties	**0.54**	0.34	**0.22**	0.25	**–**	–	**–**	–
Other income	**–**	–	**0.07**	1.09	**–**	–	**–**	–
Other expenses	**2.80**	1.99	**0.95**	0.67	**1.08**	0.65	**–**	0.07
Reimbursement received from parties	**0.03**	0.01	**0.46**	0.62	**–**	0.03	**0.07**	–
Reimbursement made to parties	**4.03**	6.53	**0.12**	0.01	**0.15**	0.18	**–**	–
Lease rent received	**–**	–	**3.55**	–	**–**	–	**–**	–
Interest received	**–**	–	**3.70**	4.01	**–**	–	**–**	–
Dividend received	**–**	–	**7.77**	4.52	**–**	–	**–**	–
Inter corporate deposits placed	**–**	–	**69.40**	189.10	**–**	–	**–**	–
Inter corporate deposits refunded by parties	**–**	–	**107.70**	140.00	**–**	–	**–**	–
Other Deposits given	**–**	–	**–**	0.24	**–**	–	**–**	–
Other Deposits Refund	**–**	–	**–**	–	**–**	–	**–**	0.02
Investment in Equity Shares	**–**	–	**–**	1.40	**–**	–	**–**	–
Dividend on equity shares paid during the current year	**45.36**	43.16	**–**	–	**–**	–	**–**	–

** excluding taxes

(b) Transactions with Key Management Personnel:

Rs. in Crores

	As at March 31, 2024	As at March 31, 2023
Short term		
Mr. Sumit Issar, Managing Director @		
Salary including perquisites	**3.45**	3.23

Sitting fees & commission to :	Commission		Sitting fees	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Mr. Bharat Doshi, Chairman....................	**0.18**	0.18	**0.04**	0.04
Mr. Sudhir Mankad, Independent Director.....	**–**	0.09	**–**	0.02
Dr. Punita Kumar Sinha, Independent Director.....	**0.09**	0.09	**0.05**	0.05
Mr. Ashok Kumar Barat, Independent Director.....	**0.09**	0.09	**0.05**	0.05
Mr. Ranjan Pant, Independent Director.....	**0.09**	0.07	**0.04**	0.03
Mr. Anil Kumar Chopra, Independent Director.....	**0.09**	0.07	**0.05**	0.03
Mr. Parag Shah, Non-executive and non-independent director	**0.05**	–	**0.02**	–

(c) Outstanding receivables:

Rs. in Crores

	As at March 31, 2024	As at March 31, 2023
Holding Company................................	**23.58**	17.95
Subsidiary Companies .... (including Inter-corporate Deposits & Interest thereon).................................	**36.71**	85.96
Fellow subsidiaries............................. (including Inter-corporate Deposits & Interest thereon).................................	**1.89**	0.08
Company which is associate of holding Company	**17.37**	14.69

(d) Outstanding payables:

Rs. in Crores

	As at March 31, 2024	As at March 31, 2023
Fellow Subsidiaries	**0.79**	0.08
Key Managerial Personnel		
Mr. Bharat Doshi, Chairman	**0.16**	0.15
Mr. Sudhir Mankad, Independent Director..	**–**	0.02
Dr. Punita Kumar Sinha, Independent Director..	**0.08**	0.08
Mr. Ashok Kumar Barat, Independent Director..	**0.08**	0.08
Mr. Ranjan Pant, Independent Director..	**0.08**	0.06
Mr. Anil Kumar Chopra, Independent Director..	**0.08**	0.06
Mr. Parag Shah, Non-executive and non-independent director	**0.07**	–

@ Excludes provision for gratuity, compensated absences and post retirement medical benefits, which is determined on the basis of actuarial valuation done on overall basis for the Company.

(e) Disclosure of transactions & outstanding balances between the Company and related parties during the year ended March 31, 2024 (year ended March 31, 2023)

Rs. in Crores

Particulars	Subsidiary Companies							Fellow Subsidiaries										
	MMESS	MSSCL	MESPL	MASPL	MMSTC	PT MASI	TOTAL	MHRIL	MBPO	NBS	MLL	MEPC	MREVA	MTPL	MEAL	MSLPL	MLL	TOTAL
Purchase of finished goods **	–	**0.13**	–	**2.84**	–	**0.14**	**3.11**	–	–	–	–	–	–	–	–	0.69	–	0.69
	(–)	(1.24)	(–)	(1.95)	(–)	(–)	(3.19)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Purchase of Property, plant & equipment.......................	–	–	–	–	–	–	–	–	–	**0.01**	–	–	–	–	–	–	**–**	**0.01**
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(0.01)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.01)
Sale of Property, plant & equipment.......................	**–**	**0.03**	–	–	**–**	**–**	**0.03**	–	–	**–**	–	–	–	–	–	–	–	–
	(0.10)	(–)	(–)	(–)	(–)	(–)	(0.10)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Processing charges paid....	–	**18.58**	–	**0.04**	–	–	**18.62**	–	–	–	–	–	–	–	–	–	–	–
	(–)	(14.87)	(–)	(0.01)	(–)	(–)	(14.88)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Sale of finished goods **....	–	**13.25**	–	**17.89**	–	–	**31.14**	–	–	–	–	**–**	**–**	**1.30**	**6.87**	**–**	**0.82**	**9.00**
	(–)	(24.70)	(–)	(20.24)	(–)	(–)	(44.94)	(–)	(–)	(–)	(–)	(0.33)	(0.00)	(0.02)	(0.07)	(–)	(–)	(0.42)
Management Fees received **	**0.59**	**2.80**	–	**2.00**	–	–	**5.39**	–	–	–	–	–	–	–	–	–	–	–
	(0.59)	(2.34)	(–)	(2.00)	(–)	(–)	(4.93)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Deputation of personnel to relatedparties	–	**1.28**	–	**0.39**	**0.53**	**–**	**2.20**	–	–	–	–	–	–	–	–	–	–	–
	(–)	(1.06)	(–)	(0.35)	(0.86)	(–)	(2.27)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Deputation of personnel from related parties..................	**–**	**0.22**	**–**	**–**	**–**	**–**	**0.22**	–	–	–	–	–	–	–	–	–	–	–
	(–)	(0.25)	(–)	(–)	(–)	(–)	(0.25)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other income..................	**–**	**0.07**	**–**	**–**	**–**	**–**	**0.07**	–	–	–	**–**	**–**	**–**	–	–	–	–	–
	(–)	(1.09)	(–)	(–)	(–)	(–)	(1.09)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–

Rs. in Crores

Particulars	Subsidiary Companies							Fellow Subsidiaries										
	MMESS	MSSCL	MESPL	MASPL	MMSTC	PT MASI	TOTAL	MHRIL	MBPO	NBS	MLL	MEPC	MREVA	MTPL	MEAL	MSLPL	MLL	TOTAL
Other expenses................	–	0.93	–	–	0.02	–	0.95	0.01	0.31	0.05	0.71	–	–	–	–	–	–	1.08
	(–)	(0.65)	(–)	(–)	(0.02)	(–)	(0.67)	(0.01)	(0.10)	(0.02)	(0.52)	(–)	(–)	(–)	(–)	(–)	(–)	(0.65)
Reimbursement received from parties	–	0.39	–	0.05	0.02	–	0.46	–	–	–	–	–	–	–	–	–	–	–
	(0.01)	(0.34)	(–)	(0.21)	(0.06)	(–)	(0.62)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.03)	(–)	(0.03)
Reimbursement made to parties............................	–	0.03	–	0.00	0.00	0.09	0.12	–	–	0.15	–	–	–	–	–	–	–	0.15
	(–)	(–)	(–)	(–)	(0.01)	(–)	(0.01)	(–)	(–)	(0.18)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.18)
Lease rent received............	–	3.55	–	–	–	–	3.55	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Interest received..............	–	0.87	1.38	0.89	–	0.56	3.70	–	–	–	–	–	–	–	–	–	–	–
	(–)	(1.22)	(1.01)	(1.65)	(–)	(0.13)	(4.01)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Dividend Received...........	1.46	3.10	–	3.21	–	–	7.77	–	–	–	–	–	–	–	–	–	–	–
	(–)	(3.33)	(–)	(1.19)	(–)	(–)	(4.52)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Inter corporate deposits placed...........................	–	20.00	16.40	25.00	–	8.00	69.40	–	–	–	–	–	–	–	–	–	–	–
	(–)	(87.00)	(14.60)	(87.50)	(–)	(–)	(189.10)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Inter corporate deposits refunded by parties...........	–	38.00	14.70	55.00	–	–	107.70	–	–	–	–	–	–	–	–	–	–	–
	(–)	(79.50)	(–)	(57.50)	(–)	(3.00)	(140.00)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other Deposits placed.......	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	(–)	(0.24)	(–)	(–)	(–)	(–)	(0.24)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Investment in Equity Shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(1.40)	(–)	(1.40)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Outstanding balances as at March 31, 2024 (as at March 31, 2023)																		
Outstanding receivables (including Inter corporate deposit & interest thereon)	0.15	10.08	17.25	1.30	0.06	7.87	36.71	–	–	–	–	–	–	–	0.91	–	0.97	1.89
	(0.15)	(36.58)	(15.51)	(33.53)	(0.18)	(–)	(85.95)	(–)	(–)	(–)	(–)	(0.01)	(–)	(–)	(0.08)	(–)	(–)	(0.09)
Outstanding payables........	–	–	–	–	–	–	–	–	0.05	0.06	0.06	–	–	–	–	0.62	–	0.79
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.00)	(–)	(0.08)	(–)	(–)	(–)	(–)	(–)	(–)	(0.08)

1. ** excluding taxes
2. Previous year's figures are in brackets
3. Provision for credit impairment for Rs. 2.10 crores (2023 : Rs. 1.90 crores) has been made against inter corporate deposit given to a subsidiary (MESPL).
4. The above transactions with related parties are on Arm's length basis.
5. # During the current year, the Holding Company has disinvested its majority stake in Mahindra Teqo Private Limited. Accordingly, Mahindra Teqo Private Limited has become JV of the Holding Company w.e.f. 29 September 2023)

Note 41 Disclosure required under Section 186(4) of the Companies Act, 2013 for Loans (net of provision):

Rs. in Crores

Particulars	Relationship as per Companies Act, 2013	As at March 31, 2024	As at March 31, 2023
Inter Corporate deposits and Loans			
Mahindra Auto Steel Private Limited	Subsidiary of the Company	–	30.00
Mahindra Steel Service Centre Limited	Subsidiary of the Company	10.00	28.00
Mahindra Electrical Steel Private Limited	Subsidiary of the Company	12.30	14.60
PT Mahindra Accelo Steel Indonesia	Subsidiary of the Company	8.00	–
		30.30	72.60

Purpose :

The Loans have been utilised for meeting the working capital requirements by respective companies.

Note 42 - Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off."

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration
number : 101248W/W-100022

Koosai Lehery
Partner
Membership number : 112399

Place: Mumbai
Date: 24 April 2024

For and on behalf of board of directors U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer
Membership No : 114230

Place: Mumbai
Date: 24 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA STEEL SERVICE CENTRE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Steel Service Centre Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 31 to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 4. to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, on the date of this audit report, as disclosed in the Note 4 to the financial statements, no funds have been received by the Company from any persons or entities. including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

   As stated in Note 12 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

   f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

   C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN: 24137783BKIQIN7946

Place: Mumbai
Date: 22 April 2024

Annexure A to the Independent Auditors' Report on the financial statements of Mahindra Steel Service Centre Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee, security and has granted advances in the nature of loans to companies, firms, limited liability partnership or any other parties. The Company has made investments in other parties and has granted loans to Companies during the year in respect of which the requisite information is as below. The Company has not made any investments in firms or limited liability partnership and has not granted any loans secured or unsecured, to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Particulars	Loans (Rs. in Lakhs)
Aggregate amount during the year Fellow Subsidiaries*	1,600
Balance outstanding as at balance sheet date Fellow Subsidiaries*	–

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loan given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. During the year, Company has not made any investments, provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Duty of Customs or Cessor other statutory dues have been regularly deposited by the Company with the appropriate authorities, except slight delays in Income-Tax in few cases.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Duty of Excise and Value Added Tax which have not been deposited on account of any dispute are as follows:

		Rupees in Lakhs			
Name of the Statute	**Nature of the Dues**	**Amount Demanded**	**Amount not deposited**	**Period to which the amount relates**	**Forum where dispute is pending**
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	8.95	6.85	2011–12	Additional Commisioner Commercial Taxes (Appellate Authority)
Madhya Pradesh Value Added Tax Act, 2002 and Central Sales Tax Act, 1956	Value Added Tax	6.51	5.77	2012–13	Additional Commisioner Commercial Taxes (Appellate Authority)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	38.36	–	2012–13	Sales Tax Tribunal
Income Tax Act. 1961	Income Tax	8.49	–	2011–12	CIT(A)
Income Tax Act, 1961	Income Tax	25.64	–	2013–14	CIT(A)
Income Tax Act, 1961	Income Tax	48.22	–	2019–20	CIT(A)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN: 24137783BKIQIN7946

Place: Mumbai
Date: 22 April 2024

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Steel Service Centre Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Steel Service Centre Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN: 24137783BKIQIN7946

Place: Mumbai
Date: 22 April 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	4	**10,972.91**	12,322.55
	(b) Capital work-in-progress	5	**1,218.57**	14.83
	(c) Financial assets			
	(i) Other financial assets	6	**265.90**	106.00
	(d) Other Tax Assets (Net)		**316.29**	–
	(e) Other non-current assets	7	**72.03**	408.68
Total non - current assets			**12,845.70**	12,852.06
2	**Current assets**			
	(a) Inventories	8	**10,684.89**	13,152.89
	(b) Financial assets			
	(i) Trade receivables	9	**7,664.14**	6,152.49
	(ii) Cash and cash equivalents	10	**105.79**	45.12
	(iii) Other financial assets	6	**2.70**	–
	(c) Other current assets	7	**1,165.49**	1,586.29
Total current assets			**19,623.01**	20,936.79
Total assets (1+2)			**32,468.71**	33,788.85
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	11	**1,653.98**	1,653.98
	(b) Other equity	12	**11,168.20**	10,979.63
Total equity			**12,822.18**	12,633.61
LIABILITIES				
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	**–**	280.00
	(ii) Lease liability	17	**2,960.69**	3,368.04
	(iii) Other financial liabilities	18	**2.18**	0.18
	(b) Provisions	15	**194.93**	165.49
	(c) Deferred tax liabilities (Net)	21	**734.02**	603.54
Total non - current liabilities			**3,891.82**	4,417.25
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	16	**7,442.49**	4,226.91
	(ii) Lease liability	17	**407.35**	399.60
	(iii) Trade payables	14		
	A. Total outstanding dues from micro enterprises and small enterprises, and		**97.66**	101.75
	B. Total outstanding dues of creditors other than micro enterprises and small enterprises		**7,143.59**	11,306.37
	(iv) Other financial liabilities	18	**445.97**	536.36
	(b) Other current liabilities	19	**195.88**	147.99
	(c) Provisions	15	**21.77**	19.01
Total current liabilities			**15,754.71**	16,737.99
Total equity and liabilities (1+2+3)			**32,468.71**	33,788.85

The accompanying notes 1 to 41 are integral part the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Place: Mumbai
Date: April 22 2024

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer
ICAI Membership No-117623

Place: Mumbai
Date: April 22 2024

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	22	**42,886.09**	38,136.83
II	Other Income	23	**109.41**	147.53
III	**Total Income (I + II)**		**42,995.50**	38,284.36
IV	**EXPENSES**			
	(a) Cost of materials consumed	24	**35,978.29**	29,416.83
	(b) Changes in inventories of finished goods and work-in-progress	25	**(727.22)**	445.18
	(c) Employee benefits expense	26	**1,450.02**	1,484.37
	(d) Finance costs	27	**1,177.09**	797.67
	(e) Depreciation expense	28	**1,525.56**	1,274.08
	(f) Other expenses	29	**2,600.92**	2,481.35
	Total Expenses (IV)		**42,004.66**	35,899.48
V	**Profit before tax (III-IV)**		**990.84**	2,384.88
VI	**Tax expense**			
	(1) Current tax	20	**164.59**	435.35
	(2) Deferred tax	21	**130.31**	257.17
	Total tax expense		**294.90**	692.52
VII	**Profit for the year (V-VI)**		**695.94**	1,692.36
VIII	**Other comprehensive loss**		**0.40**	(0.16)
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plan		**(0.57)**	0.23
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.17**	(0.07)
	(iii) Items that will be reclassified to profit or loss		**–**	–
	(iv) Income tax relating to items that will be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**696.34**	1,692.20
	Earning per equity share (of Rs. 10 each):			
	(a) Basic/Diluted	37	**4.21**	10.23

The accompanying notes 1 to 41 are integral part the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Place: Mumbai
Date: April 22 2024

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer
ICAI Membership No-117623

Place: Mumbai
Date: April 22 2024

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

		Rs. in Lakhs
Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Cash flow from operating activities		
Profit for the year before tax	**990.84**	2,384.88
Adjustment for:		
(1) Depreciation expense	**1,525.56**	1,274.08
(2) Bad debts / advances written off	**0.01**	7.26
(3) Fixed Assets written off	**–**	2.59
(4) Finance costs	**1,177.09**	797.67
(5) Unrealised loss / (gain) on foreign exchange transactions and translations	**6.89**	(76.68)
(6) Interest income	**(30.75)**	(35.67)
(7) Profit on sale of current investments (net)	**(0.20)**	(0.33)
(8) Profit on sale of property, plant and equipment (net)	**(56.42)**	(7.36)
(9) Liabilities no longer required written back	**(16.52)**	(105.92)
	3,596.50	4,240.52
Movement in working capital:		
(1) (Increase) in trade receivables	**(1,511.65)**	(801.75)
(2) Decrease / (Increase) in inventories	**2,468.00**	(2,220.87)
(3) Decrease in other assets	**270.43**	474.68
(4) (Decrease) / Increase in trade payables	**(4,157.24)**	1,690.11
(5) Increase in provisions	**32.77**	28.34
(6) (Decrease) / Increase in other liabilities	**(126.31)**	113.52
	(3,024.00)	(715.97)
Cash generated from operations	**572.50**	3,524.55
Less: income taxes (paid) net of refund	**(181.16)**	(368.46)
Net cash generated from operating activities	**391.34**	3,156.09
Cash flows from investment activities		
(1) Payment for property, plant and equipment	**(1,401.41)**	(504.84)
(2) Proceed from disposal of property, plant and equipment	**197.63**	56.72
(3) Interest received	**30.75**	35.67
(4) Inter corporate deposits refunded	**1,600.00**	1,425.00
(5) Inter corporate deposits placed	**(1,600.00)**	–
(6) Purchase of current investments	**(475.00)**	–
(7) Proceeds from sale of current investments	**475.20**	575.33
Net cash (used in) / generated from investment activities	**(1,172.83)**	1,587.88
Cash flow from financing activities		
(1) Repayment of long term borrowings	**(936.77)**	(791.10)
(2) Proceeds from short term borrowings	**9,772.35**	9,700.00
(3) Repayment of short term borrowings	**(5,900.00)**	(12,118.70)
(4) Payments for the principal portion of the lease liabilities	**(399.60)**	(176.57)
(5) Payments for the interest portion of the lease liabilities	**(285.04)**	(220.36)
(6) Interest paid	**(901.01)**	(557.17)
(7) Dividend paid (including dividend distribution tax)	**(507.77)**	(545.81)
Net cash generated from / (used in) financing activities	**842.16**	(4,709.71)
Net increase in cash and cash equivalents	**60.67**	34.26
Cash and cash equivalents at the beginning of the year	**45.12**	10.86
Cash and cash equivalents at the end of the year	**105.79**	45.12
Reconciliation of cash and cash equivalents with statement of financial position		
Bank balance in current accounts (refer note 10)	**105.79**	45.06
Cash in hand (refer note 10)	**–**	0.06
Total	**105.79**	45.12

Notes:

1) The above cash flow statements has been prepared under the “Indirect method” as set out in Indian Accunting Standard (IND AS-7) “Statement of Cash Flow”

2) IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024 (CONTD....)

below:

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance		
– Long Term Borrowings	**280.00**	1,216.77
– Short Term Borrowings	**4,226.91**	6,499.94
Total Opening Balance	**4,506.91**	7,716.71
(a) Cash flow movements		
Repayment of long term borrowings	**(936.77)**	(791.10)
Proceeds from short term borrowings	**9,772.35**	9,700.00
Repayment from short term borrowings	**(5,900.00)**	(12,118.70)
	2,935.58	(3,209.80)
Closing Balance		
– Long Term Borrowings	**–**	280.00
– Short Term Borrowings	**7,442.49**	4,226.91
Total Closing Balance	**7,442.49**	4,506.91

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Place: Mumbai
Date: April 22 2024

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer
ICAI Membership No-117623

Place: Mumbai
Date: April 22 2024

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital

Particulars	Rs. In Lakhs
Balance at April 1, 2022	1,653.98
Changes in equity during the year	–
Balance at March 31, 2023	1,653.98
Changes in equity during the year	–
Balance at March 31, 2024	**1,653.98**

B. Other Equity

Rs. in Lakhs

Particulars		Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance at April 1, 2022	A	20.00	4,011.15	164.44	5,637.65	9,833.24
Profit for the year	B	–	–	–	1,692.36	1,692.36
Other comprehensive loss (net of taxes)	C	–	–	–	(0.16)	(0.16)
Total comprehensive Profit for the year	**D = (B+C)**	–	–	–	1,692.20	1,692.20
Dividends	E	–	–	–	(545.81)	(545.81)
Balance at March 31, 2023	**F = (A+D+E+)**	**20.00**	**4,011.15**	**164.44**	**6,784.04**	**10,979.63**
Profit for the year	G	–	–	–	695.94	695.94
Other comprehensive loss (net of taxes)	H	–	–	–	0.40	0.40
Total comprehensive Profit for the year	**I=(G+H)**	–	–	–	696.34	696.34
Dividends	J	–	–	–	(507.77)	(507.77)
Balance at March 31, 2024	**K=(F+I+J)**	**20.00**	**4,011.15**	**164.44**	**6,972.61**	**11,168.20**

Description of the nature and purpose of Other Equity :

Capital Reserve: Capital Reserve represents the amount received from SICOM Limited towards Special Capital incentive under 1988 Scheme of Incentives.

Securities Premium: The Securities premium is created on issue of shares.

General Reserve: The General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 41 are integral part the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Sushma Jaglan
Partner
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ICAI Membership No-117623

Place: Mumbai
Date: April 22 2024

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 Corporate information:

Mahindra Steel Service Centre Limited is a public limited company domiciled in India and is incorporated on 15 January 1993 under the erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is steel processing from the plants located at Kanhe (Pune), Bhopal, Noida and Chennai. The Company is principally engaged in processing of automotive and electrical steel and manufacturing of electrical component.

The Company is the subsidiary of Mahindra Accelo Limited *(Formerly known as Mahindra Intertrade Limited)*, Mumbai, a Company incorporated in India. The ultimate parent Company is Mahindra and Mahindra Limited.

2 Material accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest Lakhs.

The financial statements were approved by the Board of Directors and authorised for issue on April 22, 2024.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 2.3	Property, plant & equipment
Note No. 2.10 & 2.11	Employee benefits & Stock appreciation rights (SARs) and cash settled share-based payments:

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Vehicles - 5 years

(b) Plant and equipment:

i) Slitting Line – 20 Years
ii) Blanking Line -20 Years
iii) Washing Machine – 20 Years

2.4 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.5 Inventories:

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.6 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

2.7 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

2.8 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services:

Service income is recognized over time based on as and when service is performed.

Other Income:

Interest income is accounted on time proportionate basis.

2.9 Government grants:

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable for the purpose of giving immediate financial support to the Company with no future related costs are recognized in the Statement of Profit and Loss in the year in which they become receivable.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee up to the reporting date.

2.11 Stock appreciation rights (SARs) and cash settled share-based payments:

For cash-settled share-based payments, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit and Loss for the year.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.17 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property and equipment’ and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note No. 4 - Property, Plant and Equipment:

Rs. in Lakhs

Description of Assets	Buildings (refer note (iii) below	Right-of-Use Asset-Land and Building	Right-of-Use Asset-Plant & Machinery	Plant and Equipments	Electric Installations	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Cost										
Balance as at 1 April, 2023	**3,194.94**	**3,786.19**	**472.14**	**17,453.65**	**559.08**	**157.11**	**89.02**	**108.92**	**150.84**	**25,971.89**
Additions	–	–	–	274.28	–	10.55	8.81	15.50	7.99	317.13
Disposals	–	–	–	148.50	0.50	3.04	0.31	22.78	22.22	197.35
Balance as at March 31, 2024	**3,194.94**	**3,786.19**	**472.14**	**17,579.43**	**558.58**	**164.62**	**97.52**	**101.64**	**136.61**	**26,091.67**
II. Accumulated depreciation										
Balance as at April 1, 2023	**1,416.77**	**608.54**	**7.87**	**10,890.63**	**386.52**	**85.55**	**67.01**	**69.34**	**117.11**	**13,649.34**
Depreciation expense for the year	99.58	490.77	31.48	829.53	20.54	18.14	4.05	15.04	16.43	1,525.56
Eliminated on disposal of assets	–	–	–	11.83	0.48	2.81	0.31	19.48	21.23	56.14
Balance as at March 31, 2024	**1,516.35**	**1,099.31**	**39.35**	**11,708.33**	**406.58**	**100.88**	**70.75**	**64.90**	**112.31**	**15,118.76**
Net carrying amount (I-II)										
Balance as on March 31, 2024	**1,678.59**	**2,686.88**	**432.79**	**5,871.10**	**152.00**	**63.74**	**26.77**	**36.74**	**24.30**	**10,972.91**
Balance as on March 31, 2023	1,778.17	3,177.65	464.27	6,563.02	172.56	71.56	22.01	39.58	33.73	12,322.55
I. Cost										
Balance as at April 1, 2022	**3,192.60**	**2,996.18**	**–**	**17,159.16**	**561.00**	**141.40**	**93.13**	**97.13**	**138.55**	**24,379.15**
Additions	2.34	897.46	472.14	375.25	–	23.88	0.13	12.34	23.78	1,807.32
Disposals	–	107.45	–	80.76	1.92	8.17	4.24	0.55	11.49	214.58
Balance as at March 31, 2023	**3,194.94**	**3,786.19**	**472.14**	**17,453.65**	**559.08**	**157.11**	**89.02**	**108.92**	**150.84**	**25,971.89**
II. Accumulated depreciation										
Balance as at April 1, 2022	**1,314.49**	**403.41**	**–**	**10,105.80**	**367.02**	**77.65**	**67.39**	**51.87**	**112.55**	**12,500.18**
Depreciation expense for the year	102.28	281.71	7.87	807.81	21.32	15.70	3.66	17.99	15.74	1,274.08
Eliminated on disposal of assets	–	76.58	–	22.98	1.82	7.80	4.04	0.52	11.18	124.92
Balance as at March 31, 2023	**1,416.77**	**608.54**	**7.87**	**10,890.63**	**386.52**	**85.55**	**67.01**	**69.34**	**117.11**	**13,649.34**
Net carrying amount (I-II)										
Balance as on March 31, 2023	**1,778.17**	**3,177.65**	**464.27**	**6,563.02**	**172.56**	**71.56**	**22.01**	**39.58**	**33.73**	**12,322.55**
Balance as on March 31, 2022	1,878.11	2,592.77	–	7,053.36	193.98	63.75	25.74	45.26	26.00	11,878.97

Notes:

i) Refer note 13 for details of securities.

ii) During the year, the Company acquired plant and machinery for Rs. 1,218.57 Lakhs (FY 2023: Rs. 14.83 Lakhs) which has not been installed as at the year-end

iii) Buildings include the capital expenditure incurred on leasehold land.

iv) During the year, the Company aquired plant and machinery for Rs. 1,218.57 Lakhs (FY 2023: Rs. 14.83 Lakhs) which has not been installed as at the year end.

Note No. 5 - Capital work in progress

Rs. in Lakhs

Description of assets	As at March 31, 2024	As at March 31, 2023
Cost	**14.83**	–
Opening balance	**1,203.74**	14.83
Closing balance	**1,218.57**	14.83

Note No. 5(b)-Capital work-in-progress

CWIP	Amount in CWIP is for the period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2024	**1,203.74**	**14.83**	**–**	**–**	1,218.57
Projects in progress					
(a) Exceeded cost or overdue	**–**	**–**	**–**	**–**	–
(b) Other than covered in above (a)	**1,203.74**	**14.83**	**–**	**–**	1,218.57
As at 31 March, 2023	14.83	–	–	–	14.83
Projects in progress					
(a) Exceeded cost or overdue	**–**	**–**	**–**	**–**	–
(b) Other than covered in above (a)	**14.83**	**–**	**–**	**–**	14.83

Note No. 6 - Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Carried at amortised cost						
Industrial Investment Promotion Assistance receivable	**–**	**142.00**	**142.00**	–	–	–
– Unsecured, considered good						
Security deposits	**–**	**123.90**	**123.90**	–	106.00	106.00
– Unsecured, considered good						
Refer Note 1) Below						
Derivatives-Foreign currency forward contracts receivable	**2.70**	**–**	**2.70**	–	–	–
	2.70	**265.90**	**268.60**	–	106.00	106.00

Note -1) Security deposits includes deposits given to related parties of Rs. 21.47 Lakhs (FY 2023 Rs. 19.91 Lakhs)

Note No. 7 - Other assets

Rs. in Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
(i) Advances to suppliers	**299.78**	**–**	**299.78**	142.23	–	142.23
(ii) Capital advances	**–**	**15.93**	**15.93**	–	40.62	40.62
(iii) Balances with government authorities (other than income taxes)						
(i) Custom/Excise deposits	**–**	**6.22**	**6.22**	–	21.47	21.47
(ii) CENVAT/GST input credit	**814.22**	**–**	**814.22**	1,399.24	–	1,399.24
(iii) Value added tax credit	**–**	**39.26**	**39.26**	–	39.26	39.26
(iv) Prepayments	**49.60**	**10.62**	**60.22**	44.69	7.61	52.30
(v) Income tax assets (net)	**–**	**–**	**–**	–	299.72	299.72
(vi) Other advances						
(i) Advance to employees	**1.89**	**–**	**1.89**	0.13	–	0.13
Total	**1,165.49**	**72.03**	**1,237.52**	1,586.29	408.68	1,994.97

Note No. 8 - Inventories

Rs. in Lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	Raw materials	**7,505.39**	10,991.54
(b)	Work-in-progress	**1,051.58**	403.99
(c)	Finished goods	**1,600.05**	1,520.42
(d)	Stores and spares	**338.05**	170.78
(e)	Others: Scrap	**189.82**	66.16
	Total	**10,684.89**	13,152.89
	Included above, goods-in-transit:		
(i)	Raw materials	**1,194.28**	4,033.03

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 35,251.07 Lakhs (FY 2023: Rs. 29,862.01 Lakhs)

(ii) The cost of inventories recognised as an expenses includes Rs. 152.63 Lakhs in respect of reversal of write-down of inventory to net realisable value and provision on slow moving inventory. (FY 2023: Rs. 261.06 Lakhs on account of write down of inventory to net realisable value and provision on slow moving inventory.

(iii) The mode of valuation of inventories has been stated in note 2.5.

(iv) Refer note no 16 for details of securities.

Note No. 9 - Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Considered good, Unsecured	**7,664.14**	6,152.49
Total	**7,664.14**	6,152.49

Notes:

(i) The average credit period for sales of products ranges between 30 to 120 days and for Job work processing is 30 days.

(ii) There are no trade receivables which have significant increase in credit risk or are credit impaired.

(iii) Trade receivables include amount receivable from related parties Rs.1,365.38 Lakhs (FY 2023 Rs. 761.69 Lakhs)

Rs. in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024							
Undisputed Trade receivables — considered good	**7,257.13**	**405.55**	**1.04**	**0.42**	**–**	**–**	**7,664.14**
Disputed Trade Receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**7,257.13**	**405.55**	**1.04**	**0.42**	**–**	**–**	**7,664.14**
As at March 31, 2023							
Undisputed Trade receivables — considered good	4,734.95	1,417.31	0.23	–	–	–	6,152.49
Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
Total Trade Receivables	4,734.95	1,417.31	0.23	–	–	–	6,152.49

Note No. 10 - Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
(a) Balances with banks		
With scheduled banks		
Current Account	**105.79**	45.06
(b) Cash on hand	**–**	0.06
Total	**105.79**	45.12

Note No. 11 - Equity Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**17,000,000**	**1,700.00**	17,000,000	1,700.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**16,539,759**	**1,653.98**	16,539,759	1,653.98
Total	**16,539,759**	**1,653.98**	16,539,759	1,653.98

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended March 31, 2024				
Number of shares	**16,539,759**	**–**	**–**	**16,539,759**
Amount (in Lakhs)	**1,653.98**	**–**	**–**	**1,653.98**
Year ended March 31, 2023				
Number of shares	16,539,759	–	–	16,539,759
Amount (in Lakhs)	1,653.98	–	–	1,653.98

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: one vote for each equity share registered in the name of the member. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2024	As at March 31, 2023
Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited), the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	10,089,257

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 % of holding	As at March 31, 2023 Number of shares	As at March 31, 2023 % of holding
Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited), the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	**61%**	10,089,257	61%
Metal One Corporation.	**6,450,502**	**39%**	6,450,502	39%

(v) Details of equity shares held by promoter and promoter group:

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 % of holding	As at March 31, 2023 Number of shares	As at March 31, 2023 % of holding
Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited), the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	**61%**	10,089,257	50%

Note No. 12 - Other equity

Rs. in Lakhs

Particulars		Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance at April 1, 2022	A	20.00	4,011.15	164.44	5,637.65	9,833.24
Profit for the year	B	–	–	–	1,692.36	1,692.36
Other comprehensive loss (net of taxes)	C	–	–	–	(0.16)	(0.16)
Total comprehensive Profit for the year	**D(B+C)**	**–**	**–**	**–**	**1,692.20**	**1,692.20**
Dividend (Rs. 3.30 per share)	E	–	–	–	(545.81)	(545.81)
Balance at March 31, 2023	G(A+D)	20.00	4,011.15	164.44	6,784.04	10,979.63
Profit for the year	H	–	–	–	695.94	695.94
Other comprehensive loss (net of taxes)	I	–	–	–	0.40	0.40
Total comprehensive income for the year	J(H+I)	**–**	**–**	**–**	**696.34**	**696.34**
Dividend (Rs. 3.07 per share)	K	–	–	–	(507.77)	(507.77)
Balance at March 31, 2024	**M(G+J)**	**20.00**	**4,011.15**	**164.44**	**6,972.61**	**11,168.20**

	Rs. in Lakhs	
Proposed dividends on equity shares:	**As at March 31, 2024**	**As at March 31, 2023**
Dividend per share (Rupees)	**1.26**	**3.07**
Dividend on Equity Shares	**208.40**	**507.77**
Total	**208.40**	**507.77**

Proposed dividend on equity shares is subject to approval of the shareholders at the annual general meeting and is not recognised as a liability as at March 31, 2024.

Note No. 13 - Non current borrowings

Particulars	**As at March 31, 2024**	**Rs. in Lakhs** As at March 31, 2023
Measured at amortised cost		
A. Secured:		
Term loans:		
From banks [Refer note (i)]	**280.00**	1,216.77
Less: Current maturities of long term debts	**(280.00)**	(936.77)
Total secured:	**–**	280.00

Notes:

(i) (a) The Company have carrying value of term loan from HDFC bank Rs. NIL (FY2023: Rs. 376.77 Lakhs under sanction extended by HDFC Bank (interest payable at the rate of 8.77% p.a. payable monthly) linked to the base rate, secured by exclusive charge on movable property, plant and equipment situated at Noida and Bhopal plant; and pari-passu charge on property, plant and equipment situated at Chennai plant).

(b) The Company has carring value of term loan of Rs 280 Lakhs (FY 2023: Rs. 840 Lakhs) under sanction extended by Axis Bank [interest payable at the rate of 9.40% p.a (FY 2023: 8.95% p.a) (payable monthly) linked to the base rate], secured by pari-passu charge on movable property fixed assets situated at Chennai plant. The repayment Schedule is as under:

Name of the Bank	**Rate of Interest**	Rs. in Lakhs **repayable in FY 2024-25**
Axis Bank	9.40%	280.00

Note No. 14 Trade payables

Particulars	**As at March 31, 2024**	**Rs. in Lakhs** As at March 31, 2023
Trade payable for goods & services		
A. Total outstanding dues from micro enterprises and small enterprises, and	**97.66**	101.75
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	**3,843.79**	7,759.87
Subtotal	**3,941.45**	7,861.62
Acceptances	**3,299.80**	3,546.50
Total	**7,241.25**	11,408.12
Trade payable for goods & services includes payable to related parties:	**4,224.48**	3,961.65

Note: Dues to Micro, Small and Medium Enterprises

Particulars	**As at March 31, 2024**	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	**97.66**	101.75
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Rs. in Lakhs

Particulars	Unbilled Dues	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
		Outstanding for following periods from due date of payment					
As at March 31, 2024							
Trade payables — MSME	**–**	**97.66**	**–**	**–**	**–**	**–**	**97.66**
Trade payables — Others	**116.79**	**6,173.63**	**815.29**	**6.28**	**–**	**3.41**	**7,115.40**
Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**28.19**	**28.19**
Total Trade Payables	**116.79**	**6,271.29**	**815.29**	**6.28**	**–**	**31.60**	**7,241.25**
As at March 31, 2023							
Trade payables — MSME	–	101.75	–	–	–	–	101.75
Trade payables — Others	155.69	9,137.09	1,973.53	4.31	3.45	4.11	11,278.18
Disputed dues — MSME	–	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	28.19	28.19
Total Trade Payables	155.69	9,238.84	1,973.53	4.31	3.45	32.30	11,408.12

Note No. 15 Provisions

Rs. in Lakhs

Particulars	As at March 31, 2024 Current	Non-Current	Total	As at March 31, 2023 Current	Non-Current	Total
(a) Provision for employee benefits						
(1) Long-term employee benefits						
(i) Provision for compensated absences	**21.10**	**119.65**	**140.75**	18.80	117.84	136.64
(ii) Provision for post retirement medical benefit	**0.67**	**16.64**	**17.31**	0.21	10.05	10.26
(iii) Provision for gratuity	**–**	**58.64**	**58.64**	–	37.60	37.60
Total	**21.77**	**194.93**	**216.70**	19.01	165.49	184.50

Note:

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 32

Note No. 16 - Current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
A. Secured		
(i) Loans payable on demand From bank (Refer note (i))	**1,662.49**	490.14
(ii) Short term loan from bank (Refer note (ii))	**3,000.00**	–
(iii) Current maturities of long-term debt Refer note 13 for details of securities	**280.00**	936.77
Total	**4,942.49**	1,426.91
B. Unsecured		
Intercorporate Deposit (Refer note (iii))	**2,500.00**	2,800.00
Total	**2,500.00**	2,800.00
Total	**7,442.49**	4,226.91

Notes:

(i) (a) The Cash credit of Rs.Nil (FY 2023: Rs 253.99 Lakhs) from HDFC Bank Limited is secured on pari-passu basis by charge on stock and book debts of the Company. (FY 2023: Interest is payable at the rate of 8.5% p.a)

(b) The Cash credit of Rs. 32.96 Lakhs (FY:2023 Rs 236.15 Lakhs) from Axis Bank Limited is secured on first pari-passu basis by charge on current assets of the Company. Interest is payable at the rate of 9.20% p.a. (FY:2023: 8.85%)

(c) The Cash credit of Rs. 1629.53 Lakhs (FY:2023 Rs Nil Lakhs) from Kotak Mahindra Bank Limited is secured on first pari-passu basis by charge on current assets of the Company. Interest is payable at the rate of 9.00% p.a.

(ii) As at March 31, 2024, the Company had a working capital short term loan of Rs. 3,000 Lakhs (FY:2023 Rs. Nil) under sanction extended by ICICI bank secured by first pari passu charge on the stock and book debts of the Company. Interest payable at the rate of 8.60% p.a linked to REPO.

(iii) The Company has taken unsecured short term intercorporate deposit of Rs. 1,000 Lakhs as at March 31,2024 (FY:2023 Rs. 2,800 Lakhs) from the Holding Company Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited). Interest is payable at the rate 8.25% p.a.(FY:2023 8.4% p.a. to 8.8% p.a)

(iv) The Company has taken unsecured short term intercorporate deposit of Rs. 1,500 Lakhs as at March 31,2024 (FY:2023 Rs. Nil) from the ultimate Parent Company, Mahindra & Mahindra Limited. Interest is payable at the rate 8.15% p.a.

Note No. 17 - Lease Liability

Rs. in Lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-current	As at March 31, 2024 Total	As at March 31, 2023 Current	As at March 31, 2023 Non-current	As at March 31, 2023 Total
Lease Liability	**407.35**	**2,960.69**	**3,368.04**	399.60	3,368.04	3,767.64
Total	**407.35**	**2,960.69**	**3,368.04**	399.60	3,368.04	3,767.64

Note No. 18 - Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non–current	As at March 31, 2024 Total	As at March 31, 2023 Current	As at March 31, 2023 Non–current	As at March 31, 2023 Total
Other financial liabilities measured at amortised cost						
(a) Interest accrued but not due on borrowings	**26.22**	**–**	**26.22**	35.18	–	35.18
(b) Other liabilities						
(1) Creditors for capital supplies/services Refer note-1 below	**129.92**	**–**	**129.92**	35.15	–	35.15
(2) Dealer deposit	**80.80**	**–**	**80.80**	84.79	–	84.79
(3) Employee wages and salary payable	**206.41**	**–**	**206.41**	324.41	–	324.41
Total	**443.35**	**–**	**443.35**	479.53	–	479.53
Note:1-Creditors for Capital supplyies/services incldues payable to related party of Rs. 36.07 Lakhs (FY 2023: Nil)						
Other financial liabilities measured at fair value						
(1) Derivatives						
Foreign currency forward contracts	**–**	–	**–**	2.82	–	2.82
(2) Other						
Liability for cash-settled share-based payments and Long Term Incentives	**2.62**	**2.18**	**4.80**	54.01	0.18	54.19
Total	**2.62**	**2.18**	**4.80**	56.83	0.18	57.01
Total	**445.97**	**2.18**	**448.15**	536.36	0.18	536.54

Note No. 19 - Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a. Advances received from customers	**59.20**	70.66
b. Others		
(i) Employee recoveries and employer contributions	**19.60**	18.98
(ii) Statutory remittances (withholding taxes, GST etc.)	**117.08**	58.35
Total	**195.88**	147.99

Note No. 20 - Current Tax and deferred tax

(a) Income tax recognised in Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
In respect of current year	**164.59**	414.69
In respect of prior year	**–**	20.66
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**130.31**	257.17
Adjustment due to change in tax rate	**–**	
Total	**294.90**	692.52

(b) Income tax recognised in other comprehensive income

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax		
Remeasurement of defined benefit obligations	**–**	–
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**0.17**	(0.07)
Total	**0.17**	(0.07)
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**0.17**	(0.07)
Total	**0.17**	(0.07)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Applicable Tax Rates	**29.12%**	29.12%
Profit before tax	**990.84**	2,384.88
Expected income tax expense	**288.53**	694.48
Effect of expenses that are non-deductible in determining taxable profit	**6.02**	2.20

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Others	**0.35**	(24.82)
Effect of expenses due to change in income tax rate	**–**	–
Current tax in respect of prior period	**–**	20.66
Income tax (income) / expense recognised in Statement of Profit and Loss	**294.90**	692.52

Note:

The tax rate used for the 31 March 2024 and 31 March 2023 reconciliations above is the corporate tax rate of 29.12% and 29.12% [including surcharge of 12% and Health and Education Cess of 4% payable by corporate entities in India on taxable profits under Indian income tax laws].

Note No. 21 - Deferred tax

Rs. in Lakhs

For the year ended March 31, 2024

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(899.28)	76.43	–	(822.85)
Tax effect of items constituting deferred tax assets				
Employee benefits	70.88	(11.27)	(0.17)	59.44
FVTPL financial liabilities including derivatives	0.68	5.31	–	5.99
Minimum Alternate Tax Carried forward	173.34	(169.24)	–	4.10
Other	50.84	(31.54)	–	19.30
Net tax asset/(liabilities)	**(603.54)**	**(130.31)**	**(0.17)**	**(734.02)**

Rs. in Lakhs

For the year ended March 31, 2023

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(942.43)	43.15	–	(899.28)
Tax effect of items constituting deferred tax assets				
Employee benefits	59.91	10.90	0.07	70.88
FVTPL financial liabilities including derivatives	7.49	(6.81)	–	0.68
Carried forward loss of current year	41.48	(41.48)	–	0.00
Minimum Alternate Tax Carried forward	463.83	(290.49)	–	173.34
Other	23.28	27.56	–	50.84
Net tax asset/(liabilities)	**(346.44)**	**(257.17)**	**0.07**	**(603.54)**

Note No. 22 - Revenue from operations

The following is an analysis of the company's revenue for the year from continuing operations.

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Revenue from contract with customers: (Refer Note (i) below)		
(a) Revenue from sale of products (Refer note (ii) below)	**37,394.34**	33,210.09
(b) Revenue from rendering of services (Refer note (iii) below)	**3,000.42**	2,211.76
Subtotal	**40,394.76**	35,421.85
B. Other operating revenue (Refer note (iv) below)	**2,491.33**	2,714.98
Total	**42,886.09**	38,136.83

Notes:

(i) The management determines that the segment information reported under Note 22 A above is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(ii) Sale of products comprises:		
Manufactured goods		
Steel products	**37,394.34**	33,210.09
Total	**37,394.34**	33,210.09
(iii) Sale of services comprises:		
Steel processing	**3,000.42**	2,211.76
(iv) Other operating revenues comprise**:**		
Scrap sales	**1,962.70**	1,858.06
Insurance claim	**100.57**	10.45
Industrial Investment Promotion Assistance	**413.68**	827.89
Other operating income	**14.38**	18.58
Total	**2,491.33**	2,714.98

Note No. 23 - Other Income

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest income		
Other (measured at amortised cost)	**30.75**	35.67
(b) Profit on sale of current investments	**0.20**	0.33
(c) Profit on sale of property, plant and equipment (net)	**56.42**	4.77
(d) Liabilities no longer required written back	**16.52**	105.92
(e) Fair value gain on financial instruments at fair value through profit and loss	**5.52**	0.84
Total	**109.41**	147.53

Note No. 24 - Cost of materials consumed

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	**10,991.54**	8,379.39
Add: Purchases	**32,492.14**	32,028.98
Less: Closing stock	**(7,505.39)**	(10,991.54)
Cost of materials consumed - Steel Products	**35,978.29**	29,416.83

Note No. 25 - Changes in inventories of finished goods and work-in-progress

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year:		
Finished goods - Steel Products	**1,600.05**	1,520.42
Work-in-progress - Steel Products	**1,051.58**	403.99
	2,651.63	1,924.41
Inventories at the beginning of the year:		
Finished goods - Steel Products	**1,520.42**	1,732.75
Work-in-progress - Steel Products	**403.99**	636.84
	1,924.41	2,369.59
Net decrease / (increase)	**(727.22)**	445.18

Note No. 26 - Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries and wages	**1,197.81**	1,195.43
(b) Contribution to provident and other funds	**113.93**	93.93
(c) Share based payment to employees	**38.06**	67.00
(d) Post-retirement medical benefit expense	**1.56**	2.46
(e) Staff welfare expenses	**98.66**	125.55
Total	**1,450.02**	1,484.37

Note No. 27 - Finance costs

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liability measured at amortised cost		
(a) Borrowings	**486.22**	466.91
(b) Lease Liability	**285.04**	220.36
(c) Other		
- Usance Interest	**405.83**	100.90
- delayed/deferred payment of tax	**–**	9.50
Total	**1,177.09**	797.67

Note No. 28 - Depreciation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on		
Property, plant and equipment (Refer Note 4)	**1,525.56**	1,274.08
Total	**1,525.56**	1,274.08

Note No. 29 - Other expenses

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Stores and tools consumed	**235.39**	152.19
(b) Power & fuel	**455.90**	443.04
(c) Rent including lease rentals	**30.43**	45.73
(d) Rates and taxes	**30.75**	45.02
(e) Insurance	**59.05**	48.82
(f) Repairs and maintenance - Buildings	**34.98**	178.47
(g) Repairs and maintenance - Machinery	**137.06**	83.40
(h) Repairs and maintenance - Others	**145.39**	139.48
(i) Freight outward	**253.69**	260.82
(j) Subcontracting, hire and service charges	**643.74**	549.33
(k) Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013. (Refer note No. 38)	**27.50**	8.90
(l) Net loss on foreign currency transactions and translations	**31.26**	132.19
(m) Auditors remuneration and out-of-pocket expenses(note 1 below)	**14.37**	11.41
(n) Legal and other professional costs	**159.20**	141.31
(o) Bad debts / advances written off	**0.01**	7.26
(p) Software charges	**92.10**	86.65
(q) Miscellaneous expenses	**250.10**	147.33
Total	**2,600.92**	2,481.35

Note: 1

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to statutory auditors (excluding GST):		
(i) For Audit	**11.55**	10.70
(ii) For other services	**1.95**	–
(iii) For reimbursement of expenses	**0.87**	0.71
Total	**14.37**	11.41

Note No. 30 - Ratios

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Refer foot note
1	**Current ratio (times)** Current assets/Current liabilities ...	1.25	1.25	0%	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/ (Total equity)	0.58	0.36	61%	1
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation)/(gross interest for the period + principal repayments within a year)............................	1.98	2.09	-5%	
4	**Return on Equity** (Net profit for the period/Total equity).....................................	5%	13%	-62%	2
5	**Inventory turnover (times)** (Cost of materials consumed/ Average inventories for the period)	2.96	2.48	19%	
6	**Trade receivables turnover (times)** (Revenue from sale of goods and services)/(Average trade receivable for the year).............................	5.85	6.16	-5%	
7	**Trade payables turnover (times)** (Purchase of goods and services)/ (Average trade payable for the year).....................................	3.48	3.01	16%	
8	**Net working capital turnover (times)** (Revenue from sale of goods and services) / (Working capital i.e. current assets - current liabilities)..	10.44	8.44	24%	
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)........................	2%	4%	-50%	3
10	**Return on capital employed (%)** (Profit before interest and tax / Total equity and total debt)	10%	15%	-33%	4

Notes:

1) The increase in Debt/Equity ratio is on account of short terms loans taken to finance the working capital.

2) The decrease in ratio is mainly on account of comparative drop in operating profits during the year.

3) Net Profit margin has reduced during the year mainly on account of sales mix and reduction in sales price of electrical steel grades.

4) The return on capital employed has decreased due to drop in profit, increase in working capital.

Note No. 31 - Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Claims against the Company not acknowledged as debts:		
(a) Excise duty demand for FY 13-14 to June 17..	**–**	406.88
(b) Madhya Pradesh VAT/CST demand Financial Year 2011-12..............................	**8.95**	8.95
(c) Madhya Pradesh VAT/CST demand Financial Year 2012-13..............................	**6.51**	6.51
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets..	**54.54**	118.82

Note No. 32 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in the Statement of Profit and Loss for the year, an amount of Rs. 69.19 Lakhs (FY 2023: Rs. 62.24 Lakhs as expenses under defined contribution plans).

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident Fund...	**50.16**	43.56
Pension Fund...	**19.03**	18.68
Total...	**69.19**	62.24

(b) Defined benefit plans:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of Benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent Risk:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST-RETIREMENT MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of Benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of Plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent Risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement up to a specified age of the beneficiaries and the plan carries the longevity risks.

Life expectancy:

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on 31st March, 2024

Rs. in Lakhs

Particulars	Funded Plan Gratuity 2024	Funded Plan Gratuity 2023	Unfunded Plans Post-retirement medical 2024	Unfunded Plans Post-retirement medical 2023
(iii) Expense recognised in the Statement of Profit and Loss for the year ended March 31:				
1) Current service cost	**28.56**	24.12	**0.79**	1.38
2) Past service credit	**–**	–		–
3) Interest on net defined benefit liability/ (asset)	**2.48**	0.08	**0.77**	1.08
	31.04	24.20	**1.56**	2.46
(iv) Included in Other Comprehensive Income				
1) Actual return on plan assets less interest on plan assets	**1.15**	(0.33)	**–**	–
2) Actuarial (gain)/loss on account of :				
– Changes in demographic assumptions	**–**	–	**–**	–
– Financial assumptions	**(12.31)**	5.61	**0.79**	(1.04)
– Experience adjustments	**4.45**	2.75	**5.35**	(6.76)
	(6.71)	8.03	**6.14**	(7.80)
(v) Net asset/(liability) recognised in the Balance Sheet as at March 31				
1) Present value of defined benefit obligation as at March 31	**293.06**	265.14	**17.31**	10.26
2) Fair value of plan assets as at March 31	**234.42**	227.54	**–**	–
3) Surplus/(Deficit)	**(58.64)**	(37.60)	**(17.31)**	(10.26)
4) Current portion of the above	**–**		**(0.67)**	(0.21)
5) Non current portion of the above	**(58.64)**	(37.60)	**(16.64)**	(10.05)
(vi) Change in the obligation during the year ended March 31				
1) Present value of defined benefit obligation at the beginning of the year	**265.14**	234.23	**10.26**	15.80
2) Expenses recognised in Statement of Profit and Loss account				
– Current service cost	**28.56**	24.12	**0.79**	1.38
– Past Service Cost	**–**	–		–
– Interest expense (income)	**19.26**	15.19	**0.77**	1.08
3) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				
– Actuarial gain (loss) arising from:				
(i) Changes in demographic assumptions	**–**	–	**–**	–
(ii) Financial assumptions	**(12.31)**	5.61	**0.79**	(1.04)
(iii) Experience adjustments	**4.45**	2.75	**5.35**	(6.76)
4) Benefit payments	**(8.75)**	(16.46)	**(0.66)**	(0.20)
5) Liabilities (settled)/assumed	**(3.29)**	(0.30)	**–**	–
6) Present value of defined benefit obligation at the end of the year	**293.06**	265.14	**17.31**	10.26
(vii) Change in fair value of assets during the year ended March 31				
1) Fair value of plan assets at the beginning of the year	**227.54**	228.06	**–**	–
2) Expenses recognised in Statement of Profit and Loss account				
– interest on plan assets	**16.78**	15.11	**–**	–
3) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				
– Actual return on plan assets in excess of the expected return	**(1.15)**	0.33	**–**	–

Rs. in Lakhs

Particulars	Funded Plan Gratuity 2024	2023	Unfunded Plans Post-retirement medical 2024	2023
– Others (specify)				
4) Contributions by employer (including benefit payments recoverable)	**–**	0.50	**–**	–
5) Benefit payments	**(8.75)**	(16.46)	**–**	–
6) Assets settled	**–**	–		
7) Fair value of plan assets at the end of the year	**234.42**	227.54	**–**	–
(viii) The major categories of plan assets				
List the plan assets by category here				
– Insurer managed funds	**234.42**	227.54	**–**	–
(ix) Actuarial assumptions				
1) Discount rate	**7.20%**	7.60%	**7.20%**	7.60%
2) Medical premium inflation	**–**	–	**6.00%**	6.00%
3) Rate of increase in compensation levels	**8.00%**	9.00%	**–**	–
4) Mortality table	**IALM(2012-14) ult**			

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the gratuity benefits to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1%**	**273.50**	**315.15**
	2023	1%	246.43	286.38
Salary growth rate	**2024**	**1%**	**314.41**	**273.50**
	2023	1%	285.52	246.54

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1%**	**15.42**	**19.55**
	2023	1%	9.00	11.79
Medical inflation rate	**2024**	**1%**	**19.56**	**15.39**
	2023	1%	11.80	8.97

(xi) Expected contributions for the next year:

The Company expects to contribute Rs. 10 lakhs to the gratuity trusts during the next financial year 2024.

(xii) Maturity profile:

Gratuity — Rs. in Lakhs

Maturity profile of defined benefit obligation:	2024	2023
Within 1 year	**30.16**	23.50
1 - 2 year	**44.97**	26.08
2 - 3 year	**29.36**	38.94
3 - 4 year	**29.19**	25.88
4 - 5 year	**28.34**	28.87
5 - 10 years	**120.06**	114.57
More than 10 years	**265.79**	280.53

Post-retirement medical benefits — Rs. in Lakhs

Maturity profile of defined benefit obligation:	2024	2023
Within 1 year	**0.67**	0.21
1 - 2 year	**0.71**	0.23
2 - 3 year	**0.86**	0.24
3 - 4 year	**0.91**	0.35
4 - 5 year	**0.97**	0.38
5 - 10 years	**5.18**	2.70
More than 10 years	**42.73**	32.86

Note No. 33 - Segment reporting

Segment information:

The company has identified ‘Steel Processing’ as its only primary reportable segment. The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information:

Almost all of the company's customer are located within India.

The Company operates and has its manufacturing / processing facilities based out of Pune, Bhopal, Chennai and Noida in India.

There are 2 customers having revenue more than Rs. 7,192.20 Lakhs contributing to more than 10% of the Company's revenue. [FY 2023: There was 1 customer (having revenue of Rs. 9,710.05 Lakhs) who was individually contributing to more than 10% of the Company's revenue.]

Note No. 34 - Related party transactions

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below.

Relation	**Name**
Ultimate holding company	Mahindra & Mahindra Ltd.
Holding company	Mahindra Accelo Limited (Formerly known as Mahindra Intertrade Limited)
Key management personnel (KMP)	Mr. Rajeev Dubey (Non-Executive Chairman)
	Mr. Sumit Issar (Managing Director)
	Mr. Ajay Mehta (Independent Director) (till 30 March 2023)
	Ms. Chandra Iyer (Independent Director)
	Mr. Vice Admiral Anil Chopra (Retd) (w.e.f. 31 March 2023)

Other parties with whom transactions have taken place during the year.

(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Pvt. Limited (MIBS)
	Mahindra Electrical Steel Private Limited (MESPL)
	Mahindra Auto Steel Private Limited (MASPL)
	Mahindra MiddleEast Electrical Steel Service Centre (FZC) (MME)
	Mahindra First Choice Services Limited (MFCSL)
	Mahindra Susten Private Limited (MSL)
	Mahindra MSTC Recycling Private Limited (MMRPL)
	Mahindra Solarize Pvt Ltd (MSLPL)
	Mahindra Electric Mobility Ltd. (MEML) (merged into M&M w.e.f 1st Feb 2023)
(ii) A Company having significant influence	Metal One Corporation, Japan (MOJ)
	Metal One Corporation India Private Limited (MOI)

Managerial Remuneration

The Company is not required to pay any managerial remuneration to the Managing Director as per the terms of appointment.

(a) Disclosure of transactions (net of duties and taxes) between the company and related parties during the year ended March 31, 2024:

Rs. in Lakhs

	Ultimate holding company		Holding company		Fellow subsidiary																A Company having Significant influence			
					MESPL		MASPL		MIBS		MSL		MMRPL		MSLPL		MME		MEML		MOI		MOJ	
Nature of transactions	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Dividend paid	–	–	**309.74**	332.94	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**198.03**	212.87
Processing Income	–	–	**1,857.65**	1,552.71	–	–	**5.70**	12.08	–	–	–	–	–	–	–	–	–	–	–	–	**63.52**	16.97	–	–
Processing Expense	–	–	–	–	–	–	–	0.02	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sales	**1,352.78**	85.10	**106.05**	123.92	–	–	–	–	–	–	–	–	–	–	–	–	–	0.60	–	420.61	**9,216.46**	9,705.18	–	–
Scrap sales	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchases	–	–	**1,324.66**	2,470.49	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,059.70**	1,865.68	**14,289.79**	7,590.06
Purchase of miscellaneous material	–	7.54	**4.15**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of solar power	–	–	–	–	–	–	–	–	–	–	**31.67**	25.98	–	–	–	–	–	–	–	–	–	–	–	–
Marketing and support service charges	–	–	**287.04**	233.55	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sublease expenses	–	–	**354.96**	109.31	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional expenses	**1.00**	12.55	–	–	–	–	–	–	**50.93**	**28.60**	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Freight Charges paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on loan paid	–	–	**87.25**	121.99	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Recovery for tool development	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reimbursement received from parties	–	–	–	–	–	–	**5.84**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reimbursement made to parties	**115.57**	89.58	**41.13**	33.75	–	–	–	–	–	–	–	–	**18.12**	8.58	–	–	–	–	–	–	–	–	–	–
Deputation of personnel to related parties	–	–	**22.14**	24.89	–	–	–	2.21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deputation of personnel from related parties	–	–	**127.99**	106.26	–	–	–	9.22	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on ICD paid	**7.03**	–	–	–	–		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on ICD received					**12.10**	30.06																		
Purchase of property, plant and equipment	**20.84**	7.14	–	–	–	–	**3.68**	–	–	–	–	–	–	2.50	**40.62**	–	–	–	–	–	–	–	–	–
Sale of property, plant and equipment	–	–	**3.50**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit Received	**1,500.00**	–	**2,000.00**	8,700.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit Repaid	–	–	**3,800.00**	7,950.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Security deposit given	–	–	–	24.49	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit given	–	–	–	–	**1,600.00**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit refunded	–	–	–	–	**1,600.00**	1,425.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

(b) Details of related party transactions with Key Management Personnel (KMP) for the year ended 31 March 2024:

			Rs. in Lakhs		Rs. in Lakhs	
Nature of Transactions	Designation	Director/KMP	**March 31, 2024**	**March 31, 2023**	**March 31, 2024**	**March 31, 2023**
Commission and Sitting Fees	Chairman	Mr. Rajeev Dubey	6.10	6.20	2.70	2.70
Commission and Sitting Fees	Independent Director	Mr. Ajay Mehta	–	6.20	–	2.70
Commission and Sitting Fees	Independent Director	Ms. Chandra Iyer	5.90	6.10	2.70	2.70
Commission and Sitting Fees	Independent Director	Mr.Vice Admiral Anil Chopra (Retd)	6.10	–	2.70	–

(c) Outstanding receivable from and payable to related parties

Rs. in Lakhs

	Ultimate holding company		Holding company		Fellow subsidiary																A Company having Significant influence			
					MESPL		MASPL		MIBS		MSL		MMRPL		MSLPL		MME		MEML		MOI		MOJ	
Nature of transactions	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding receivable	**162.49**	51.83	–	–	–	–	**7.87**	2.73	–	–	–	–	–	–	–	–	–	–	–	–	**1,195.02**	707.12	–	–
Outstanding payable	**30.63**	25.79	**7.75**	857.75	–	–	–	–	**0.17**	0.17	–	–	**11.20**	0.81	**36.07**	–	–	–	–	–	–	–	**3,288.66**	3,077.13
Deposit given	–	–	**24.49**	24.49	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit outstanding receivable	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit outstanding payable	**1,500.00**	–	**1,000.00**	2,800.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Notes:

1) In respect of the outstanding balances recoverable, no provision for doubtful debts was made in respect of these parties.

2) The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. During the year, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No. 35 - Financial instruments

[I] Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of net debt (borrowings as detailed in note 13 and 16 and offset by cash and cash equivalents) and total equity of the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio within 150%.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Debt	**7,442.49**	4,506.91
Less: Cash and cash equivalents (Refer note 10)	**105.79**	45.12
Net debt	**7,336.70**	4,461.79
Equity	**12,822.18**	12,633.61
Gearing ratio	**57%**	35%

[II] Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A. CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit.

The Company follows expected credit loss method for determination of impairment of trade receivable. Additionally, an impairment analysis is performed at each reporting date on specific case basis for major customers.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
As at March 31, 2024						
Non-interest bearing	**6,762.57**	**–**	**–**	**–**	**6,762.57**	**6,762.57**
Variable interest rate instruments	**9,199.51**	**903.77**	**699.83**	**2,757.77**	**13,560.88**	**11,737.36**
Total	**15,962.08**	**903.77**	**699.83**	**2,757.77**	**20,323.45**	**18,499.93**
As at March 31, 2023						
Non-interest bearing	4,446.07	0.18	–	–	4,446.25	4,446.25
Variable interest rate instruments	12,693.47	1,528.36	672.17	3,114.77	18,008.77	15,770.14
Total	17,139.54	1,528.54	672.17	3,114.77	22,455.02	20,216.39

Sensitivity interest rate increase by 1%:

Profit will decrease on variable interest rate instrument by Rs. 117.37 lakhs for the year ended 31 March, 2024 (Rs. 157.70 lakhs for the year ended March 31, 2023)

Sensitivity interest rate decrease by 1%:

Profit will increase on variable interest rate instrument by Rs. 117.37 lakhs for the year ended 31 March, 2024 (Rs. 157.70 lakhs for the year ended March 31, 2023)

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above
Derivative financial instruments				
As at 31 March, 2024				
Gross settled:				
– foreign exchange forward contract payable........................	**–**	**–**	**–**	**–**
As at 31 March, 2023				
Gross settled:				
– foreign exchange forward contracts Payable	**2.82**	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
As at 31 March, 2024						
Non-interest bearing..........	**7,772.63**	**142.00**	**–**	**12.65**	**7,927.28**	**7,927.28**
Variable interest rate instruments........................	**–**	**–**	**–**	**111.25**	**111.25**	**111.25**
Total	**7,772.63**	**142.00**	**–**	**123.90**	**8,038.53**	**8,038.53**
As at 31 March 2023						
Non-interest bearing..........	6,197.61	–	–	2.65	6,200.26	6,200.26
Variable interest rate instruments........................	–	–	–	103.35	103.35	103.35
Total	6,197.61	–	–	106.00	6,303.61	6,303.61

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Secured bank overdraft/ WCDL facility	**4,337.51**	4,509.86
– Expiring within one year	**4,337.51**	4,509.86
Secured working capital non-fund based facility: (LC, BG, LUT, LER)...	**8,912.87**	4,069.63
– Expiring within one year	**8,912.87**	4,069.63
Unsecured working capital non-fund based facility: (LC, BG, LUT, LER)...	**2,253.14**	1,541.22
– Expiring within one year	**2,253.14**	1,541.22
Total	**15,503.52**	10,120.71

C. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases and for 36 months period for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Figures in Lakhs

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade payables/acceptance	USD	**59.43**	66.00

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Figures in Lakhs

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade payables/acceptance	USD	**18.44**	58.32

(ii) Interest rate risk

Refer note B (ii) for interest rate sensitivity

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 36 - Fair value measurement

Fair valuation techniques and inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets
– quoted prices for identical or similar assets or liabilities in markets that are not active
– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
– implied volatilities
– credit spreads
– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs:

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs. in Lakhs

Financial assets/ financial liabilities	**Carrying value as at March 31, 2024**
Financial assets	
Financial assets carried at amortised cost	
– Investments-Mutual funds	**–**
– Cash and cash equivalents	**105.79**
– Trade and other receivables	**7,664.14**
– Other financial assets	**268.60**
Total	**8,038.53**
Financial liabilities	
Financial liabilities held at amortised cost	
– Bank loans	**7,468.71**
– Short term deposits	**80.80**
– Trade and other payables	**10,945.62**
Total	**18,495.13**

Rs. in Lakhs

Financial assets/ financial liabilities	**Carrying value as at March 31, 2023**
Financial assets	
Financial assets carried at amortised cost	
– Investments-Mutual funds	**–**
– Cash and cash equivalents	**45.12**
– Trade and other receivables	**6,152.49**
– Other financial assets	**106.00**
Total	**6,303.61**
Financial liabilities	
Financial liabilities held at amortised cost	
– Bank loans	**4,542.09**
– Short term deposits	**84.79**
– Trade and other payables	**15,535.32**
Total	**20,162.20**

Financial assets/ financial liabilities measured at Fair value

Financial assets/financial liabilities	**As at March 31, 2024**	As at March 31, 2023	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
Other Financial Liabilities						
Foreign currency forward contracts	**-**	2.82	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Liability for cash-settled share-based payments and Long Term Incentives	**4.80**	54.19	Level 2	The Black-Scholes model. Inputs used: Current Stock Price of the base instrument, Annual Volatility based on Sensex, Risk Free Return based on Zero Coupon Yield, Exercise Price, time to option maturity, dividend yield.	NA	NA
Total financial liabilities	**4.80**	57.01				
Other Financial Assets						
Investments in Mutual funds	**–**	–	Level 1	Net assets value declared by the respective asset management companies.	NA	NA
Other Financial Assets	**–**	–				

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note No. 37 - Earnings per share

Particulars	As at March 31, 2024	As at March 31, 2023
(loss)/Profit after tax (Rs. in Lakhs) (A)....	**695.94**	1,692.36
Weighted average number of shares Basic (B)..	**16,539,759**	16,539,759
Earnings per share basic/diluted (Rupees) (A/B)	**4.21**	10.23
Nominal value of equity share (Rupees)	**10.00**	10.00

Note No. 38 - Corporate social responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year based on 2% of average net profits	**27.33**	3.40
b) Amount spent during the year on.........		
i) Construction/ acquisition of assets held by the Company	**–**	–
ii) On purposes other than above.........	**27.50**	9.59
c) Unspent amount at the end of the year	**–**	**–**

d) Driven by the core purpose and in line with CSR vision, your Company continued to focus on investing in girls, women, and a massive tree plantation drive through high standard projects in the domains of education, skill development, and environment. Across all programmes, the Company has ensured that majority of beneficiaries are girls and women.

Amount recognised as expense in profit or loss is Rs. 27.5 Lakhs (FY 2023: Rs. 8.9 Lakhs). Further, the Company does not wish to carry forward any excess amount spent during the year

Note No. 39 - Additional regulatory information:

(a) - Details of struck off companies:

As at March 31, 2024

Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding Rs in Lakhs	Relationship with the Struck off company, if any, to be disclosed
	Nil		

As at March 31, 2023

Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding Rs in Lakhs	Relationship with the Struck off company, if any, to be disclosed
	Nil		

Note No. 40 - Stock Appreciation Rights (SARs)

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/ directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2015 (SARS-2015) during the years ended March 31, 2020 and March 31, 2024.

Details of stock appreciation rights outstanding as on March 31, 2024

Particulars	Number of Grants	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Cash settled					
F'23 grant	175	Dec 14, 2022	Feb 28, 2025	10.00	438.70
F'23 grant	173	Dec 14, 2022	Feb 28, 2026	10.00	438.70
F'23 grant	172	Dec 14, 2022	Feb 28, 2027	10.00	438.70

Movement in SARs and LTs

Particulars	Number of Shares	
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
(1) The number of share options outstanding at the beginning of the year;.......................	14,551	28,214
(2) Granted during the year.............................	–	901
(3) Exercised and paid during the year............	13,394	14,564
(4) Expired/forfeited during the year.................	637	–
(5) Outstanding at the end of the year............	520	14,551

Stock Appreciation Right's paid during the year

Details of stock appreciation rights exercised during the year ended on 31 March 2024

Particulars	Number of SAR's	Expiry Date	Share price at Exercise price
F'20 grant	13,219	Feb 28, 2024	655
F'23 grant	175	Feb 28, 2024	655

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

Particulars	Cash settled share appreciation rights
(1) Share price	655
(2) Exercise price...	10.00
(3) Expected volatility (weighted-average)	50.90%
(4) Option Life (in years)	2.4
(5) Expected dividends yield	5.00%
(6) Risk-free interest rate (based on government bonds)	7.00%

Note No. 40 (a) - Long term incentives (LTIs)

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants Long Term Incentives (LTI) to eligible employees/directors. LTIs granted would vest over a period of three years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of LTIs eligible employees are entitled to earn cash benefits as prescribed.

One LTI shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once LTIs have vested, an eligible employee will have the option to exercise the same within a maximum period of two years from the vesting date during such periods of time as determined by the Company.

Once LTIs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those LTIs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the LTIs within a period of two years as aforesaid, the unexercised LTIs will lapse and the Company's liability for such unexercised LTIs will cease.

Details of Long Term Cash Incentives outstanding as on March 31, 2024

Particulars	Number of Grants	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Cash settled					
F'23 grant	1,023	Nov 01, 2023	Nov 01, 2026	10.00	567.30
F'23 grant	1,023	Nov 01, 2023	Nov 01, 2027	10.00	567.30
F'23 grant	1,024	Nov 01, 2023	Nov 01, 2028	10.00	567.30

Movement in LTIs

Particulars	Number of Shares	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(1) The number of share options outstanding at the beginning of the year;......................	–	–
(2) Granted during the year.............................	3,070	–
(3) Exercised and paid during the year...........	–	–
(4) Expired/forfeited during the year................	–	–
(5) Outstanding at the end of the year............	3,070	–

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

Particulars	Cash settled share appreciation rights
(1) Share price	655
(2) Exercise price...	10.00
(3) Expected volatility (weighted-average)	45.20%
(4) Option Life (in years)	2.58
(5) Expected dividends yield	5.00%
(6) Risk-free interest rate (based on government bonds)	6.94%

Note No. 41

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Sushma Jaglan
Partner
Membership no: 137783

Place: Mumbai
Date: April 22 2024

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

Romali Malvankar
Company Secretary
Membership No-A29447

Sumit Issar
Managing Director
DIN: 06951249

Jitendra T. Rahate
Chief Financial Officer
ICAI Membership No-117623

Vijay Arora
Director
DIN: 07347126

Place: Mumbai
Date: April 22 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Electrical Steel Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Electrical Steel Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India relating to the non-going concern basis of accounting, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 2.1 to the financial statements, which explains that in view of decision of the Board of Directors of the Company to dispose off assets of the Company, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended 31 March 2024. Accordingly, all assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements.

Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its Profit/Loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India relating to the non-going concern basis of accounting, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. In the present case the Board of Directors have decided to dispose off assets of the Company.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. In the present case, non-going concern basis of accounting has been used since the Management and Board of Directors have concluded that the use of going concern basis is not appropriate in the facts and circumstances as stated in Note 2.1 to the financial statements.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matter and timing of the audit and significant audit findings, including any significant deficiencies that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter that financial statements have been prepared on non-going concern basis of accounting as described in the Emphasis of Matter paragraph above, in our opinion, has an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   g) the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) and paragraph 2B(f) below on reporting under Rule 11(9) of the Companies (Audit and Auditors) Rules, 2014.

   h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e) The Company has neither declared nor paid any dividend during the year. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

   (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN:24137783BKIQIO1718

Place: Mumbai
Date: 22nd April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is not carrying out any manufacturing activity. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs 218.20 lakhs in the current financial year and Rs 196.87 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 2.1 of the financial statements which explains the decision of the Board of Directors to dispose assets of the Company and accordingly the financial statements are prepared on non-going concern basis of accounting. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that a material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

Sushma Jaglan
Partner
Membership No. 137783
ICAI UDIN:24137783BKIQIO1718

Place: Mumbai
Date: 22nd April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Electrical Steel Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India {the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sushma Jaglan
Partner

Place: Mumbai
Membership No. 137783

Date: 22nd April 2024
ICAI UDIN:24137783BKIQIO1718

BALANCE SHEET AS AT MARCH 31, 2024

			Rs in lakhs
Particulars	**Note No.**	**As at March 31, 2024**	As at March 31, 2023
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment		**–**	–
Total non-current assets		**–**	–
2 Current assets			
a) Financial assets			
(i) Cash and cash equivalents	4	**14.35**	3.48
(ii) Other financial assets	5	**9.48**	9.48
b) Asset held for sale	3	**678.24**	678.24
c) Other current assets	6	**1.35**	–
Total current assets		**703.42**	691.20
Total assets (1+2)		**703.42**	691.20
B EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	7	**50.00**	50.00
b) Other equity	8	**(1,388.60)**	(1,170.40)
Total equity		**(1,338.60)**	(1,120.40)
LIABILITIES			
2 Current liabilities			
a) Financial liabilities			
(i) Borrowings	9	**1,630.00**	1,460.00
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	9	**–**	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	10	**1.88**	3.95
(iii) Other financial liabilities	11	**95.19**	90.75
b) Other current liabilities	12	**1.48**	1.24
c) Liabilities directly associated with the asset held for sale	13	**313.47**	255.66
Total current liabilities		**2,042.02**	1,811.60
Total equity and liabilities (1+2)		**703.42**	691.20

The accompanying notes 1 to 23 are an integral part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sushma Jaglan
Partner
Membership number: 137783

Place : Mumbai
Date: 22nd April 2024

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Manaswini Goel
Director
DIN: 08142619

Place : Mumbai
Date: 22nd April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs in lakhs

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Other income		–	–
I	**Total Income**		–	–
II	**EXPENSES**			
	a) Finance costs	17	**149.97**	130.89
	b) Depreciation expense	3	–	–
	c) Other expenses	18	**68.23**	65.98
	Total expenses		**218.20**	196.87
III	**Loss before tax (I - II)**		**(218.20)**	(196.87)
IV	**Tax expense**			
	a) Current tax	14	–	–
	b) Deferred tax	15	–	–
	Total tax expense		–	–
V	**Loss after tax (III - IV)**		**(218.20)**	(196.87)
VI	**Other comprehensive income**			
	a) Items that will not be reclassified to profit or loss		–	–
	b) Income tax relating to items that will not be reclassified to profit or loss		–	–
VII	**Total comprehensive loss for the year (V + VI)**		**(218.20)**	(196.87)
VIII	**Earnings per equity share (of Rs. 10 each)**			
	Basic/Diluted (Rs.)	20	**(43.64)**	(39.37)

The accompanying notes 1 to 23 are an integral part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sushma Jaglan
Partner
Membership number: 137783

Place : Mumbai
Date: 22nd April 2024

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Manaswini Goel
Director
DIN: 08142619

Place : Mumbai
Date: 22nd April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2024

A. Equity share capital

Rs in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**50.00**	50.00
Changes in equity share capital during the year	**–**	**–**
Balance at the close of the year	**50.00**	50.00

B. Other equity

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at March 31, 2022	**511.97**	**(1,485.50)**	**(973.53)**
Loss for the year	–	(196.87)	(196.87)
Other comprehensive loss	–	–	–
Total comprehensive loss for the year	–	(196.87)	(196.87)
Balance as at March 31, 2023	**511.97**	**(1,682.37)**	**(1,170.40)**
Loss for the year	–	(218.20)	(218.20)
Other comprehensive loss	–	–	–
Total comprehensive loss for the year	–	(218.20)	(218.20)
Balance as at March 31, 2024	**511.97**	**(1,900.57)**	**(1,388.60)**

Nature and purpose of other equity:

Equity component of compound financial instruments:

The Company has received the Inter Corporate Deposits from the Promoters and under Ind AS the difference between the Fair Value and Transaction Value is recognised as Equity Component of Compound Financial Instruments under Other Equity

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sushma Jaglan
Partner
Membership number: 137783

Place : Mumbai
Date: 22nd April 2024

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Manaswini Goel
Director
DIN: 08142619

Place : Mumbai
Date: 22nd April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

		Rs in lakhs
Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
A. Cash flow from operating activities		
Loss for the year	**(218.20)**	(196.87)
Adjustments for:		
Depreciation	**–**	–
Finance costs	**149.97**	130.89
	149.97	130.89
Operating loss before working capital changes	**(68.23)**	(65.98)
Changes in working capital:		
Decrease in other assets	**(1.35)**	–
Increase in trade payables	**55.74**	58.07
Increase/in other current liabilities	**0.23**	0.10
	54.62	58.16
Cash used in operations	**(13.62)**	(7.82)
Net income tax refund	**–**	–
Net cash flow (Used in) operating activities (A)	**(13.62)**	(7.82)
B. Cash flow from investing activities		
	–	–
Net cash flow used in investing activities (B)	**–**	–
C. Cash flow from financing activities		
Inter-corporate deposit taken	**3,240.00**	1,460.00
Inter-corporate deposit repaid	**(3,070.00)**	(1,425.00)
Interest paid	**(145.52)**	(40.75)
Net cash flow (used in)/from financing activities (C)	**24.48**	(5.75)
Net increase in cash and cash equivalents (A + B + C)	**10.86**	(13.57)
Cash and cash equivalents at beginning of the year	**3.48**	17.05
Cash and cash equivalents at end of the year	**14.35**	3.48
	10.87	(13.57)

Notes:

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.....)

IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

Rs in lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Opening Balance:		
Short term borrowings	**1,460.00**	1,425.00
Total Opening Balance	**1,460.00**	1,425.00
(a) Cash flow movements:		
Proceeds from borrowings	**3,240.00**	1,460.00
Repayment of borrowings	**(3,070.00)**	(1,425.00)
	170.00	35.00
(b) Non cash adjustments	**–**	–
Closing Balance:		
Short term borrowing	**1,630.00**	1,460.00
Total Closing Balance	**1,630.00**	1,460.00

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sushma Jaglan
Partner
Membership number: 137783

Place : Mumbai
Date: 22nd April 2024

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Manaswini Goel
Director
DIN: 08142619

Place : Mumbai
Date: 22nd April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1 Corporate information:

Mahindra Electrical Steel Limited ('the Company') was incorporated in India on 10 June, 2009 as a Public Company with authorised share capital of Rs.1,500.00 lakhs. The Ministry of Corporate Affairs approved the change of name from Mahindra Electrical Steel Limited to Mahindra Electrical Steel Private Limited with effect from 13 January, 2012. The Company is a public Company by virtue of proviso to Section 2(71) of the Companies Act, 2013 ("the 2013 Act") as it is a subsidiary of Mahindra Accelo Limited a public limited Company. The Company's main object is to trade in or process non-ferrous/ferrous materials including various grades of steel.

2 Material Accounting Policies

2.1 Statement of Compliance and Basis of preparation and presentation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act.

Going concern:

The Company had 100172 sq mt of unused land parcel taken on long term lease from GIDC since 17 January 2019, which the company decided to dispose off and was classified as 'Asset held for sale', and was actively soliciting customers for the probable sale since then. Further, the Company does not have any business operations. In February 2024, GIDC announced a scheme whereby unused land parcels can be surrendered back to the authorities.After seeking approval from the Board of Directors to dispose of its assets vide its assets vide its meeting dated 13 March 2024 The Company made an application of surrendering its existing land parcels under the said scheme scheme within the stated timeline. The same is pending approval from the authorities. Upon surrendering the land, the management may liquidate the company. Further, the company does not have any other business activity or plans to have any new business in the future. Considering the above facts, the going concern is no longer appropriate.

Company has asertained its operating cycle as twelve months for the purpsoe of current and non current classification of assets and liabilities. Since Financial statement is prepared on non going concern, All the assets and liabilities therefore have been treated as current in financial statements and assets are measured at lower of carrying value and estimated NRV and liabilities are stated at estimated settlement amount in the financial statement.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2024.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013

Right-of-use assets are amortised over the period of lease.

2.4 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or loss.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.7 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.8 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.9 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

As a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.10 Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.11 Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset (or disposal group),

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.12 Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3 - Asset held for sale

Rs in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Leasehold Land held for sale	**678.24**	678.24
Total	**678.24**	678.24

Note 4 - Cash and cash equivalents

Rs in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Unrestricted balances with banks		
In current account	**14.35**	3.48
Total	**14.35**	3.48

Note 5 - Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortised cost		
Others		
Refund due from GIDC - leasehold land at Dahej	**9.48**	9.48
Total	**9.48**	9.48

Note 6 - Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Other receivables from related parties	**1.34**	–
Tds Receivables	**0.01**	–
Total	**1.35**	–

Note 7 - Share capital

Rs in lakhs

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 Rupees	As at March 31, 2023 Number of shares	As at March 31, 2023 Rupees
(a) Authorised				
Equity shares of Rs. 10 each	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
	1,50,00,000	**1,500.00**	1,50,00,000	1,500.00
(b) Issued, subscribed and fully paid up.				
Equity shares of Rs. 10 each	**5,00,000**	**50.00**	5,00,000	50.00
	5,00,000	**50.00**	5,00,000	50.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening balance	Fresh issue	Buy back	Closing balance
Issued, subscribed and fully paid up				
Equity Shares of Rs. 10 each				
For the year ended March 31, 2023				
Number of shares	**5,00,000**	**–**	**–**	**5,00,000**
Amount (in Rs lakhs)	**50.00**	**–**	**–**	**50.00**
For the year ended March 31, 2022				
Number of shares	5,00,000	–	–	5,00,000
Amount (in Rs lakhs)	50.00	–	–	50.00

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, if the assets available for distribution are less/ more than sufficient to repay the whole of the paid up share capital, the losses/ excess shall be borne/ distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2023 Number of shares
Mahindra Accelo Limited (Including 6 equity shares held jointly with its nominees)	**5,00,000**	5,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 % of holding	As at March 31, 2023 Number of shares	As at March 31, 2023 % of holding
Mahindra Accelo Limited (Including 6 equity shares held jointly with its nominees)	**5,00,000**	**100%**	5,00,000	100%

(v) Details of equity shares held by promoter and promoter group:

Particulars	As at March 31, 2024 Number of shares	As at March 31, 2024 % of holding	As at March 31, 2023 Number of shares	As at March 31, 2023 % of holding
Mahindra Accelo Limited (Including 6 equity shares held jointly with its nominees)	**5,00,000**	**100%**	5,00,000	100%

Note 8 - Other equity

Rs in lakhs

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at March 31, 2022...	**511.97**	**(1,485.50)**	**(973.53)**
Loss for the year	–	(196.87)	(196.87)
Total comprehensive loss for the year...	–	(196.87)	(196.87)
Balance as at March 31, 2023.....	**511.97**	**(1,682.37)**	**(1,170.40)**
Loss for the year	–	(218.20)	(218.20)
Total comprehensive loss for the year...	–	(218.20)	(218.20)
Balance as at March 31, 2024.....	**511.97**	**(1,900.57)**	**(1,388.60)**

Note 9 - Borrowings

Rs in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost		
Unsecured borrowings - at amortised Cost		
Loans		
Inter-corporate deposits taken:		
Unsecured...		
From related parties..................................		
Mahindra Accelo Limited*	**1,630.00**	1,460.00
Mahindra Steel Service Center Limited* ...	**–**	–
Total current borrowings.................................	**1,630.00**	1,460.00

* Public Limited companies in which directors of the Company are directors.

Note:

As at 31 March 2024, the Company has taken Inter corporate deposit of Rs. 1,630 lakhs from Mahindra Accelo Limited at 9.55% per annum which is payable as on 26 July 2024.

Note 10 - Trade payables

Rs in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for supplies/services		
(a) total outstanding dues of micro enterprises and small enterprises; and	**–**	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises...........	**1.88**	3.95
Total	**1.88**	3.95

Note - There are no Micro and Small Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This has been determined to the extent such parties have been identified based on the information available with the Company which has been relied upon by the auditors.

For 31 March 2024

Particluars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) total outstanding dues of micro enterprises and small enterprises; and	–	–	–	–	–	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	1.88	–	–	–	–	1.88

For 31 March 2023

Particluars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) total outstanding dues of micro enterprises and small enterprises; and	–	–	–	–	–	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	3.95	–	–	–	–	3.95

Note 11 – Other financial liabilities

Rs in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Financial liabilities measured at amortised cost		
(a) Interest accrued on inter corporate deposits	**95.19**	90.75
Total	**95.19**	90.75

Note 12 - Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Others		
- Statutory Dues (TDS)	**1.48**	1.24
Total	**1.48**	1.24

Note 13 - Liabilities directly associated with the asset held for sale

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Advance against sale of asset held for sale	**–**	0.99
(b) Nonutilisation fees payable	**313.47**	254.67
Total	**313.47**	255.66

Note 14 - Current tax

(a) Income Tax recognised in profit and loss

		Rs in lakhs
Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Current tax:		
In respect of current year	–	–
Excess provision for income tax for prior year	–	–
Total	–	–
Deferred tax:		
In respect of current year origination and reversal of temporary differences	–	–
Due to change in income tax rate	–	–
Total	–	–

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

		Rs in lakhs
Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Loss before tax	**(218.20)**	(196.87)
Income tax expense calculated at 26.00%	**(57.00)**	(51.00)
Effect of current year losses for which no deferred tax asset is recognised	**57.00**	**51.00**
Income tax expense recognised in the Statement of profit and loss	–	–

Note 15 - Deferred tax

	As at March 31, 2024			
Particulars	**Opening Balance**	**Recognised in profit and loss**	**Recognised in equity**	**Recognised in equity**
Tax effect of items constituting deferred tax liabilities				
- Deferred tax -on recognition of equity component on compound financial instrument	**153.43**	–	–	**153.43**
Tax effect of items constituting deferred tax assets				
- Deferred tax - on recognition of accrued interest on compound financial instrument	**153.43**	–	–	**153.43**
Total	–	–	–	–

	As at March 31, 2023			
Particulars	Opening Balance	Recognised in profit and loss	Recognised in equity	Recognised in equity
Tax effect of items constituting deferred tax liabilities				
- Deferred tax -on recognition of equity component on compound financial instrument	153.43	–	–	153.43
Tax effect of items constituting deferred tax assets				
- Deferred tax - on recognition of accrued interest on compound financial instrument	153.43	–	–	153.43
Total	–	–	–	–

Note 17 - Finance costs

		Rs in lakhs
Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Interest expense		
(a) Interest on inter corporate deposit	**149.97**	130.89
Total	**149.97**	130.89

Analysis of interest expenses by category

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a) On financial liability at amortised cost	**149.97**	130.89
Total	**149.97**	130.89

Note 18 - Other expenses

		Rs in lakhs
Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a) Provision for non utilisation fees on leasehold land	**58.55**	58.39
(b) Rates and taxes	**0.01**	1.77
(c) Legal & professional expenses	**2.01**	4.11
(d) Auditors' remuneration (refer Note below)	**1.88**	1.71
(e) Other general expenses	**5.78**	–
Total	**68.23**	65.98

Note

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Payment to statutory auditors:		
For audit (Including GST)	**1.88**	1.71
Total	**1.88**	1.71

Note No. 16 - Ratios

				Rs in lakhs
Sr. No.	**Particulars**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**Variance**
1	**Current ratio (times)** Current assets/Current liabilities	(0.34)	(0.38)	-11%
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/(Total equity)	(1.22)	(1.30)	-6%

Rs in lakhs

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance
3	**Debt service coverage ratio (times)** (Profit before interest and depreciation)/ (gross interest for the period + principal repayments within a year)	NA	NA	NA
4	**Return on Equity** (Net profit for the period/Total equity)	-16%	-18%	-7%
5	**Inventory turnover (times)** (Cost of materials consumed/Average inventories for the period)	NA	NA	NA
6	**Trade receivables turnover (times)** Revenue from sale of goods and services)/(Average trade receivable for the year)	NA	NA	NA
7	**Trade payables turnover (times)** (Purchase of goods and services)/ (Average trade payables for the year)	NA	NA	NA
8	**Net working capital turnover (times)** Revenue from sale of goods and services)/(working Capital i.e. current assets - current liabilities)	NA	NA	NA
9	**Net Profit margin (%)** (Net Profit for the period/Revenue from operations)	NA	NA	NA
10	**Return on capital employed (%)** (Profit before interest and tax/total equity, total debt)	-23.41%	-19.43%	21%
11	**Return on Investment (%)** (Total income from investment/Average investment for the period)	NA	NA	NA

Note 19 - Related Party Disclosures

Related party disclosures as required by Ind AS-24 " Related Party Disclosures" are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Accelo Limited
Fellow Subsidiary	Mahindra Steel Service Centre Limited
Key Management Personnel (KMP)	Mr. Sumit Issar
Key Management Personnel (KMP)	Mr. Vijay Arora
Key Management Personnel (KMP)	Ms. Manaswini Goel

(B) Transactions with Related Parties:

(a) Disclosure of transactions between the Company and related parties during the year ended March 31, 2024:

Rs in lakhs

	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Ultimate Holding Company		
Professional fees	**1.00**	3.59
Other general expenses	**0.50**	–
(ii) Holding Company		
Inter Corporate Deposits received	**1640.00**	–
Inter Corporate Deposits repaid	**1470.00**	–
Interest on Inter Corporate Deposits	**137.87**	130.89
(iii) Fellow Subsidiary Company		
Inter Corporate Deposits received	**1600.00**	–
Inter Corporate Deposits repaid	**1600.00**	–
Interest on Inter Corporate Deposits	**12.10**	30.06

(b) Outstanding balances:

Rs in lakhs

	As at March 31, 2024	As at March 31, 2023
Outstanding Receivables		
Ultimate Holding Company	**1.34**	0.00
Outstanding payables		
Ultimate Holding Company	**0.00**	3.95
Holding Company: Borrowings	**1630.00**	1,550.75

During the year, there is no amount written off or written back in respect of such parties.

The purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Note 20 - Earnings per share

Rs in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss after tax (in Rs lakhs) (A)	**(218.20)**	(196.87)
Weighted average number of equity shares (B)	**5,00,000**	5,00,000
Earnings per share [Basic / Diluted] (Rs.) (A/B)	**(43.64)**	(39.37)
Nominal value of equity share (Rs.)	**10.00**	10.00

(i) Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

Note 21 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flow, and by matching the monitoring profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs in lakhs

Particulars	Effective interest rate	Less than 1 Year	1–3 Years	3–4 Years	5 Years and above	Total	Carrying value
Non-derivative financial liabilities							
March 31, 2024							
Non-interest bearing		**97.07**	**–**	**–**	**–**	**97.07**	**97.07**
Variable interest rate instruments	**9.55%**	**1,630.00**	**–**	**–**	**–**	**1,630.00**	**1,460.00**
Total		**1,727.07**	**–**	**–**	**–**	**1,727.07**	**1,557.07**
March 31, 2023							
Non-interest bearing................		94.71	**–**	–	–	94.71	94.71
Variable interest rate instruments	9.40%	1,460.00	**–**	–	–	1,460.00	1,425.00
Total		1,554.71	**–**	–	–	1,554.71	1,519.71

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 146.00 lakhs for the year ended March 31, 2024 (Rs. 142.50 lakhs March 31, 2023)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 146.00 lakhs for the year ended March 31, 2024 (Rs. 142.50 lakhs March 31, 2023)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs in lakhs

Particulars	Effective interest rate	Less than 1 Year	1–3 Years	3–4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets							
March 31, 2024							
Interest bearing		**–**	**–**	**–**	**–**	**–**	**–**
Non-interest bearing		**23.83**	**–**	**–**	**–**	**23.83**	**23.83**
Total		**23.83**	**–**	**–**	**–**	**23.83**	**23.83**
March 31, 2023							
Interest bearing		–	–	–	–	–	–
Non-interest bearing................		12.96	–	–	–	12.96	12.96
Total		**12.96**	**–**	**–**	**–**	**12.96**	**12.96**

Note 22 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
- interest rates and yield curves observable at commonly quoted intervals
- implied volatilities
- credit spreads

– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs in lakhs

Particulars	Fair value hierarchy as at March 31, 2024		Carrying value	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalents			**14.35**	**14.35**
– Others			**9.48**	**9.48**
Total			**23.83**	**23.83**
Financial liabilities				
Financial liabilities held at amortised cost				
– Inter corporate deposit			**1,630.00**	**1,630.00**
– trade and other payables			**97.07**	**97.07**
Total			1,727.07	1,727.07

Particulars	Fair value hierarchy as at March 31, 2023 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalents			3.48	3.48
– Others			9.48	9.48
Total			12.96	12.96
Financial liabilities				
Financial liabilities held at amortised cost				
– Inter corporate deposit			1,460.00	1,460.00
– trade and other payables			94.70	94.70
Total			1,554.70	1,554.70

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note: 23

Additional regulatory information pursuant to the requirements in Division II of Schedule III to the Companies Act, 2013

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sushma Jaglan
Partner
Membership number: 137783

Place : Mumbai
Date: 22nd April 2024

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
Director
DIN: 06951249

Manaswini Goel
Director
DIN: 08142619

Place : Mumbai
Date: 22nd April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA AUTO STEEL PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Auto Steel Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Director's Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 27 to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company

("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, on the date of this audit report as disclosed in the Note 37 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 11 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIP2257

Place: Mumbai
Date: 23 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AUTO STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company has self-constructed building on the leasehold land which is in the name of the Company based on the taxes paid to the authorities (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year..

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties. The Company has not made any investments in companies, firms, limited liability partnership. Accordingly, provisions of clauses Clause 3(iii)(a), 3(iii)(c) to Clause 3(iii)(f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State

Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded (Rs. in lakhs)	Amount not deposited (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.16	–	A.Y. 2015-16	Assessing Officer
Income Tax Act, 1961	Income Tax	0.23	–	A.Y. 2020-21	Assessing Officer
Income Tax Act, 1961	Income Tax and interest	75.21	–	A.Y. 2020-21	Assessing Officer

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIP2257

Place: Mumbai
Date: 23 April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AUTO STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Auto Steel Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIP2257

Place: Mumbai
Date: 23 April 2024

BALANCE SHEET AS AT 31 MARCH, 2024

(Rs in lakhs)

	Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	4	**14,038.39**	8,978.93
	(b) Capital work in progress	4(a)	**8,361.31**	70.76
	(c) Financial assets			
	(i) Other financial assets	9	**1,454.13**	773.44
	(d) Other Tax Assets (Net)		**67.09**	–
	(e) Other non-current assets	5	**35.51**	200.80
	Total non - current assets		**23,956.43**	10,023.93
	2 Current assets			
	(a) Inventories	6	**15,395.67**	13,094.37
	(b) Financial assets			
	(i) Trade receivables	7	**10,261.34**	9,593.52
	(ii) Cash and cash equivalents	8	**393.61**	21.18
	(iii) Other financial assets	9	**2.32**	199.97
	(c) Other current assets	5	**2,212.27**	65.17
	Total current assets		**28,265.21**	22,974.21
	Total assets (1+2)		**52,221.64**	32,998.14
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity share capital	10	**6,850.00**	6,850.00
	(b) Other equity	11	**10,982.24**	6,940.04
			17,832.24	13,790.04
	Total equity		**17,832.24**	13,790.04
	LIABILITIES			
	2 Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	**4,829.16**	640.80
	(ii) Lease Liabilities	12A	**3,841.84**	–
	(iii) Other financial liabilities	16	**1.47**	0.04
	(b) Provisions	13	**33.56**	25.41
	(c) Deferred tax liabilities (net)	20	**722.90**	665.30
	Total non - current liabilities		**9,428.93**	1,331.55
	3 Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	**7,209.21**	11,421.00
	(ii) Lease Liabilities	12A	**45.85**	–
	(iii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises; and	15	**322.41**	57.91
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	15	**13,572.18**	5,744.50
	(iv) Other financial liabilities (other than those specified in (b) below)	16	**1,071.15**	204.06
	(b) Other current liabilities	18	**2,733.04**	236.47
	(c) Provisions	13	**5.33**	3.32
	(d) Current tax liabilities (Net)	17	**1.30**	209.29
	Total current liabilities		**24,960.47**	17,876.55
			52,221.64	32,998.14

The accompanying notes 1 to 37 are integral part the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Sushma Jaglan
Membership No: 137783

Mumbai
Date: 23 April, 2024

Saroj Khuntia
Chief Financial Officer
ICAI Membership No-114230

Bhavna Awatramani
Company Secretary
Membership No: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Manaswini Goel Chairperson DIN: 08142619
Sumit Issar Director DIN: 06951249

Mumbai
Date: 23 April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2024

(Rs in lakhs)

	Particulars	Note No.	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
I	Revenue from operations	21	**70,065.63**	47,927.28
II	Other Income	22	**19.20**	6.18
III	**Total income (I + II)**		**70,084.83**	47,933.46
IV	**EXPENSES**			
	(a) Cost of materials consumed	23(a)	**58,433.04**	37,451.48
	(b) Purchases of stock-in-trade		**3,586.66**	4,257.58
	(c) Changes in inventories of finished goods and stock-in-trade	23(b)	**(1,826.13)**	(942.30)
	(d) Employee benefits expense	24	**491.47**	284.51
	(e) Finance costs	25	**908.67**	832.42
	(f) Depreciation expenses	4	**804.17**	762.97
	(g) Other expenses	26	**1,395.53**	1,342.25
	Total expenses (IV)		**63,793.41**	43,988.91
V	**Profit before tax (III - IV)**		**6,291.42**	3,944.55
VI	**Tax expense**			
	(a) Current tax	19	**1,772.77**	1,044.31
	(b) Deferred tax	20	**55.89**	78.65
	Total tax expense		**1,828.66**	1,122.96
VII	**Profit for the year (V - VI)**		**4,462.76**	2,821.59
VIII	**Other comprehensive income**		**4.14**	4.14
	(i) Items that will not be reclassfied to profit or loss			
	(a) Remeasurements of the defined benefit plans		**(5.85)**	(5.84)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**1.71**	1.70
	(iii) Items that will be reclassfied to profit or loss		**–**	–
	(i) Income tax relating to items that will be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**4,466.90**	2,825.73
	Earnings per equity share (of Rs. 10/- each)			
	Basic/Diluted	34	**6.51**	4.12

The accompanying notes 1 to 37 are integral part the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Sushma Jaglan
Membership No: 137783

Mumbai
Date: 23 April, 2024

Saroj Khuntia
Chief Financial Officer
ICAI Membership No-114230

Bhavna Awatramani
Company Secretary
Membership No: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Manaswini Goel	Chairperson	DIN: 08142619
Sumit Issar	Director	DIN: 06951249

Mumbai
Date: 23 April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2024

A. Equity share capital

	(Rs in lakhs)
Particulars	
Issued, subscribed and paid up	
Balance at 1 April, 2022	6,850.00
Changes in equity during the year	–
Balance at 31 March, 2023	6,850.00
Changes in equity during the year	–
Balance at 31 March, 2024	**6,850.00**

B. Other Equity

(Rs in lakhs)

Particulars	Retained earnings
Balance at 1 April, 2022 (A)	4,347.21
Profit for the year (B)	2,821.59
Other comprehensive loss (C)	4.14
Total comprehensive income for the year (D)=(B)+(C)	**2,825.73**
Dividend paid on equity shares (E)	(232.90)
Balance at 31 March, 2023 (G)=(A)+(D)+(E)	**6,940.04**
Profit for the year (H)	4,462.76
Other comprehensive income (I)	4.14
Total comprehensive income for the year (J)=(H)+(I)	4,466.90
Dividend paid on equity shares (K)	(424.70)
Balance at 31 March, 2024 (G)+(J)+(K)	**10,982.24**

The accompanying notes 1 to 37 are integral part the financial statements

Description of the nature and purpose of Other Equity :

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013

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Manaswini Goel	Chairperson	DIN: 08142619
Sumit Issar	Director	DIN: 06951249

Mumbai
Date: 23 April, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2024

(Rs in lakhs)

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Cash flow from operating activities		
Profit before tax for the year	**6,291.42**	3,944.55
Adjustment for:		
(1) Depreciation and amortisation	**804.17**	762.97
(2) Finance costs	**908.67**	832.42
(3) Unrealised gain on derivative contracts	**(2.32)**	–
(4) Unrealised loss on derivative contracts	**–**	7.68
(5) Liabilities no longer required written back	**(4.80)**	(0.06)
(6) Interest income recognised in Statement of Profit and Loss	**(1.05)**	(0.91)
(7) Profit on sale of current investments	**(4.06)**	(0.27)
(8) Loss / (Profit) on sale of property, plant and equipment (net)	**3.69**	(2.26)
	7,995.72	5,544.12
Movement in working capital:		
(1) Increase in trade receivable	**(667.82)**	(2,301.80)
(2) Increase in inventories	**(2,301.30)**	(7,372.63)
(3) (Increase)/Decrease in other assets	**(2,622.94)**	225.92
(4) Decrease/(increase) in trade payable	**8,099.30**	(1,429.83)
(5) Decrease/(increase) in provision	**16.01**	(12.68)
(6) Increase in other liabilities	**2,528.92**	18.10
	5,052.17	(10,872.92)
Cash generated from / (used in) operations	**13,047.89**	(5,328.80)
Less: income taxes paid (net)	**(2,016.52)**	(918.32)
Net cash used in operating activities	**11,031.37**	(6,247.12)
Cash flows from investment activities		
(1) Payment for property, plant and equipment	**(9,314.40)**	(308.43)
(2) Proceed from disposal of property, plant and equipment	**3.78**	3.10
(3) Interest received	**1.05**	0.91
(4) Purchase of current investments	**(7,908.00)**	(2,085.00)
(5) Proceeds from sale of current investments	**7,909.06**	2,085.27
Net cash used in investment activities	**(9,308.51)**	(304.15)
Cash flow from financing activities		
(1) Proceeds from long term borrowings	**4,829.16**	–
(2) Repayment of long term borrowings	**(640.80)**	(427.20)
(3) Proceeds from short term borrowings	**15,450.00**	20,905.00
(4) Repayment of short term borrowings	**(16,661.79)**	(16,049.60)
(5) Payments for the principal portion of the lease liabilities	**(40.36)**	–
(6) Inter corporate Deposit taken	**2,500.00**	8,750.00
(7) Inter corporate Deposit repaid	**(5,500.00)**	(5,750.00)
(8) Interest paid	**(864.94)**	(791.95)
(9) Dividend paid	**(424.70)**	(232.90)
Net cash (used in) / generated from financing activities	**(1,353.43)**	6,403.35
Net increase /(decrease) in cash and cash equivalents	**369.43**	(147.92)
Cash and cash equivalents at the beginning of the year	**21.18**	169.10
Cash and cash equivalents at the end of the year	**390.61**	21.18

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD...)

(Rs in lakhs)

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Schedule of cash and cash equivalent (refer note: 8)		
Cash in hand	**0.04**	0.01
Balances with bank	**390.57**	21.17
	390.61	21.18

Notes:

1 The above Statement of cash flow has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

2 IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

(Rs in lakhs)

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Opening Balance:		
Long term loan	**640.80**	1,281.60
Short term loan	**11,421.00**	3,352.00
Total Opening Balance	**12,061.80**	4,633.60
(a) Cash flow movements:		
Proceeds from borrowings	**22,779.16**	29,655.00
Repayment of borrowrings	**(22,802.59)**	(22,226.80)
	(23.43)	7,428.20
Closing Balance:		
Long term loan	**4,829.16**	640.80
Short term loan	**7,209.21**	11,421.00
Total Closing Balance	**12,038.37**	12,061.80

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Sushma Jaglan
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For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Manaswini Goel Chairperson DIN: 08142619
Sumit Issar Director DIN: 06951249

Mumbai
Date: 23 April, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

1 Corporate information

Mahindra Auto Steel Private Limited ("the Company") is incorporated on December 12, 2013 under the Companies Act, 2013. The Company is a public company by virtue of proviso to Section 2(71) of Companies Act,2013 (''the 2013 Act'') as it is a subsidiary of a public limited company. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is processing and trading of various grades of steel. The Company's steel processing plant is located at Chakan.

The Company is the subsidiary of Mahindra Accelo Limited, Mumbai, a Company incorporated in India. The ultimate parent Company is Mahindra and Mahindra Limited.

2 Material accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realize or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest Lakhs.

The financial statements were approved by the Board of Directors and authorised for issue on April 23, 2024.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 2.3	Property, plant & equipment
Note No. 2.10 & 2.11	Employee benefits & Stock appreciation rights (SARs) and cash settled share-based payments:

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Vehicles - 5 years

(b) Plant and equipment:

- i) Slitting Line – 20 Years
- ii) Blanking Line -20 Years

2.4 Impairment of assets :

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.5 Inventories :

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.6 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

2.7 Financial assets and financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

2.8 Revenue recognition :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of services:

Service income is recognized over time based on as and when service is performed.

Other Income:

Interest income is accounted on time proportionate basis.

2.9 Government grants:

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable for the purpose of giving immediate financial support to the Company with no future related costs are recognized in the Statement of Profit and Loss in the year in which they become receivable.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item “Employee benefits expense”. Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee up to the reporting date.

2.11 Stock appreciation rights (SARs) and cash settled share-based payments:

For cash-settled share-based payments, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit and Loss for the year.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.17 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property and equipment’ and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Note No. 4 - Property, plant and equipment

(Rs in lakhs)

Description of assets	Right of use asset - Land	Right of use asset - Leasehold land	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost or deemed cost										
Balance as at 1 April, 2023	**2,466.36**	**–**	**2,514.95**	**7,541.35**	**253.50**	**24.20**	**23.29**	**23.05**	**69.87**	**12,916.57**
Additions/transfer from CWIP during the year	–	3,971.08	337.00	1,556.33	30.66	12.13	7.62	20.31		5,935.13
Disposal	–	–	–	3.97	16.23	2.73	–	1.40	–	24.33
Balance as at 31 March, 2024	**2,466.36**	**3,971.08**	**2,851.95**	**9,093.71**	**267.93**	**33.60**	**30.91**	**41.96**	**69.87**	**18,827.37**
II. Accumulated depreciation										
Balance as at 1 April, 2023	**235.19**	**–**	**610.13**	**2,865.37**	**159.92**	**18.12**	**14.50**	**15.62**	**18.79**	**3,937.64**
Depreciation	26.21	64.03	91.32	639.46	24.13	2.14	2.78	4.85	13.28	868.20
Disposal	–	–	–	0.29	12.65	2.59	–	1.33	–	16.86
Balance as at 31 March, 2024	**261.40**	**64.03**	**701.45**	**3,504.54**	**171.40**	**17.67**	**17.28**	**19.14**	**32.07**	**4,788.98**
Net carrying amount (I-II)										
Balance as at 31 March, 2024	**2,204.96**	**3,907.05**	**2,150.50**	**5,589.17**	**96.53**	**15.93**	**13.63**	**22.82**	**37.80**	**14,038.39**
Balance as at 31 March, 2023	2,231.17	–	1,904.82	4,675.98	93.58	6.08	8.79	7.43	51.08	8,978.93
I. Cost										
Balance as at 1 April, 2022	**2,466.36**	**–**	**2,514.95**	**7,437.44**	**253.50**	**20.89**	**23.29**	**18.93**	**68.85**	**12,804.21**
Additions/transfer from CWIP during the year	–	–	–	103.91	–	3.31	–	4.12	17.90	129.24
Disposals during the year	–	–	–	–	–	–	–	–	(16.88)	(16.88)
Balance as at 31 March, 2023	**2,466.36**	**–**	**2,514.95**	**7,541.35**	**253.50**	**24.20**	**23.29**	**23.05**	**69.87**	**12,916.57**
Balance as at 1 April, 2022	**209.05**	**–**	**521.28**	**2,257.78**	**135.67**	**17.01**	**12.28**	**13.56**	**24.08**	**3,190.71**
Depreciation	26.14	–	88.85	607.59	24.25	1.11	2.22	2.06	10.75	762.97
Eliminated on disposal of assets	–	–	–	–	–	–	–	–	(16.04)	(16.04)
Balance as at 31 March, 2023	**235.19**	**–**	**610.13**	**2,865.37**	**159.92**	**18.12**	**14.50**	**15.62**	**18.79**	**3,937.64**
Net carrying amount (I-II)										
Balance as at 31 March, 2023	**2,231.17**	**–**	**1,904.82**	**4,675.98**	**93.58**	**6.08**	**8.79**	**7.43**	**51.08**	**8,978.93**
Balance as at 31 March, 2022	2,257.31	–	1,993.67	5,179.66	117.83	3.88	11.01	5.37	44.77	9,613.50

Notes:

i) Buildings include the capital expenditure incurred on leasehold land.

Note No. 4(a) - Capital work in progress (cwip)

(Rs in lakhs)

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
Cost	**70.76**	–
Opening balance	**–**	–
Additions during the year	**9,858.60**	70.76
Addition during the year - due to interest capitalisation	**182.55**	–
Total additions during the year	**10,111.91**	70.76
Deletions during the year		
Transfer to property, plant and equipment	**1,750.60**	–
Deletions during the year	**–**	–
Total Deletions during the year	**1,750.60**	–
Closing Balance	**8,361.31**	70.76

Notes:

i) During the year, the Company acquired Property Plant and Equipment for Rs. 8,361.31 Lakhs (FY 2023: Rs. 70.76 Lakhs) which has not been installed as at the year-end

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Note No. 4(a) - Capital work in progress (cwip)

(Rs in lakhs)

Particulars	Amount in CWIP is for the period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March, 2024	**8,361.31**	**–**	**–**	**–**	**8,361.31**
Projects in progress	8,361.31	–	–	–	8,361.31
a) Projects temporarily suspended : Exceeded cost or overdue	–	–	–	–	–
b) Projects temporarily suspended : Other than covered in above (a)	–	–	–	–	–
Total					8,361.31
As at 31 March, 2023					
Projects in progress	70.76	–	–	–	70.76
Projects temporarily suspended	–	–	–	–	–
a) Projects temporarily suspended : Exceeded cost or overdue					
b) Projects temporarily suspended : Other than covered in above (a)	–	–	–	–	–
Total	**70.76**	**–**	**–**	**–**	70.76

Note No. 5 - Other assets

(Rs in lakhs)

	As at 31 March, 2024			As at 31 March, 2023		
Particulars	**Current**	**Non-Current**	**Total**	Current	Non-Current	Total
Capital advances	**–**	**33.73**	**33.73**	–	160.49	160.49
Advances other than capital advances						
(i) Prepayments	**49.54**	**1.78**	**51.32**	38.25	1.78	40.03
(ii) Income tax assets (net)	**–**	**–**	**–**	–	31.33	31.33
(iii) Balances with government authorities (other than income taxes)	**1,796.86**	**–**	**1,796.86**	–	–	–
(iv) Others advances						
(a) Defined contribution plan assets receivable in respect of employees transferred to the company	**0.24**	**–**	**0.24**	–	7.20	7.20
(b) Advances to suppliers	**365.63**	**–**	**365.63**	26.92	–	26.91
Total	**2,212.27**	**35.51**	**2,247.78**	65.17	200.80	265.96

Note No. 6 - Inventories

(Rs in lakhs)

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
(a) Raw materials	**12,042.35**	11,599.53
(b) Finished goods	**2,792.10**	1,000.41
(c) Stock-in-trade	**370.31**	335.87
(d) Stores and spares	**190.91**	158.56
Total inventories	**15,395.67**	13,094.37
Raw material good in transit included above	**434.86**	13.45

(a) The mode of valuation of inventories has been stated in note 2.5

(b) Value of inventories above is stated after provisions Rs.186.54 lakhs (31 March, 2023: Rs.280.09 lakhs) for writedowns to net realisable value and provision for slow-moving and obsolete items.

Note No. 7 - Trade receivables

(Rs in lakhs)

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
Trade receivables		
Considered good, Unsecured	**10,261.34**	9,593.52
Total	**10,261.34**	9,593.52

Notes:

(i) The average credit period ranges between 10 to 90 days for sales of products and between 10 to 60 days for job work processing.

(ii) There are no trade receivables which have significant increase in credit risk or are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Particulars	Not Due	Outstanding for following periods from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2024						
Undisputed trade receivables — considered good	**9,898.80**	**362.37**	**0.14**	**0.03**	**–**	**10,261.34**
Disputed trade receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**9,898.80**	**362.37**	**0.14**	**0.03**	**–**	**10,261.34**
As at 31 March, 2023						
Undisputed trade receivables — considered good	9,456.14	137.31	0.07	–	–	9,593.52
Disputed trade receivables — considered good	–	–	–	–	–	–
Total Trade Receivables	9,456.14	137.31	0.07	–	–	9,593.52

Trade receivables include amount receivable from related parties Rs. 191.75 Lakhs (FY 2023: Rs. 24.91 Lakhs)

Note No. 8 - Cash and cash equivalents

(Rs in lakhs)

Particulars		As at 31 March, 2024	As at 31 March, 2023
(a)	Cash in hand	**0.04**	0.01
(b)	Balances with banks		
	Fixed Deposits	**3.00**	–
	With scheduled banks		
	In current accounts	**390.57**	21.17
Total		**393.61**	21.18

Note No. 9 - Other financial assets

(Rs in lakhs)

Particulars		As at 31 March, 2024 Current	Non-Current	Total	As at 31 March, 2023 Current	Non-Current	Total
(a)	**Financial assets at amortised cost**						
	Industrial promotion subsidy receivable	**–**	**1,351.00**	**1,351.00**	199.97	749.49	949.46
		–	**1,351.00**	**1,351.00**	199.97	749.49	949.46
(b)	**Financial assets at fair value**						
	Derivative financial instruments						
	Forward contracts	2.32	–	2.32	–	–	–
		2.32	**–**	**–**	–	–	–
(c)	**Security deposits with others**	**–**	**103.13**	**103.13**	–	23.95	23.95
Total		**2.32**	**1,454.13**	**1,454.13**	199.97	773.44	973.41

Note No. 10- Equity Share Capital

(Rs in lakhs)

	Particulars	As at 31 March, 2024 Number of shares	Rs in Lakhs	As at 31 March, 2023 Number of shares	Rs in Lakhs
(a)	**Authorised**				
	Equity Shares of Rs. 10 each	**76,000,000**	**7,600.00**	76,000,000	7,600.00
		76,000,000	**7,600.00**	76,000,000	7,600.00
(b)	**Issued, subscribed and fully paid up**				
	Equity Shares of Rs. 10 each	**68,500,000**	**6,850.00**	68,500,000	6,850.00
		68,500,000	**6,850.00**	68,500,000	6,850.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended 31 March, 2024				
Number of shares	**68,500,000**	**–**	**–**	**68,500,000**
Amount (Rs.)	**6,850.00**	**–**	**–**	**6,850.00**
Year ended 31 March, 2023				
Number of shares	68,500,000	–	–	68,500,000
Amount (Rs.)	6,850.00	–	–	6,850.00

(ii) The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back since last five years.

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, if the assets available for distribution are less/ more than sufficient to repay the whole of the paid up share capital, the losses/ excess shall be borne/ distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company:

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
	Number of shares	Number of shares
Mahindra Accelo Limited (Including 2 equity shares held jointly with its nominees)	**51,717,500**	51,717,500

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Number of shares	**% of holding**	Number of shares	% of holding
Mahindra Accelo Limited (Including 2 equity shares held jointly with its nominees)	**51,717,500**	**75.50%**	51,717,500	75.50%
Mitsui & Co.Ltd	**16,782,500**	**24.50%**	16,782,500	24.50%

v) Details of equity shares held by promoter and promoter group:

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Number of shares	**% of holding**	Number of shares	% of holding
Mahindra Accelo Limited (Including 2 equity shares held jointly with its nominees)	**51,717,500**	**75.50%**	51,717,500	75.50%

Note No. 11- Other equity

(Rs in lakhs)

Particulars	Retained earnings **As at 31 March, 2024**	As at 31 March, 2023
Balance at beginning of year (A)	**6,940.04**	4,347.21
Profit for the year (B)	**4,462.76**	2,821.59
Other comprehensive income (net of taxes) (C)	**4.14**	4.14
Total comprehensive income for the year (D)=(B)+(C)	**4,466.90**	2,825.73
Dividend (Rs. 0.62 per share) (FY 2023: Rs.0.34 per share) (E)	**(424.70)**	(232.90)
Balance at end of year (A)+(D)+(E)	**10,982.24**	6,940.04

Particulars	**As at 31 March, 2024**
Proposed dividends on Equity shares	
Final dividend for the year ended on 31 March, 2024: Rs 0.98 per share on fully paid	**671.30**
	671.30

Proposed dividends on equity shares are subject to approval in annual general meeting and are not recognised as a liability as at 31 March, 2024.

Note No. 12 - Non current borrowings

(Rs in lakhs)

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
Measured at amortised cost		
Secured		
Term loans from banks		
Rupee term loan (Refer Note 1, and 2)	**5,469.96**	1,281.60
Less: Current maturities of long term loan	**640.80**	640.80
Total	**4,829.16**	640.80

Note 1: The Company has taken term loan at MCLR plus 0.40% of Rs 5,469.96 lakhs (FY 2023: Rs. 1,281.60 Lakhs) The repayment schedule for the balance outstanding amount is as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Name of the Bank	Loan amount	Rate of Interest	Repayable in	
			Current	Non Current
Kotak Bank	4,829.16	8.75%	–	4,829.16
HDFC Bank	640.80	9.70%	640.80	–

Note 2 : Secured by first pari passu charge on the movable fixed assets of the Company, present and future. Further, the Company has created negative lien on other fixed assets in favour of HDFC Bank limited.

Note No. 12 A- Lease Liabilities

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non Current lease liabilities	**3,841.84**	–
Current lease liabilities	**45.85**	–
Total	**3,887.69**	–

While measuring lease liabilities, Company has discounted lease payments using its incremental borrowing rate of 8.97 % per annum during the year.

Note No. 13 - Provisions

(Rs in lakhs)

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
(i) Provision for gratuity	**–**	**3.57**	**3.57**	–	–	–
(ii) Provision for compensated absences	**5.33**	**24.49**	**29.82**	3.32	20.17	23.49
(iii) Provision for post retirement medical benefit	**–**	**5.50**	**5.50**	–	5.24	5.24
Total	**5.33**	**33.56**	**38.89**	3.32	25.41	28.73

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 29.

Note No. 14 - Current borrowings

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Secured		
Current maturities of long term debts	**640.80**	640.80
Unsecured		
Loan repayable on demand from Banks (Refer note a & b)	**6,500.00**	6,500.00
Inter-corporate deposit payable (Refer note c)	**–**	3,000.00
Overdraft facilities from banks (Refer note d)	**68.41**	1,280.20
Total	**7,209.21**	11,421.00

Notes

(a) As at March 31, 2024, the Company had a working capital short term loan of Rs. 3,000 Lakhs (FY:2023 Rs. 3,000) under unsecured sanction extended by ICICI bank. Interest payable at the rate of 8.60% p.a linked to REPO (FY 2023: 8.5%).

(b) As at March 31, 2024, the Company had a working capital short term loan of Rs. 3,500 Lakhs (FY:2023 Rs. 3,500) under unsecured sanction extended by Kotak bank. Interest payable at the rate of 8.6 to 8.7% p.a linked to REPO (FY 2023: 8.75%)

(c) The Company has taken unsecured short term intercorporate deposit of Rs. Nil Lakhs as at March 31,2024 (FY:2023 Rs. 3,000.00 Lakhs) from the Holding Company Mahindra Accelo Limited. (FY 2023: Interest was payable at the rate 8.75% to 8.85% p.a)

(d) The Cash credit of Rs. 68.41 Lakhs (FY:2023 Rs 1,280.20 Lakhs) from HDFC Bank Limited Interest is payable at the rate of 9.7% p.a. (FY:2023: 8.85%)

Note No. 15 - Trade payables

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade payable		
(a) total outstanding dues of micro enterprises and small enterprise	**322.41**	57.91
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**9,895.08**	4,481.96
Sub total	**10,217.49**	4,539.87
Acceptances	**3,677.10**	1,262.54
Total	**13,894.59**	5,802.41

Trade Payable includes payable to related parties Rs. 162.95 Lakhs (FY 2023: Rs.374.80 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Note: Dues to Micro, Small and Medium Enterprises

(Rs in lakhs)

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**322.41**	57.91
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

(Rs in lakhs)

		Outstanding for following periods from due date of payment					
Particulars	**Unbilled**	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2024							
Trade payables — MSME		**305.32**	**17.09**	**–**	**–**	**–**	**322.41**
Trade payables — Others	**158.29**	**9,036.36**	**4,375.12**	**1.57**	**–**	**0.84**	**13,572.18**
Total	**158.29**	**9,341.68**	**4,392.21**	**1.57**	**–**	**0.84**	**13,894.59**
As at March 31, 2023							
Trade payables — MSME		55.22	2.69	–	–	–	57.91
Trade payables — Others	148.88	4,151.76	1,443.86	–	–	–	5,744.50
Total	148.88	4,206.97	1,446.56	–	–	–	5,802.41

Note No. 16 - Other financial liabilities

(Rs in lakhs)

	As at 31 March, 2024			As at 31 March, 2023		
Particulars	**Current**	**Non-Current**	**Total**	Current	Non-Current	Total
Other Financial Liabilities Measured at Amortised Cost						
(a) Interest accrued but not due on borrowings	**97.99**	**–**	**97.99**	54.26	–	54.26
(b) Other liabilities						
(1) Dealer deposit	**62.26**	**–**	**62.26**	28.05	–	28.05
(2) Creditors for capital supplies/services	**849.18**	**–**	**849.18**	56.74	–	56.74
(3) Employee wages and salary payable	**60.00**	**–**	**60.00**	38.76	–	38.76
	1,069.43	**–**	**1,069.43**	177.81	–	177.81
Other Financial Liabilities Measured at Fair value						
(a) Liability for Cash-settled share-based payments	**1.72**	**1.47**	**3.19**	12.85	0.04	12.89
(b) Derivative financial instruments Forward contracts	**–**	**–**	**–**	13.40	–	13.40
	1.72	**1.47**	**3.19**	26.25	0.04	26.29
Total	**1,071.15**	**1.47**	**1,072.62**	204.06	0.04	204.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Note No. 17 - Current tax liabilities

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for tax (Net of advance income tax)	**1.30**	209.29
Total	**1.30**	209.29

Note No. 18 - Other current liabilities

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Advances received from customers	**1,928.43**	14.06
(b) Others		
(1) Employee Recoveries and Employer Contributions	**5.95**	2.34
(2) Statutory Dues (TDS,TCS etc)	**36.00**	28.16
(3) GST payable	**762.66**	191.91
Total	**2,733.04**	236.47

Advance received from customers includes advances received from related parties Rs. 1,904.49 Lakhs (FY 2023: Rs. 14.06 Lakhs)

Note No. 19 - Current tax and deferred Tax

(a) Income tax recognised in Statement of profit or loss

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Tax:		
In respect of current year	**1,772.77**	1,044.31
In respect of earlier years	**–**	–
	1,772.77	1,044.31
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**55.89**	(114.01)
Minimum Alternate Tax Credit	**–**	192.66
	55.89	78.65
Total	**1,828.66**	1,122.96

(b) Income tax recognised in other comprehensive income

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Tax		
Remeasurement of defined benefit obligations	**(1.71)**	(1.70)
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
Total	**(1.71)**	(1.70)
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(1.71)**	(1.70)
– Items that will be reclassified to profit and loss	**–**	–
Total	**(1.71)**	(1.70)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Profit before tax	**6,291.42**	3,944.55
Income tax expense calculated at 29.12% (2023: 29.12%)	**1,832.06**	1,148.65
Effect of expenses that is non-deductible in determining taxable profit	**9.62**	17.40
Others	**(13.02)**	(43.09)
Decrease in tax rate	**–**	–
	1,828.66	1,122.96
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
Income tax expense recognised In profit or loss	**1,828.66**	1,122.96

Note:

The tax rate used for the 31 March 2024 and 31 March 2023 reconciliations above is the corporate tax rate of 29.12% and 29.12% respectively (including surcharge 12% and health and education cess of 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 20 - Deferred Tax

(Rs in lakhs)

For the Year ended 31 March, 2024

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**(754.16)**	**(11.06)**	**–**	**(765.22)**
FVTPL financial asset including derivatives	**2.09**	**8.19**	**–**	**10.28**
Tax effect of items constituting deferred tax assets				
Employee benefits	**6.84**	**1.84**	**–**	**8.68**
Cash-settled share based payments	**3.76**	**(2.82)**	**–**	**0.94**
Others	**76.17**	**(52.04)**	**(1.71)**	**22.42**
Net tax asset/(liabilities)	**(665.30)**	**(55.89)**	**(1.71)**	**(722.90)**

(Rs in lakhs)

For the year ended 31 March, 2023

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(770.48)	16.32	–	(754.16)
FVTPL financial asset including derivatives	(37.54)	39.63	–	2.09
Tax effect of items constituting deferred tax assets				
Minimum alternate tax credit	192.66	(192.66)	–	–
Employee benefits	8.58	(1.74)	–	6.84
Cash-settled share based payments	4.21	(0.45)	–	3.76
Others	15.92	60.25	–	76.17
Net tax asset/(liabilities)	(586.65)	(78.65)	–	(665.30)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Note No. 21 - Revenue from operations

The following is an analysis of the company's revenue for the year from continuing operations.

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
Revenue from contracts with customers:			
(a)	Revenue from sale of goods (Refer Note (i) below)	**67,636.19**	45,945.04
(b)	Revenue from rendering of services (Refer Note (ii) below)	**534.24**	644.28
(c)	Other operating revenue (Refer Note (i) below)	**1,895.20**	1,337.96
Total		**70,065.63**	47,927.28

Notes: (i)

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(i)	Revenue from sale of goods comprises:		
	Manufactured goods		
	– Steel products	**63,885.90**	41,276.04
	Traded goods		
	– Steel products	**3,750.29**	4,669.00
(ii)	Revenue from rendering of services comprises:		
	– Job work processing	**534.24**	644.28
(iii)	Other operating revenue comprises:		
	– Scrap sales	**1,459.78**	1,225.40
	– Industrial promotion subsidy	**435.42**	112.56

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(Rs in lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Revenue as per contract price	**68,202.21**	46,610.73
Addition / Reduction towards discount (net)	**–**	–
Adjustment / Reduction towards sales return (net)	**31.78**	21.41
Revenue from contract with customers	**68,170.43**	46,589.32

Notes: (ii)

The management determines that the segment information reported under Note 31 Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Note No. 22 - Other income

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Interest Income:		
	On fixed deposits		
	On others	**1.05**	0.91
(b)	Gain on sale of current investments (net)	**4.06**	0.27
(c)	Liabilities no longer required written back	**4.80**	0.06
(d)	Profit on sale of property, plant and equipment (net)	**–**	2.26
(e)	Others	**9.29**	2.68
Total		**19.20**	6.18

Note No. 23(a) - Cost of materials consumed

(Rs in lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening stock	**11,599.53**	5,250.10
Add: Purchases	**58,875.86**	43,800.91
	70,475.39	49,051.01
Less: Closing stock	**12,042.35**	11,599.53
Cost of materials consumed-Steel	**58,433.04**	37,451.48

Note No. 23(b) - Change in inventories of finished goods and stock in trade

(Rs in lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Inventories at the end of the year:		
Finished goods	**2,792.10**	1,000.41
Stock-in-trade	**370.31**	335.87
	3,162.41	1,336.28
Inventories at the beginning of the year:		
Finished goods	**1,000.41**	327.23
Stock-in-trade	**335.87**	66.75
	1,336.28	393.98
Net (increase)/decrease	**(1,826.13)**	(942.30)

Note No. 24 - Employee benefits expense

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Salaries and wages	**427.71**	224.84
(b)	Contribution to provident and other funds	**35.01**	16.03
(c)	Share based payment to employees	**11.79**	15.71
(d)	Post retirement medical benefit expense	**0.79**	1.17
(e)	Staff welfare expenses	**16.17**	26.76
Total		**491.47**	284.51

Note No. 25 - Finance cost

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Interest expense on		
	(i) Borrowings	**900.17**	805.44
	- delayed/deferred payment of tax	**–**	17.00
(b)	Other finance cost	**8.50**	9.98
Total		**908.67**	832.42

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Analysis of interest expense by category

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest Expense			
(a)	On financial liability at amortised cost	**891.67**	815.42
(b)	On non-financial liabilities	**17.00**	17.00
Total		**908.67**	832.42

Note No. 26 - Other Expenses

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Stores and spares consumed	**106.56**	79.41
(b)	Power & fuel	**177.98**	154.95
(c)	Rates and taxes	**27.92**	7.64
(d)	Insurance charges	**50.53**	31.90
(e)	Repairs and maintenance - Building	**6.53**	23.71
(f)	Repairs and maintenance - machinery	**42.26**	11.68
(g)	Repairs and maintenance - others	**12.69**	12.42
(h)	Freight and handling charges	**321.69**	332.70
(i)	Management fees	**202.15**	200.00
(j)	Auditors' remuneration (refer note below)	**7.19**	6.50
(k)	Directors' fees	**6.40**	5.90
(l)	Commission to non whole time directors	**10.00**	10.00
(m)	Fair value loss on financial instruments at fair value through profit and loss	**–**	7.68
(n)	Net loss on foreign currency transactions and translations	**8.82**	204.41
(o)	Printing and stationery	**12.56**	8.50
(p)	Legal and professional	**134.03**	93.00
(q)	Loss on sale of Property, Plant and Equipment	**3.69**	–
(r)	Travelling expenses	**51.06**	10.70
(s)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013	**44.07**	22.16
(t)	Other general expenses	**169.40**	118.99
Total		**1,395.53**	1,342.25

Note

(Rs in lakhs)

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
Payment to Auditor			
(a)	For audit	**6.65**	6.05
(b)	For reimbursement of expenses	**0.54**	0.45
		7.19	6.50

Note No. 27 - Contingent liabilities and commitments (to the extent not provided for)

(Rs in lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Claims against the company not acknowledged as debts:		
Demand on portal of Income Tax	**76.60**	-
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**619.55**	729.67

Note No. 28 - Ratios

(Rs in lakhs)

Sr. No.	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	Variance	Refer foot note
1	**Current ratio (times)** Current assets / Current liabilities	**1.13**	1.29	-12%	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings) / (Total equity)	**0.68**	0.87	-23%	
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation) / (gross interest for the period + principal repayments within a year)	**8.81**	3.76	134%	1
4	**Return on Equity** (Net profit for the period / Total equity)	**25.03%**	20.46%	22%	
5	**Inventory turnover (times)** (Cost of materials consumed / Average inventories for the period)	**4.23**	4.33	-2%	
6	**Trade receivables turnover (times)** Revenue from sale of goods and services) / (Average trade receivable for the year)	**6.87**	5.52	24%	
7	**Trade payables turnover (times)** (Purchase of goods and services) / (Average trade payable for the year)	**6.34**	7.37	-14%	
8	**Net working capital turnover (times)** Revenue from sale of goods and services / (working Capital i.e. current assets - current liabilities)	**20.63**	9.14	126%	2
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)	**6.37%**	5.89%	8%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Rs in lakhs)

Sr. No.	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	Variance	Refer foot note
10	**Return on capital employed (%)** (Profit before interest and tax / total equity, total debt)	**24.10%**	18.48%	30%	3
11	**Return on Investment (%)** (Total income from investment / Average investment for the period)	**NA**	NA	NA	

Notes:

1) Debt service coverage ratio (times) increased due to increase in operating profit.
2) Net working capital turnover (times) has incrased due to increase in turnover.
3) Return on capital employed (%) has increased due to increase in operating profit.

Note No. 29 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in statement of profit and loss for the year, an amount of Rs 19.11 lakhs (2023: Rs. 10.88 lakhs) pertaining to defined contribution plans.

(Rs in lakhs)

Benefit (Contribution to)	As at 31 March, 2024	As at 31 March, 2023
Provident Fund	**12.68**	6.68
Pension Fund	**6.43**	4.20
Total	**19.11**	10.88

(b) Defined Benefit Plans:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of Benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent Risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST RETIREMENTS MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of Benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of Plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent Risk

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiary and plan carries the longevity risks.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Defined benefit plans – as per actuarial valuation on 31st March, 2024

(Rs in lakhs)

Particulars	Funded Plan Gratuity 31 March 2024	Unfunded Plan Post retirement medical benefit 31 March 2024	Funded Plan Gratuity 31 March 2023	Unfunded Plan Post retirement medical benefit 31 March 2023
(iii) Expense recognised in the Statement of Profit and Loss for the year ended 31st March:				
1. Current service cost	**4.59**	**0.39**	4.45	0.60
2. Past service cost	**–**	**–**	–	
3. Interest on net defined benefit liability/(asset)	**(0.72)**	**0.40**	0.01	0.57
	3.87	**0.79**	4.46	1.17
(iv). Included in other Comprehensive Income				
1. Actual return on plan assets less interest on plan assets	**–**	**–**	–	–
2. Actuarial (Gain)/Loss on account of:				
– Financial Assumptions	**1.52**	**0.26**	(2.06)	(0.49)
– Demographic Assumptions	**–**	**–**	–	–
– Experience Adjustments	**3.71**	**(0.79)**	0.47	(3.76)
	5.23	**(0.53)**	(1.59)	(4.25)
(v). Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	**56.99**	**5.50**	42.73	5.24
2. Fair value of plan assets as at 31st March	**53.42**	**–**	49.93	–
3. Surplus/(Deficit)	**(3.57)**	**(5.50)**	7.20	(5.24)
4. Current portion of the above	**–**	**–**	–	–
5. Non current portion of the above	**(3.57)**	**(5.50)**	7.20	(5.24)
(vi). Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	**42.73**	**5.24**	47.88	8.32
2. Expenses Recognised in Statement of Profit and Loss Account				
– Current Service Cost	**4.59**	**0.39**	4.45	0.60
– Past Service Cost	**–**	**–**	–	–
– Interest Expense (Income)	**3.11**	**0.40**	2.71	0.57
3. Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
– Actuarial Gain (Loss) arising from:				
i. Financial Assumptions	**1.52**	**0.26**	(2.06)	(0.49)
ii. Demographic Assumptions	**–**	**–**	–	–
iii. Experience Adjustments	**3.71**	**(0.79)**	0.47	(3.76)
4. Benefit payments	**–**	**–**	(1.04)	–
5. Impact of liability assumed or (settled)	**1.34**	**–**	(9.68)	–
6. Present value of defined benefit obligation at the end of the year	**57.00**	**5.50**	42.73	5.24
(vii). Change in fair value of assets during the year ended 31st March				
1. Fair value of plan assets at the beginning of the year	**49.93**	**–**	38.42	–
2. Expenses Recognised in Statement of Profit and Loss Account				
– interest on plan assets	**3.85**	**–**	2.69	–
3. Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
– Actual Return on plan assets in excess of the expected return	**(0.35)**	**–**	0.00	–
– Others (specify)	**–**	**–**	–	–
4. Contributions by employer (including benefit payments recoverable)	**–**	**–**	9.85	–
5. Benefit payments	**–**	**–**	(1.04)	–
6. Assets acquired/(settled)	**–**	**–**	–	–
7. Fair value of plan assets at the end of the year	**53.42**	**–**	49.93	–
(viii). The Major categories of plan assets				
– List the plan assets by category here				
– Insurer managed funds	**53.42**	**–**	49.93	–
(ix). Actuarial assumptions				
1. Discount rate	**7.2%**	**7.2%**	7.6%	7.6%
2. Attrition rate	**8.0%**	**8%**	8.0%	8%
3. Medical premium inflation	**–**	**6%**	–	6%
4. Rate of increase in compensation levels	**8%**	**8%**	8.0%	7%
5. Mortality table	**IALM(2012-14) ult**	**IALM(2012-14) ult**	IALM(2012-14) ult	IALM(2012-14) ult

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(x) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the Gratuity Benefits to changes in the weighted principal assumptions is:

(Rs in lakhs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2024**	**1%**	**53.34**	**61.16**
	2023	1%	40.08	51.47
Salary growth rate	**2024**	**1%**	**61.09**	**53.33**
	2023	1%	45.69	33.62

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

(Rs in lakhs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2024**	**1%**	**4.88**	**6.23**
	2023	1%	4.64	5.96
Medical inflation rate	**2024**	**1%**	**6.23**	**4.87**
	2023	1%	5.96	4.62

(xi) Expected contributions for the next year:

The Company expects to contribute Rs. 9.5 lakhs to the gratuity trusts during the next financial year.

(xii) Maturity profile:

Gratuity

(Rs in lakhs)

Maturity profile of defined benefit obligation:	2024	2023
Within 1 year	**17.32**	3.66
1 - 2 year	**3.35**	14.24
2 - 3 year	**3.40**	2.64
3 - 4 year	**3.46**	2.69
4 - 5 year	**3.65**	2.67
5 - 10 years	**26.32**	16.36
More than 10 years	**49.82**	38.57

Post retirement medical benefits

Maturity profile of defined benefit obligation:

	2024	2023
Within 1 year	**–**	–
1 - 2 year	**0.21**	–
2 - 3 year	**0.22**	0.23
3 - 4 year	**0.24**	0.25
4 - 5 year	**0.25**	0.26
5 - 10 years	**1.27**	1.21
More than 10 years	**13.66**	14.40

Note No. 30 - Segment reporting

The Company has identified ‘steel Processing’, as its only primary reportable segment. The Manager (as appointed under Companies Act, 2013) have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

All the customers of the company are located within India.

The Company operates and has its processing facility based out of Chakan in India.

There are 5 customers (2023 : 5 customers) those are individually contributing to more than 10% of the Company’s revenue, Total amount of revenue from such customers for the year ended on 31 March 2024 are Rs. 48,200.01 lakhs (2023 : 31,191.88lakhs).

Note No. 31 - Related Party Disclosures

Related party disclosures as required by IND AS 24 “ Related Party Disclosures” are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited (M&M)
Holding Company	Mahindra Accelo Limited (MAL)

Other parties with whom transactions have taken place during the year

(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited (MIBS)
	Mahindra Steel Service Centre Limited (MSSCL)
	Mahindra Logistics Limited (MLL)
	Mahindra MSTC Recycling Private Limited (MMRPL)
	Mahindra Electric Automobile Limited(MEAL) (w.e.f. 1st April, 2023)
(ii) Companies having significant influence	Mitsui & Co. Ltd (Mitsui)
	CSGT International Corporation (CSGT) upto 31st March 2023
(iii) Key Management Personnel (KMP)	Mr. Sanjay Somkumar, Manager
	Ms. Smita Mankad, Independent Director (ceased w.e.f. 28th April, 2023)
	Vice Admiral Anil Chopra, Independent Director (w.e.f. 29th April, 2023)
	Mr. Ajay Mehta, Independent Director
	Mr. P.R.Barpande, Independent Director (ceased w.e.f. 28th April, 2022)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(B) Disclosure of transactions (net of duties and taxes) between the Company and related parties during the period ended 31 March, 2024:

(Rs in lakhs)

	Ultimate Holding Company		Holding Company		A Company having significant influence (upto 31st March 2023)		A Company having significant influence	
	M&M		MAL		CSGT		Mitsui	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Dividend paid	**–**	–	**320.65**	118.78	**–**	57.06	**93.65**	57.06
Inter corporate deposit taken	**–**	–	**2,500.00**	5,750.00	**–**	–	**–**	–
Inter corporate deposit repaid	**–**	–	**5,500.00**	8,750.00	**–**	–	**–**	–
Purchase of vehicles	**–**	9.91	**–**	–	**–**	–	**–**	–
Purchase of plant & machinery	**–**	–	**–**	–	**–**	–	**–**	–
Purchase of raw materials	**–**	–	**1,788.95**	2,024.36	**–**	–	**–**	–
Sale of Traded goods	**–**	–	**–**	194.72	**–**	–	**–**	–
Sale of finished goods	**10,931.48**	3,577.55	**283.66**	–	**–**	–	**–**	–
Job work processing	**–**	–	**–**	0.14	**–**	–	**–**	–
Other expenses	**1.72**	2.33	**–**	–	**–**	–	**–**	–
Legal and professional	**1.00**	1.59	**–**	–	**–**	–	**–**	–
Management fees	**–**	**–**	**200.00**	200.00	**–**	–	**–**	–
Processing charges	**–**	**–**	**3.90**	1.32	**–**	–	**–**	–
Interest on Inter corporate deposit	**–**	**–**	**88.90**	164.78	**–**	–	**–**	–
Reimbursement received from parties	**–**	**–**	**–**	–	**–**	–	**–**	–
Reimbursement made to parties	**48.89**	**36.87**	**44.27**	56.30	**–**	–	**–**	–

(C) Outstanding receivable from and payable to related parties

	Ultimate Holding Company		Holding Company	
	M&M		MAL	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023
Outstanding receivable	**191.75**	24.91	**–**	0.73
Outstanding payable	**10.43**	2.94	**129.77**	353.92

(Rs in lakhs)

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MIBS		MMRPL		MLL		MEML	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Sale of Property, Plant and Equipment	**3.68**	–	**–**	–	**–**	–	**–**	–	**–**	**–**
Sale of finished goods	**–**	–	**–**	–	**–**	–	**–**	–	**328.39**	**–**
Reimbursement received from parties	**–**	–	**33.25**	21.03	**–**	–	**–**	–	**–**	**–**
Reimbursement made to parties	**5.84**	2.21	**–**	–	**–**		**–**	–	**–**	**–**
Processing charges	**5.70**	9.22	**–**	–	**–**	2.54	**–**	–	**–**	**–**
Freight charges	**–**	12.08	**–**	–	**–**	–	**3.45**	2.62	**–**	**–**

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MIBS		MMRPL		MEAL	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Outstanding receivable	**–**	2.23	**–**	–				
Outstanding payable	**7.87**	4.96	**5.54**	0.16	**–**	–	**1,901.90**	–

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Rs in lakhs)

	Name of KMP*		Name of KMP*		Name of KMP		Name of KMP		Name of KMP	
	Vice. Admiral Anil Chopra		Mr. Sanjay Somkumar		M. Ajay Mehta		Ms. Smita Mankad		Mr. P.R.Barpande	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Sale of finished goods	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Sitting fees paid	**2.79**	–	**–**	–	**2.79**	2.20	**0.82**	3.00	**–**	0.70
Commission	**4.62**	–	**–**	–	**5.00**	4.62	**0.38**	5.00	**–**	0.38
Managerial Remuneration		–	**71.07**	61.15	**–**	–	**–**	–	**–**	–

	Name of KMP		KMP		Name of KMP		KMP	
	Vice. Admiral Anil Chopra		Ms.Smita Makad		M. Ajay Mehta		Mr. P.R.Barpande	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Outstanding receivable	**–**	–	**–**	–	**–**	–	**–**	–
Outstanding payable	**4.50**	4.15	**0.34**	4.50	**4.50**	4.15	**–**	0.35

* excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

Note No. 32 - Financial instruments

[I] Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the company consists of net debt (borrowings as detailed in note 14 and offset by cash and cash equivalents and current investments) and total equity of the company.

The company monitors capital using a gearing ratio, which is net debt divided by total capital. The company's policy is to keep the gearing ratio within 150%.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Rs in lakhs)

	31 March, 2024	31 March, 2023
Debt	**12,038.37**	12,061.80
Less:– Cash and Cash Equivalent including current investments	**393.61**	21.18
Net Debt	**11,644.76**	12,040.62
Equity	**17,832.24**	13,790.04
Gearing ratio	**65%**	87%

[II] Financial Risk Management Framework

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the companies established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit .

The company follows expected credit loss method for determination of impairment of trade receivable. Additionally, an impairment analysis is performed at each reporting date on specific case basis for major customers.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the company in accordance with the company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(ii) Maturities of financial liabilities

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

(Rs in lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March 2024						
Non-interest bearing	**11,190.65**	**1.47**	**–**	**–**	**11,192.12**	**11,192.12**
Variable interest rate instruments	**11,262.70**	**2,242.35**	**3,048.07**	**6,978.48**	**23,531.59**	**19,701.15**
Total	**22,453.35**	**2,243.82**	**3,048.07**	**6,978.48**	**34,723.71**	**30,893.27**
31 March 2023						
Non-interest bearing	4,648.22	0.04	–	–	4,648.26	4,648.26
Variable interest rate instruments	3,499.78	1,401.34	–	–	4,901.12	12,116.06
Total	8,148.00	1,401.38	–	–	9,549.38	16,764.32

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 197.01 Lakhs for the year ended 31 March, 2024 (Rs. 121.16 Lakhs for the year ended 31 March, 2023)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 197.01 Lakhs for the year ended 31 March, 2024 (Rs. 121.16 Lakhs for the year ended 31 March, 2023)

The following table details the company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

(Rs in lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total
Derivative financial instruments					
31 March 2024					
Gross settled:					
– foreign exchange forward contracts	**–**	**–**	**–**	**–**	**–**
31 March 2023					
Gross settled:					
– foreign exchange forward contracts	13.40	–	–	–	13.40

(iii) Maturities of financial assets

(Rs in lakhs)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying value
Non-derivative financial assets						
31 March 2024						
Non-interest bearing	**10,657.27**	**1,351.00**	**–**	**–**	**12,008.27**	**12,008.27**
Variable interest rate instruments	**–**	**–**	**–**	**103.13**	**103.13**	**103.13**
Total	**10,657.27**	**1,351.00**	**–**	**103.13**	**12,111.40**	**12,111.40**
31 March 2023						
Non-interest bearing	9,814.67	670.31	–	–	10,484.98	10,484.98
Variable interest rate instruments	–	–	–	103.13	103.13	103.13
Total	9,814.67	670.31	–	103.13	10,588.11	10,588.11

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(iv) Financing arrangements

The company had access to following undrawn borrowing facilities at the end of the reporting period:

(Rs in lakhs)

	31 March 2024	31 March 2023
Bank Overdraft/ WCDL facility	**2,530.00**	651.04
– Expiring within one year (Unsecured)	**2,530.00**	651.04
Working Capital Non-Fund Based facility: (LC, BG, LUT, LER)	**12,836.00**	12,171.61
– Expiring within one year (Unsecured)	**12,836.00**	12,171.61

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company's exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency.

The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases and for 36 months period for borrowings.

When a derivative is entered into for the purpose of being a hedge, the company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	31 March 2024	31 March 2023
Financial liabilities			
Trade payables/acceptance	USD	**50.87**	15.29

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	31 March 2024	31 March 2023
Financial liabilities			
Trade payables/acceptance	USD	**8.27**	–

(ii) Interest Rate Risk

Refer Note B (ii) for interest rate sensitivity

(iii) Raw material price risk

The company does not have significant risk in raw material price variations. In case of any variation in price, same is passed on to the customer through appropriate adjustments to selling prices

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 33 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(Rs in lakhs)

Financial assets/financial liabilities	**Fair value hierarchy as at 31 March, 2024**	
	Carrying value	**Total**
Financial assets		
Financial assets carried at Amortised Cost		
– Cash and cash equivalent	**393.61**	**393.61**
– trade receivables	**10,261.34**	**10,261.34**
– deposits with related parties	**-**	**-**
– deposits	**103.13**	**103.13**
– Industrial promotion subsidy receivable	**1,351.00**	**1,351.00**
– Derivative financial Instrument	**2.32**	**2.32**
Total	**12,111.40**	**12,111.40**
Financial liabilities		
Financial liabilities held at amortised cost		
– Bank loans	**12,038.37**	**12,038.37**
– Short term deposits	**62.26**	**62.26**
– trade and other payables	**14,803.77**	**14,803.77**
– Interest payable	**97.99**	**97.99**
– Lease Liabilities	**3,887.69**	**3,887.69**
Total	**30,890.08**	**30,890.08**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Rs in lakhs)

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2023	
	Carrying value	Total
Financial assets		
Financial assets carried at Amortised Cost		
– Cash and cash equivalent	21.18	21.18
– trade receivables	9,593.52	9,593.52
– deposits	23.95	23.95
– Industrial promotion subsidy receivable	949.46	949.46
Total	10,588.11	10,588.11
Financial liabilities		
Financial liabilities held at amortised cost		
– Bank loans	12,061.80	12,061.80
– Short term deposits	28.05	28.05
– trade and other payables	5,897.91	5,897.91
– Interest payable	54.26	54.26
Total	18,042.02	18,042.02

Note No. 33 Continues - Fair value measurement

Financial assets/ financial liabilities measured at Fair value

(Rs in lakhs)

Financial assets/financial liabilities	Fair value as at 31 March 2024	Fair value as at 31 March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial liabilities						
Other Financial Liabilities						
Liability for Cash-settled share-based payments	**3.19**	12.89	Level 2	Black Scholes option model	NA	NA
Forward contracts	**-**	13.40	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Total financial liabilities	**3.19**	26.29				

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The company considers that the carrying amount of financial assets and financial liabilities recognised in financial statements approximates their fair value.

Note No. 34 - Earnings per share

(Rs in lakhs)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Profit after tax (Rs.) (A)	**4,462.76**	2,821.59
Weighted average number of shares (B)	**68,500,000**	68,500,000
Earnings per share [Basic / Diluted] (Rs.) (A/B)	**6.51**	4.12
Nominal value of equity share (Rs.)	**10.00**	10.00

(i) Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Note No. 35 - Corporate Social Responsibility (CSR)

(Rs in lakhs)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Amount required to be spent by the Company during the year	**44.00**	22.00
Amount spent during the year	**44.07**	22.16
- construction / acquisition of any asset	**–**	–
- on purpose other than above	**44.07**	22.16
Shortfall at the end of the year	**Nil**	Nil
Transaction with the related party	**Nil**	Nil
Movements in provisions	**Nil**	Nil
Nature of CSR activity	**Promoting education, Environment protection, Healthcare, Sanitation, Rural development and Eradicating hunger**	Promoting education, Environment protection, Healthcare, Sanitation, Rural development and Eradicating hunger

Note No. 36A - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the Face Value of the Equity Share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available Fair Value of the Company's Equity Share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2015 (SARS-2015) during the year ended 31 March, 2020 and 31 March, 2024.

Details of stock appreciation rights outstanding as on 31st March 2024

	Number of Shares	Grant Date	Expiry Date	Exercise Price (Rs.)	Fair value at Grant Date (Rs.)
Cash settled					
F'23 grant	40	14 Dec 2022	28 Feb 2025	10	438.70
F'23 grant	40	14 Dec 2022	28 Feb 2026	10	438.70
F'23 grant	38	14 Dec 2022	28 Feb 2027	10	438.70

Movement in Stock appreciation rights

	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
1.	The number of share options outstanding at the beginning of the year;	3,449	6,577
2.	Granted during the period	–	198
3.	Exercised during the period	3,331	3,326
4.	Lapsed during the period	–	
5.	Outstanding at the end of the period	118	3,449

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

Details of stock appreciation rights exercised during the year ended on 31st March 2024

	Number of SAR's	Exercise date	Share price at Exercise price
Cash settled			
F'20 grant	3,291	27/03/2024	655.00
F'23 grant	40	27/03/2024	655.00

Note No. 36 Continued- Stock Appreciation Rights

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

		Cash settled Share Appreciation Rights	
	Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
1.	Share price	655.00	529.40
2.	Exercise price	10	10
3.	Expected volatility (weighted-average)	45.20%	50.90%
4.	Expected life/Option Life (weighted-average)	2.58	3.41
5.	Expected dividends yield	5.00%	5.00%
6.	Risk-free interest rate (based on government bonds)	6.94%	7.10%

Note 36(b) - Long term Incentive plan

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants Long Term Incentives (LTI) to eligible employees/directors. LTIs granted would vest over a period of three years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of LTIs eligible employees are entitled to earn cash benefits as prescribed.

One LTI shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once LTIs have vested, an eligible employee will have the option to exercise the same within a maximum period of two years from the vesting date during such periods of time as determined by the Company.

Once LTIs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those LTIs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the LTIs within a period of two years as aforesaid, the unexercised LTIs will lapse and the Company's liability for such unexercised LTIs will cease.

Details of Long Term Cash Incentives outstanding as on March 31, 2024

Particulars	Number of Shares	Grant Date	Expiry Date	Exercise Price (Rs.)	Fair value at Grant Date (Rs.)
Cash settled					
F'23 grant	676	01 Nov 2023	01 Nov 2026	10	567.30
F'23 grant	676	01 Nov 2023	01 Nov 2027	10	567.30
F'23 grant	676	01 Nov 2023	01 Nov 2028	10	567.30

Movement in Cash based Long term incentives scheme

	Particulars	For the year ended 31 March, 2024
1.	The number of share options outstanding at the beginning of the year;	–
2.	Granted during the period	2,029
3.	Exercised during the period	
4.	Lapsed during the period	–
5.	Outstanding at the end of the period	2,029

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

		Cash settled Long Term
1.	Share price	655.00
2.	Exercise price	10
3.	Expected volatility (weighted-average)	45.20%
4.	Expected life / Option Life (weighted-average)	2.58
5.	Expected dividends yield	5.00%
6.	Risk-free interest rate (based on government bonds)	6.94%

Note No. - 37

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

(i) Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Sushma Jaglan
Membership No: 137783

Mumbai
Date: 23 April, 2024

Saroj Khuntia
Chief Financial Officer
ICAI Membership No-114230

Bhavna Awatramani
Company Secretary
Membership No: 33100

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Manaswini Goel	Chairperson	DIN: 08142619
Sumit Issar	Director	DIN: 06951249

Mumbai
Date: 23 April, 2024

DIRECTORS' REPORT

The Board of Directors has the pleasure in presenting the audited financial statements of Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company") for the year ended 31 March 2024.

Principal activities and business review

The Company is engaged in processing of steel coils and supply of slit coils and laminations.

Results for the year

The results of the Company for the year is set out on page herein of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2024.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 18. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors

KPMG were appointed as external auditors for the Company for the year ended 31 March 2024. KPMG have expressed their willingness to continue in office.

Mr Sumit Issar
Mr Parag Shah
Director

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), which comprise the statement of financial position as at 31 March 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report set out in page herein.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 March 2024:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 31 March 2024;

vi) note 18 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, or its Articles of Association, which would materially affect its activities or its financial position as at 31 March 2024.

KPMG Lower Gulf Limited – SHJ BR

Richard Ackland

Registration No.: 1015

Sharjah, United Arab Emirates
Date: 15 Apr 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

				Unaudited supplementary information (refer note 2 (c))			
	Note	**31 March 2024**	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
ASSETS							
Property, plant and equipment	4	**2,758,802**	3,130,672	**10,124,803**	**228,315,199**	11,489,563	259,090,655
Capital advances		**–**	12,017	**–**	**–**	44,101	994,512
Non-current assets		**2,758,802**	3,142,689	**10,124,803**	**228,315,199**	11,533,664	260,085,167
Inventories	5	**3,192,822**	5,650,465	**11,717,667**	**264,233,967**	20,737,210	467,625,704
Trade and other receivables	6	**2,759,443**	2,164,222	**10,127,161**	**228,368,284**	7,942,705	179,108,580
Prepayments	7	**12,386**	18,403	**45,456**	**1,025,050**	67,541	1,523,011
Cash and cash equivalents	8	**119,002**	293,928	**436,737**	**9,848,463**	1,078,717	24,325,128
Current assets		**6,083,653**	8,127,018	**22,327,021**	**503,475,764**	29,826,173	672,582,423
Total assets		**8,842,455**	11,269,707	**32,451,824**	**731,790,963**	41,359,837	932,667,590
EQUITY							
Share capital	9	**550,000**	550,000	**2,018,500**	**45,517,340**	2,018,500	45,517,340
Retained earnings		**3,923,321**	3,853,427	**14,398,604**	**324,689,340**	14,142,094	318,905,160
Statutory reserves	17	**275,063**	275,063	**1,009,481**	**22,763,884**	1,009,481	22,763,884
Total equity		**4,748,384**	4,678,490	**17,426,585**	**392,970,564**	17,170,075	387,186,384
LIABILITIES							
Employee end of service benefits		**60,875**	53,871	**223,413**	**5,037,942**	197,707	4,458,299
Lease liabilities	19	**411,370**	510,224	**1,509,724**	**34,044,483**	1,872,521	42,225,524
Non - current liabilities		**472,245**	564,095	**1,733,137**	**39,082,425**	2,070,228	46,683,823
Short-term borrowings	10	**–**	2,610,365	**–**	**–**	9,580,040	216,030,675
Trade and other payables	11	**3,621,826**	3,416,757	**13,292,102**	**299,737,974**	12,539,494	282,766,708
Current liabilities		**3,621,826**	6,027,122	**13,292,102**	**299,737,974**	22,119,534	498,797,383
Total liabilities		**4,094,071**	6,591,217	**15,025,239**	**338,820,399**	24,189,762	545,481,206
Total equity and liabilities		**8,842,455**	11,269,707	**32,451,824**	**731,790,963**	41,359,837	932,667,590

The attached notes 1 to 21 are an integral part of these financial statements.

The independent auditors' report is set out on pages herein.

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 March 2024.

The Board of Directors has authorised the issue of these financial statements on 15th April 2024 and signed on behalf of the Board of Directors by:

Mr Sumit Issar
Director
Mr Parag Shah

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

				Unaudited supplementary information (refer note 2 (c))			
	Note	**31 March 2024**	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Revenue	12	**10,573,727**	11,912,557	**38,805,577**	**875,068,958**	43,719,087	985,868,922
Cost of sales	13.1	**(9,931,906)**	(10,234,389)	**(36,450,096)**	**(821,952,621)**	(37,560,212)	(846,985,588)
Gross profit		**641,821**	1,678,168	**2,355,481**	**53,116,337**	6,158,875	138,883,334
Other income	14	**141,632**	53,240	**519,790**	**11,721,130**	195,391	4,406,079
Selling and distribution expenses		**(98,169)**	(264,694)	**(360,279)**	**(8,124,349)**	(971,426)	(21,905,758)
Administrative and general expenses	13.2	**(344,378)**	(367,153)	**(1,263,869)**	**(28,500,310)**	(1,347,444)	(30,385,142)
Operating profit		**340,906**	1,099,561	**1,251,123**	**28,212,808**	4,035,396	90,998,513
Finance cost	15	**(75,912)**	(124,159)	**(278,596)**	**(6,282,386)**	(455,666)	(10,275,250)
Profit for the year		**264,994**	975,402	**972,527**	**21,930,422**	3,579,730	80,723,263
Other comprehensive income		**–**	–	**–**	**–**	–	–
Total comprehensive income for the year		**264,994**	975,402	**972,527**	**21,930,422**	3,579,730	80,723,263
Earning per equity share *(Basic and diluted)* 1000 Shares of USD 550 (Dhs. 2,019) (Rs. 45,517) *(Refer note 21)*		**265**	975	**973**	**21,930**	3,580	80,723

The attached notes 1 to 21 are an integral part of these financial statements.

The independent auditors' report is set out on pages herein.

The Board of Directors has authorised the issue of these financial statements on 15th April 2024 and signed on behalf of the Board of Directors by:

Mr Sumit Issar
Mr Parag Shah
Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Cash flows from operating activities:						
Profit for the year	**264,994**	975,402	**972,527**	**21,930,422**	3,579,730	80,723,263
Adjustments for:						
Depreciation	**385,395**	378,943	**1,414,395**	**31,894,745**	1,390,727	31,360,705
Profit on disposal of property, plant and equipment	**–**	(545)	**–**	**–**	(2,000)	(45,100)
Interest expenses	**50,739**	90,693	**186,211**	**4,199,099**	332,845	7,505,644
Interest on lease liabilities (refer note 15)	**23,324**	26,447	**85,600**	**1,930,266**	97,061	2,188,722
Movement in end of service benefits	**7,004**	11,088	**25,706**	**579,643**	40,695	917,629
	731,456	1,482,028	**2,684,439**	**60,534,175**	5,439,058	122,650,863
Changes in working capital:						
Inventories	**2,457,643**	(3,229,103)	**9,019,543**	**203,391,737**	(11,850,812)	(267,236,689)
Trade and other receivables	**(595,221)**	(453,119)	**(2,184,456)**	**(49,259,704)**	(1,662,939)	(37,499,752)
Prepayments	**6,017**	(731)	**22,085**	**497,961**	(2,686)	(60,497)
Trade and other payables	**186,733**	1,963,718	**685,314**	**15,453,800**	7,206,839	162,515,108
Net cash generated from/(used in) operating activities	**2,786,628**	(237,207)	**10,226,925**	**230,617,969**	(870,540)	(19,630,967)
Investing activities:						
Acquisition of property, plant and equipment	**(13,525)**	(109,758)	**(49,635)**	**(1,119,289)**	(402,815)	(9,083,440)
Paid for capital advances	**12,017**	(12,017)	**44,102**	**994,512**	(44,102)	(994,512)
Proceeds from sale of an asset	**–**	545	**–**	**–**	2,000	45,100
Net cash used in investing activities	**(1,508)**	(121,230)	**(5,533)**	**(124,777)**	(444,917)	(10,032,852)
Financing activity						
Interest paid	**(55,717)**	(88,765)	**(204,481)**	**(4,611,072)**	(325,768)	(7,346,085)
Short term borrowings taken	**8,725,000**	8,286,000	**32,020,750**	**722,070,530**	30,409,620	685,739,418
Short term borrowings repayment	**(11,304,000)**	(7,443,000)	**(41,485,680)**	**(935,505,475)**	(27,315,808)	(615,973,748)
Repayment of lease liabilities	**(98,864)**	(97,582)	**(362,834)**	**(8,181,868)**	(358,131)	(8,075,769)
Dividends paid	**(195,100)**	–	**(716,017)**	**(16,146,242)**	–	–
Net cash (used in)/generated from financing activities	**(2,928,681)**	656,653	**(10,748,262)**	**(242,374,127)**	2,409,913	54,343,816
Net (decrease)/increase in cash and cash equivalents	**(143,561)**	298,216	**(526,870)**	**(11,880,935)**	1,094,456	24,679,997
Cash and cash equivalents :						
Cash and cash equivalents at the beginning of the year	**262,563**	(35,653)	**963,607**	**21,729,398**	(130,849)	(2,950,599)
Cash and cash equivalents at the end of the year	**119,002**	262,563	**436,737**	**9,848,463**	963,607	21,729,398
These comprise of:						
Cash on hand (Refer note 8)	**908**	330	**3,332**	**75,145**	1,211	27,310
Bank balance in current accounts (Refer note 8)	**118,094**	293,598	**433,405**	**9,773,318**	1,077,506	24,297,818
Bank overdraft repayable on demand (Refer note 10)	**–**	(31,365)	**–**	**–**	(115,110)	(2,595,730)
Total	**119,002**	262,563	**436,737**	**9,848,463**	963,607	21,729,398

The attached notes 1 to 21 are an integral part of these financial statements.
The independent auditors' report is set out on pages herein.
The Board of Directors has authorised the issue of these financial statements on 15th April 2024 and signed on behalf of the Board of Directors by:

Mr Sumit Issar
Mr Parag Shah
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

					Unaudited supplementary information (refer note 2 (c))							
	Share capital USD	Retained earnings USD	Statutory reserve USD	Total equity USD	Share capital Dhs.	Share capital Rs.	Retained earnings Dhs.	Retained earnings Rs.	Statutory reserve Dhs.	Statutory reserve Rs.	Total equity Dhs.	Total equity Rs.
Balance as at 1 April 2022	550,000	2,878,025	275,063	3,703,088	2,018,500	45,517,340	10,562,364	238,181,897	1,009,481	22,763,884	13,590,345	306,463,121
Profit for the year	–	975,402	–	975,402	–	–	3,579,730	80,723,263	–	–	3,579,730	80,723,263
Total comprehensive income for the year	–	975,402	–	975,402	–	–	3,579,730	80,723,263	–	–	3,579,730	80,723,263
Balance as at 31 March 2023	550,000	3,853,427	275,063	4,678,490	2,018,500	45,517,340	14,142,094	318,905,160	1,009,481	22,763,884	17,170,075	387,186,384
Balance as at 1 April 2023	550,000	3,853,427	275,063	4,678,490	2,018,500	45,517,340	14,142,094	318,905,160	1,009,481	22,763,884	17,170,075	387,186,384
Profit for the year	–	264,994	–	264,994	–	–	972,527	21,930,422	–	–	972,527	21,930,422
Total comprehensive income for the year	–	264,994	–	264,994	–	–	972,527	21,930,422	–	–	972,527	21,930,422
Transactions with owners of the Company												
Contributions and distributions Dividend declared and paid (Refer to note 18)	–	(195,100)	–	(195,100)	–	–	(716,017)	(16,146,242)	–	–	(716,017)	(16,146,242)
Balance as at 31 March 2024	**550,000**	**3,923,321**	**275,063**	**4,748,384**	**2,018,500**	**45,517,340**	**14,398,604**	**324,689,340**	**1,009,481**	**22,763,884**	**17,426,585**	**392,970,564**

The attached notes 1 to 21 are an integral part of these financial statements.

The Board of Directors has authorised the issue of these financial statements on 15th April 2024 and signed on behalf of the Board of Directors by:

Mr Sumit Issar
Mr Parag Shah
} Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Reporting entity

Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), was incorporated and licensed on 8 August 2004 at Sharjah Airport International Free Zone, Sharjah (FZ) with limited liability in the United Arab Emirates (UAE). Subsequently, the Company has entered into an agreement for subscription of capital by Nippon Steel Corporation (NSC) formerly known as Nippon Steel & Sumitomo Metal Corporation (NSSMC), Japan to reorganise the Company and manage it as a Free Zone Company (FZC). Consequent upon the induction of NSSMC as a shareholder, the status changed from Free Zone Establishment (FZE) to Free Zone Company (FZC) with limited liability with effect from 28 November 2005. The Company is engaged in processing of steel coils and supply of slit coils and laminations. The shareholding pattern as of 31 March 2024 is as follows:

Shareholders	Percentage
Mahindra Accelo Limited (formarly known as Mahindra Intertrade Ltd)	90%
Nippon Steel Corporation (formarly known as Nippon Steel & Sumitomo Metal Corporation)	10%

The ultimate controlling party is Mahindra & Mahindra Limited.

The Company has not purchased any shares during the year ended 31 March 2024 (2023: Nil).

2 Basis of preparation

The financial statements have been prepared under the historical cost convention.

(a) Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board and the rules and regulations of the Sharjah Airport International Free Zone Authority (SAIF Zone).

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 of on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE.The CT regime will become effective for accounting periods beginning on or or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023 specifies the threshold of income over which the 9% tax rate would apply and accordingly,the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 [and a rate of 0% on qualifying income income of free zone entities].

Considering the update in the Law and based on the overall assessment, it is considered that there is no significant impact of deferred tax on the Company as on 31 March 2024

(b) Functional and presentation currency

These financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency.

(c) Convenience translation

In addition to presenting the financial statements in USD, unaudited supplementary information in United Arab Emirates Dirham ("Dhs") and Indian Rupee ("Rs") has been prepared for the convenience of users of the financials statements.

All amounts (including previous year information) are translated from USD to Dhs. and Rs. at the closing exchange rate at 31 March 2024 based on average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India of Dhs. 3.67 to USD 1 and Rs. 82.76 to USD 1 respectively.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in every future period affected.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Provision for obsolete and expired inventory

The Company reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on the aging and past movement of the inventory.

ii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

3 Material accounting policies

The accounting policies set out below, which comply with IFRS, have been consistently applied to all periods presented in these financial statements.

(a) Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Factory Building	18 years
Plant and Machinery	20 years
Vehicles	5 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	5 years

Residual value of the property plant and equipments has been estimated at 5% of its capitalised value for the purpose of calculating depreciation.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The components of an asset are identified and depreciated separately, if they have differing patterns of benefits and are significant to the total cost of the item. The overall value of an asset is split fairly between significant components and accounted for separately. The components' useful lives and the method of depreciation are determined on a reasonable and consistent basis.

(b) Inventories

Inventories are measured at the lower of cost and net realizable value, after making due allowance for any obsolete or slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined as follows:

Raw materials

The cost of raw materials includes insurance, freight and other incidental charges incurred in acquiring the inventories and bringing them to their present location and condition. Valuation of the raw materials is determined on a weighted average cost basis.

Work-in-progress

The cost of work in progress includes cost of raw material and an appropriate share of production overheads based on normal operating capacity.

Finished goods

The cost of finished goods is arrived at on a weighted average cost basis and includes cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity.

(c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific products. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods.

(d) Finance income and finance costs

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on borrowings and preshipment credit. Interest costs is recognised as it accrues in profit or loss, using the effective interest method.

(e) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency ("USD") at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(f) Employee benefit

The provision for staff terminal benefits is calculated in accordance with the provisions of the UAE Labour Law and is based on the liability that would arise if the employment of all staff were to be terminated at the reporting date.

(g) Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at lower of their carrying amount and fair value less cost to sale. Impairment losses on initial classification as held for sale and subsequent gain / losses on measurement are recognized in profit and loss. Once classified as held for sale, intangible assets and property plant and equipment are no longer amortized or depreciated.

(h) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets

i) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

ii) Financial liabilities and equity instruments

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments (currency forward contracts) to hedge its foreign currency risk exposure.

Derivatives are recognised initially at fair value attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes there in are recognised in the profit or loss.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

i) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(i) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances and other debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

– the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

– the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default or being more than 180 days past due;

– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For its customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(j) Earning per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding,without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments; and
– lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Standards issued but yet not effective

A number of new standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

New currently effective IFRS requirements

The following amended standards and interpretations which are effective for annual period beginning on or after 1 April 2023 do not have any impact on the Company's financial statements.

– Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2
– Definition of Accounting Estimates – Amendments to IAS 8
– Deferred Tax related to Assets and Liabilities arising from Single Transaction – Amendments to IAS 12
– International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

New standards, amendments, and interpretations to standards not yet effective, but available for early adoption

The standards and interpretations that are issued, but not yet effective are disclosed below. These standards and interpretations will become effective for annual periods beginning on or after the dates as respectively mentioned there against. The Company intends to adopt these standards, if applicable, when they become effective.

1 April 2024	–	Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1)
	–	Lease liability in a Sale and Leaseback – Amendments to IFRS 16
	–	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 17
1 April 2025	–	Lack of Exchangeability – Amendments to IAS 21
Available for optional adoption/ effective data deferred indefinitely	–	Sale of Contribution of Assets between an Investor and its Associate of Joint Venture – Amendments to IFRS 10 and IAS 28

The management anticipates that all of the above Standards and Interpretations will be adopted by the Company to the extent applicable to them from their effective dates. The adoption of these 'Standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Company in the period of their initial application.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Factory building	Plant and machinery	Vehicles	Furniture and fixtures	Office equip-ment	Comput-ers	Right of use assets - Land	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cost								
At 1 April 2022	641,164	5,105,394	36,962	37,042	6,351	6,189	866,166	6,699,268
Additions	–	73,742	23,437	779	5,162	6,638	–	109,758
Disposals	–	–	(15,191)	(304)	–	–	–	(15,495)
At 31 March 2023	641,164	5,179,136	45,208	37,517	11,513	12,827	866,166	6,793,531
At 1 April 2023	641,164	5,179,136	45,208	37,517	11,513	12,827	866,166	6,793,531
Additions	3,451	8,915	–	–	1,030	129	–	13,525
Disposals	–	–	–	–	–	–	–	–
At 31 March 2024	**644,615**	**5,188,051**	**45,208**	**37,517**	**12,543**	**12,956**	**866,166**	**6,807,056**
Depreciation								
At 1 April 2022	357,025	2,633,400	35,873	26,426	4,011	4,646	238,030	3,299,411
Charge for the year	35,620	259,228	918	1,524	1,222	1,088	79,343	378,943
On disposals	–	–	(15,191)	(304)	–	–	–	(15,495)
At 31 March 2023	392,645	2,892,628	21,600	27,646	5,233	5,734	317,373	3,662,859
At 1 April 2023	392,645	2,892,628	21,600	27,646	5,233	5,734	317,373	3,662,859
Charge for the year	35,620	262,560	2,344	1,230	1,287	1,739	79,343	384,123
Addition	80	1,025	–	–	162	5	–	1,272
On disposals	–	–	–	–	–	–	–	–
At 31 March 2024	**428,345**	**3,156,213**	**23,944**	**28,876**	**6,682**	**7,478**	**396,716**	**4,048,254**
Net book value								
At 31 March 2024	**216,270**	**2,031,838**	**21,264**	**8,641**	**5,861**	**5,478**	**469,450**	**2,758,802**
At 31 March 2023	248,519	2,286,508	23,608	9,871	6,280	7,093	548,793	3,130,672

Unaudited supplementary information (refer note 2 (c))

Particulars	Factory building		Plant and machinery		Vehicles		Furniture and fixtures		Office equipment		Computers		Right of use assets - Land		Total	
	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.
Cost																
At 1 April 2022	2,353,074	53,061,963	18,736,798	422,516,281	135,651	3,058,931	135,944	3,065,551	23,311	525,601	22,713	512,194	3,178,828	71,680,068	24,586,319	554,420,589
Additions	–	–	270,635	6,102,799	86,014	1,939,618	2,859	64,469	18,946	427,201	24,361	549,353	–	–	402,815	9,083,440
Disposals	–	–	–	–	(55,751)	(1,257,189)	(1,116)	(22,371)	–	–	–	–	–	–	(56,867)	(1,279,560)
At 31 March 2023	2,353,074	53,061,963	19,007,433	428,619,080	165,914	3,741,360	137,687	3,107,649	42,257	952,802	47,074	1,061,547	3,178,828	71,680,068	24,932,267	562,224,469
At 1 April 2023	2,353,074	53,061,963	19,007,433	428,619,080	165,914	3,741,360	137,687	3,107,649	42,257	952,802	47,074	1,061,547	3,178,828	71,680,068	24,932,267	562,224,469
Additions	12,664	285,576	32,718	737,795	–	–	–	–	3,779	85,242	474	10,676	–	–	49,635	1,119,289
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
At 31 March 2024	**2,365,738**	**53,347,539**	**19,040,151**	**429,356,875**	**165,914**	**3,741,360**	**137,687**	**3,107,649**	**46,036**	**1,038,044**	**47,548**	**1,072,223**	**3,178,828**	**71,680,068**	**24,981,902**	**563,343,758**
Depreciation																
At 1 April 2022	1,310,287	29,546,961	9,664,564	217,937,024	131,656	2,968,806	96,988	2,186,984	14,721	331,946	17,056	384,497	873,571	19,699,077	12,108,843	273,055,295
Charge for the year	130,726	2,947,868	951,368	21,453,398	3,369	75,973	5,593	126,124	4,485	101,131	3,995	90,042	291,191	6,566,331	1,390,727	31,360,867
On disposals	–	–	–	–	(55,750)	(1,257,189)	(1,116)	(25,159)	–	–	–	–	–	–	(56,866)	(1,282,348)
At 31 March 2023	1,441,013	32,494,829	10,615,932	239,390,422	79,275	1,787,590	101,465	2,287,949	19,206	433,077	21,051	474,539	1,164,762	26,265,408	13,442,704	303,133,814
At 1 April 2023	1,441,013	32,494,829	10,615,932	239,390,422	79,275	1,787,590	101,465	2,287,949	19,206	433,077	21,051	474,539	1,164,762	26,265,408	13,442,704	303,133,814
Charge for the year	130,726	2,947,868	963,594	21,729,067	8,601	193,987	4,513	101,793	4,723	106,511	6,382	143,918	291,190	6,566,331	1,409,729	31,789,475
Addition	292	6,621	3,761	84,828	–			–	595	13,407	18	414	–	–	4,666	105,270
On disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
At 31 March 2024	**1,572,031**	**35,449,318**	**11,583,287**	**261,204,317**	**87,876**	**1,981,577**	**105,978**	**2,389,742**	**24,524**	**552,995**	**27,451**	**618,871**	**1,455,952**	**32,831,739**	**14,857,099**	**335,028,559**
Net book value																
At 31 March 2024	**793,708**	**17,898,221**	**7,456,864**	**168,152,558**	**78,038**	**1,759,783**	**31,709**	**717,907**	**21,512**	**485,049**	**20,097**	**453,352**	**1,722,876**	**38,848,329**	**10,124,803**	**228,315,199**
At 31 March 2023	912,061	20,567,134	8,391,501	189,228,658	86,639	1,953,770	36,222	819,700	23,051	519,725	26,023	587,008	2,014,066	45,414,660	11,489,563	259,090,655

4(i) Depreciation expenses has been allocated as follows:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Cost of sales (refer note 13.1)	**382,715**	376,197	**1,404,565**	**31,673,034**	1,380,649	31,133,448
Administrative and general expenses (refer note 13.2)	**2,680**	2,746	**9,831**	**221,711**	10,078	227,257
	385,395	378,943	**1,414,395**	**31,894,745**	1,390,727	31,360,705

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
5.	**INVENTORIES**						
	Raw materials and consumables	**2,405,282**	4,324,658	**8,827,392**	**199,058,102**	15,871,501	357,903,508
	Work-in-progress	**656,081**	912,490	**2,407,819**	**54,296,476**	3,348,837	75,516,577
	Finished goods	**131,459**	413,317	**482,456**	**10,879,389**	1,516,872	34,205,619
		3,192,822	5,650,465	**11,717,667**	**264,233,967**	20,737,210	467,625,704

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
6.	**TRADE AND OTHER RECEIVABLES**						
	Trade receivables	**2,581,282**	2,046,358	**9,473,306**	**213,623,893**	7,510,136	169,354,296
	Due from a related party (refer note 18)	**35,130**	11,710	**128,928**	**2,907,317**	42,976	969,106
	Deposits	**26,490**	29,640	**97,220**	**2,192,281**	108,777	2,452,971
	Other receivables	**1,179**	1,178	**4,326**	**97,573**	4,324	97,490
	Advance to suppliers	**11,872**	642	**43,572**	**982,512**	2,357	53,131
	Vat receivable	**103,490**	74,694	**379,809**	**8,564,708**	274,135	6,181,586
		2,759,443	2,164,222	**10,127,161**	**228,368,284**	7,942,705	179,108,580

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
7.	**PREPAYMENTS**						
	Prepayments of expenses	**12,386**	18,403	**45,456**	**1,025,050**	67,541	**1,523,011**
		12,386	18,403	**45,456**	**1,025,050**	67,541	1,523,011

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
8.	**CASH AND CASH EQUIVALENTS**						
	Cash on hand	**908**	330	**3,332**	**75,145**	1,211	27,310
	Bank balance in current accounts	**118,094**	293,598	**433,405**	**9,773,318**	1,077,506	24,297,818
		119,002	293,928	**436,737**	**9,848,463**	1,078,717	24,325,128

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
9.	**SHARE CAPITAL**						
	Authorized, issued and paid						
	1,000 shares of USD 550	**550,000**	550,000	**2,018,500**	**45,517,340**	2,018,500	45,517,340
	(Dhs. 2,019) (Rs. 45,180) each	**550,000**	550,000	**2,018,500**	**45,517,340**	2,018,500	45,517,340

[900 Shares of USD 550 (Dhs. 2,019) (Rs. 45,517) each held by Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited,India), which is a subsidiary of Mahindra & Mahindra Limited] [100 Shares of USD 550 (Dhs. 2,019) (Rs. 45,517) each held by Nippon Steel Corporation, Japan (formerly known as Nippon Steel & Sumitomo Metal Corporation, Japan).]

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of USD 550 per share. Each shareholder is entitled to one vote per share at general meetings of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

	31 March 2024 USD	31 March 2023 USD	Unaudited supplementary information (refer note 2 (c)) 31 March 2024 Dhs.	31 March 2024 Rs.	31 March 2023 Dhs.	31 March 2023 Rs.
10. SHORT-TERM BORROWINGS						
Trust receipts	**–**	–	**–**	**–**	–	–
Working capital demand loans	**–**	2,579,000	**–**	**–**	9,464,930	213,434,945
Bank overdraft	**–**	31,365	**–**	**–**	115,110	2,595,730
	–	2,610,365	**–**	**–**	9,580,040	216,030,675

During the year, the Company obtained minimum working capital demand loans, which are secured, repayable within 30-180 days and carry interest rate of USD 3-Month SOFR plus spread of 2.4%. The Company has also availed a bank overdraft facility during the year at USD SOFR plus cost plus 1.5%. The short-term borrowing on demand loan was paid during the year.

These credit facilities requires company to comply with the covenants as follow:

a. On one facility with bank, the Company is required of financial covenant of minimum total equity of USD 2.9 million.

b. On the other facility with bank, the Holding Company shall hold atleast 51% stake of the Company during the facility, failing of which, the Bank shall have the right to recall the outstanding facility with all dues, taxes and duties payable on the day of notice to the Company.

As at 31 March 2024, Company has complied with the covenants requirement.

	31 March 2024 USD	31 March 2023 USD	Unaudited supplementary information (refer note 2 (c)) 31 March 2024 Dhs.	31 March 2024 Rs.	31 March 2023 Dhs.	31 March 2023 Rs.
11. TRADE AND OTHER PAYABLES:						
Due to related parties (refer note 18)	**22,175**	22,117	**81,381**	**1,835,176**	81,171	1,830,376
Trade payables	**1,479,023**	3,250,880	**5,428,015**	**122,402,169**	11,930,723	269,038,928
Accrued expenses	**49,179**	58,460	**180,487**	**4,069,995**	214,550	4,838,079
Trade payables	**1,550,377**	3,331,457	**5,689,883**	**128,307,340**	12,226,444	275,707,383
Interest payable	**–**	4,978	**–**	**–**	18,271	411,973
Advance from customers	**1,968,996**	2,183	**7,226,216**	**162,951,746**	8,010	180,662
Others	**3,608**	2,608	**13,243**	**298,594**	9,572	215,835
Lease liabilities	**98,845**	75,531	**362,760**	**8,180,294**	277,197	6,250,855
Other payables	**2,071,449**	85,300	**7,602,219**	**171,430,634**	313,050	7,059,325
Trade and other payables	**3,621,826**	3,416,757	**13,292,102**	**299,737,974**	12,539,494	282,766,708

	31 March 2024 USD	31 March 2023 USD	Unaudited supplementary information (refer note 2 (c)) 31 March 2024 Dhs.	31 March 2024 Rs.	31 March 2023 Dhs.	31 March 2023 Rs.
12. REVENUE						
Sale of goods - *point-in-time*	**10,448,329**	11,816,756	**38,345,368**	**864,691,170**	43,367,496	977,940,546
Sale of services - *point-in-time*	**125,398**	95,801	**460,209**	**10,377,788**	351,591	7,928,376
	10,573,727	11,912,557	**38,805,577**	**875,068,958**	43,719,087	985,868,922

GEOGRAPHICAL INFORMATION

The amount of the company's revenue from external customers broken down by location of the customers is shown in the table below:

	31 March 2024 USD	31 March 2023 USD	Unaudited supplementary information (refer note 2 (c)) 31 March 2024 Dhs.	31 March 2024 Rs.	31 March 2023 Dhs.	31 March 2023 Rs.
Domestic	**3,615,640**	5,277,162	**13,269,401**	**299,226,028**	19,367,183	436,731,595
Other GCC countries	**3,221,869**	2,882,162	**11,824,261**	**266,638,012**	10,577,535	238,524,269
Exports	**3,736,218**	3,753,233	**13,711,915**	**309,204,918**	13,774,369	310,613,058
	10,573,727	11,912,557	**38,805,577**	**875,068,958**	43,719,087	985,868,922

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13. EXPENSES BY NATURE						
Changes in inventories of finished goods and work-in-progress	**538,265**	(492,985)	**1,975,434**	**44,546,165**	(1,809,255)	(40,798,847)
Raw materials and consumables used	**8,569,488**	9,858,265	**31,450,022**	**709,200,543**	36,179,832	815,858,181
Employee benefit expenses	**391,990**	438,695	**1,438,602**	**32,440,622**	1,610,010	36,305,872
Depreciation	**385,394**	378,943	**1,414,395**	**31,894,745**	1,390,727	31,360,705
Other expenses	**49,448**	54,217	**181,473**	**4,092,257**	198,976	4,486,934
Freight	**98,169**	264,694	**360,279**	**8,124,349**	971,426	21,905,758
Travelling and conveyance	**19,008**	23,738	**69,759**	**1,573,079**	87,120	1,964,528
Communication expenses	**9,899**	10,652	**36,330**	**819,229**	39,093	881,547
Audit fees (includes out of pocket expenses)	**20,014**	17,481	**73,451**	**1,656,335**	64,154	1,446,707
Repairs and maintenance	**90,309**	98,454	**331,435**	**7,473,864**	361,328	8,147,935
Insurance	**11,559**	10,691	**42,422**	**956,609**	39,236	884,774
Service charges	**72,811**	73,057	**267,218**	**6,025,751**	268,118	6,046,110
Bank charges	**56,812**	86,256	**208,500**	**4,701,693**	316,558	7,138,443
General expenses	**61,287**	44,078	**224,924**	**5,072,039**	161,759	3,647,841
	10,374,453	10,866,236	**38,074,244**	**858,577,280**	39,879,082	899,276,488

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13.1. COST OF SALES						
Changes in inventories of finished goods and work-in-progress	**538,265**	(492,985)	**1,975,434**	**44,546,165**	(1,809,255)	(40,798,847)
Raw materials and consumables used	**8,569,488**	9,858,265	**31,450,022**	**709,200,543**	36,179,832	815,858,181
Employee benefit expenses	**391,990**	438,695	**1,438,602**	**32,440,622**	1,610,010	36,305,872
Depreciation on plant and machinery and building	**382,715**	376,197	**1,404,564**	**31,673,034**	1,380,649	31,133,448
Other expenses	**49,448**	54,217	**181,474**	**4,092,257**	198,976	4,486,934
	9,931,906	10,234,389	**36,450,096**	**821,952,621**	37,560,212	846,985,588

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13.2. ADMINISTRATIVE AND GENERAL EXPENSES						
Travelling and conveyance	**19,008**	23,738	**69,759**	**1,573,079**	87,120	1,964,528
Communication expenses	**9,899**	10,652	**36,330**	**819,229**	39,093	881,547
Audit fees (includes out of pocket expenses)	**20,014**	17,481	**73,451**	**1,656,335**	64,154	1,446,707
Repairs and maintenance	**90,309**	98,454	**331,435**	**7,473,864**	361,328	8,147,935
Depreciation on others	**2,679**	2,746	**9,831**	**221,711**	10,078	227,257
Insurance	**11,559**	10,691	**42,422**	**956,609**	39,236	884,774
Service charges	**72,811**	73,057	**267,218**	**6,025,751**	268,118	6,046,110
Bank charges	**56,812**	86,256	**208,500**	**4,701,693**	316,558	7,138,443
General expenses	**61,287**	44,078	**224,923**	**5,072,039**	161,759	3,647,841
	344,378	367,153	**1,263,869**	**28,500,310**	1,347,444	30,385,142

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
14. OTHER INCOME						
Other miscellaneous income	**141,632**	53,240	**519,790**	**11,721,130**	195,391	4,406,079
	141,632	53,240	**519,790**	**11,721,130**	195,391	4,406,079

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
15. FINANCE COST						
Interest expenses	**50,739**	90,693	**186,211**	**4,199,099**	332,845	7,505,644
Interest on lease liabilities	**23,324**	26,447	**85,600**	**1,930,266**	97,061	2,188,722
Exchange loss (net)	**1,849**	7,019	**6,785**	**153,021**	25,760	580,884
	75,912	124,159	**278,596**	**6,282,386**	455,666	10,275,250

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
16. CONTINGENCIES AND COMMITMENTS						
Letters of credit	**1,491,492**	845,025	**5,473,776**	**123,434,088**	3,101,242	69,933,255
	1,491,492	845,025	**5,473,776**	**123,434,088**	3,101,242	69,933,255

17. STATUTORY RESERVE

According to the articles of association of the Company, 5% of the net profit for each year is required to be transferred to a statutory reserve. The management may resolve to discontinue such annual transfers when the reserve reaches 50% of the paid up share capital. The reserve is not available for distribution. No appropriations to the statutory reserve have been made in current year (2023: *Nil*) as the statutory reserve has accumulated to 50% of the paid up share capital.

18. RELATED PARTIES

Management's policy is to conduct transactions with related parties on prices at mutually agreed terms.

List of related parties:

Ultimate Holding Company

Mahindra & Mahindra Limited

Holding Company

Mahindra Accelo Limited - Shareholder (formarly known as Mahindra Intertrade Ltd)

Nippon Steel Corporation

Fellow Subsidiaries

Mahindra Integrated Business Solution Private Limited
PT. Mahindra Accelo Steel Indonesia
Mahindra Steel Service Centre Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

Transactions with related parties

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Mahindra Accelo Limited						
Reimbursement of expenses by the company	**–**	744	**–**	**–**	2,735	61,611
Reimbursements received	**–**	–	**–**	**–**	–	–
Service charges*	**72,749**	72,994	**266,989**	**6,020,620**	267,888	6,040,894
Sales	**–**	–	**–**	**–**	–	–
Purchase	**–**	12,532	**–**	**–**	45,994	1,037,171
Dividend**	**175,590**	–	**644,415**	**14,531,618**	–	–
Mahindra Steel Service Centre Limited						
Purchase of spare parts	**–**	743	**–**	**–**	2,726	60,000
PT. Mahindra Accelo Steel Indonesia						
Lease rent income	**111,700**	52,695	**409,939**	**9,244,158**	193,391	4,360,975
Reimbursement of expenses to Company	**–**	–	**–**	**–**	–	–
Mahindra & Mahindra Limited						
Reimbursement of expenses by Company	**10,236**	5,362	**37,567**	**847,148**	19,678	443,734
Professional fees	**1,224**	980	**4,491**	**101,269**	3,595	81,067
Mahindra Integrated Business Solution Private Limited						
Service charges (Salary processing cost)	**1,093**	1,122	**4,010**	**90,200**	4,119	92,855
Nippon Steel Corporation						
Dividend**	**19,510**	–	**71,602**	**1,614,624**	–	–

* The managerial services are rendered by Mahindra Accelo Limited, shareholder and the same is paid as service charges.

**The Company has declared and paid dividends amounting to USD 195,100 in 2024 (2023: Nil).

Outstanding balances

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Outstanding receivable						
PT. Mahindra Accelo Steel Indonesia	**35,130**	11,710	**128,928**	**2,907,317**	42,976	969,106
	35,130	11,710	**128,928**	**2,907,317**	42,976	969,106

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Outstanding payable						
Mahindra Accelo Limited	**18,185**	18,857	**66,737**	**1,504,968**	69,204	1,560,582
Mahindra & Mahindra Limited	**3,719**	3,169	**13,650**	**307,780**	11,632	262,263
Mahindra Integrated Business Solutions Pvt Ltd	**271**	91	**994**	**22,428**	335	7,531
	22,175	22,117	**81,381**	**1,835,176**	81,171	1,830,376

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

19. LEASES

The Company has entered into lease arrangements with Government of Sharjah, represented by Sharjah Airport International Free Zone (SAIF Zone). The tenure of the lease agreement is generally for a period of 25 years, renewable thereafter for another equal term.

While measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 April 2019. The average rate applied is 4.23%.

Lease liabilities included in the statement of financial position

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
At 1 April	**585,755**	656,890	**2,149,718**	**48,476,379**	2,320,522	54,363,426
Interest on lease liabilities (refer note 15)	**23,324**	26,447	**85,600**	**1,930,266**	97,061	2,188,722
Payments made against lease liabilities	**(98,864)**	(97,582)	**(362,834)**	**(8,181,868)**	(267,865)	(8,075,769)
At 31 March	**510,215**	585,755	**1,872,484**	**42,224,777**	2,149,718	48,476,379
Less: current portion of lease liabilities	**(98,845)**	(75,531)	**(362,760)**	**(8,180,294)**	(277,197)	(6,250,855)
Non-current portion of lease liabilities	**411,370**	510,224	**1,509,724**	**34,044,483**	1,872,521	42,225,524

Amount recognised in profit and loss statement

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Depreciation on right-of-use assets	**79,343**	79,343	**291,190**	**6,566,331**	291,190	6,566,331
Interest on lease liabilities	**23,324**	26,447	**85,600**	**1,930,266**	97,061	2,188,722
	102,667	105,790	**376,790**	**8,496,597**	388,251	8,755,053

Maturity analysis
The following table sets out a maturity analysis of lease payables showing the undiscounted lease payments to be payable after the reporting date:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Less than one year	**98,855**	98,855	**362,797**	**8,181,121**	362,797	8,181,121
Between one and five years	**395,419**	395,419	**1,451,188**	**32,724,402**	1,451,188	32,724,402
More than five years	**82,379**	181,234	**302,331**	**6,817,587**	665,128	14,998,708
	576,653	675,508	**2,116,316**	**47,723,110**	2,479,113	55,904,231

20. FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit risk
Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to cash at bank and trade and other receivables.

Trade receivables
The exposure to credit risk on trade receivables is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represent the maximum open amount.

The Company follows expected credit loss method for determination of impairment for trade receivable, additionally an impairment analysis is performed on each reporting date on specific case basis for major customer.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Trade receivables	**2,581,282**	2,046,358	**9,473,306**	**213,623,893**	7,510,136	169,354,296
Trade receivable with related parties (ref. note 18)	**35,130**	11,710	**128,928**	**2,907,317**	42,976	969,106
Other receivables (excluding advances and Vat receivable)	**27,669**	30,818	**101,546**	**2,289,854**	113,101	2,550,461
Bank balance in current accounts	**118,094**	293,598	**433,405**	**9,773,318**	1,077,506	24,297,818
	2,762,175	2,382,484	**10,137,185**	**228,594,382**	8,743,719	197,171,681

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Domestic	**1,340,582**	854,663	**4,919,938**	**110,945,050**	3,136,614	70,731,050
Other GCC countries	**810,512**	864,149	**2,974,580**	**67,077,001**	3,171,427	71,515,934
Exports	**465,318**	339,256	**1,707,716**	**38,509,159**	1,245,071	28,076,418
	2,616,412	2,058,068	**9,602,234**	**216,531,210**	7,553,112	170,323,402

Impairment losses

Expected credit loss assessment

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The age of trade receivables at the reporting date was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Not past due	**1,992,567**	1,702,090	**7,312,722**	**164,902,546**	6,246,670	140,863,007
Past due 0 - 180 days	**623,529**	355,979	**2,288,352**	**51,602,512**	1,306,442	29,460,395
Past due more than 180 days	**316**	–	**1,160**	**26,152**	–	–
	2,616,412	2,058,069	**9,602,234**	**216,531,210**	7,553,112	170,323,402

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to amounts due to related parties, short term borrowings and trade and other payables. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of letter of credit facilities.

The following are the contractual maturities of financial liabilities (including estimated interest payments).

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Carrying amount						
Lease liabilities	**510,215**	585,755	**1,872,484**	**42,224,777**	2,149,718	48,476,379
Short-term borrowings	**–**	2,610,365	**–**	**–**	9,580,040	216,030,675
Trade and other payables (excluding advances)	**1,630,655**	3,387,479	**5,984,505**	**134,951,052**	12,432,042	280,343,697
Due to related parties	**22,175**	22,117	**81,381**	**1,835,176**	81,171	1,830,376
Interest payable	**–**	4,978	**–**	**–**	18,271	411,973
	2,163,045	6,610,694	**7,938,370**	**179,011,005**	24,261,242	547,093,100

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Contractual cash flows						
Lease liabilities	**576,653**	**675,508**	**2,116,316**	**47,723,110**	2,479,113	55,904,231
Short-term borrowings	**–**	**2,610,365**	**–**	**–**	9,580,040	216,030,675
Trade and other payables	**1,630,655**	**3,387,479**	**5,984,505**	**134,951,052**	12,432,042	280,343,697
Due to related parties	**22,175**	**22,117**	**81,381**	**1,835,176**	81,171	1,830,376
Interest payable	**–**	**4,978**	**–**	**–**	18,271	411,973
	2,229,483	**6,700,447**	**8,182,202**	**184,509,338**	24,590,637	554,520,952
1 year or less						
Lease liabilities	**98,855**	98,855	**362,797**	**8,181,121**	362,797	8,181,121
Short-term borrowings	**–**	2,610,365	**–**	**–**	9,580,040	216,030,675
Trade and other payables	**1,630,655**	3,387,479	**5,984,505**	**134,951,052**	12,432,042	280,343,697
Due to related parties	**22,175**	22,117	**81,381**	**1,835,176**	81,171	1,830,376
Interest payable	**–**	4,978	**–**	**–**	18,271	411,973
	1,751,685	6,123,794	**6,428,683**	**144,967,349**	22,474,321	506,797,842
More than 1 year						
Lease liabilities	**477,798**	576,653	**1,753,519**	**39,541,989**	2,116,316	47,723,110
Short-term borrowings	**–**	–	**–**	**–**	–	–
Trade and other payables	**–**	–	**–**	**–**	–	–
Due to related parties	**–**	–	**–**	**–**	–	–
Interest payable	**–**	–	**–**	**–**	–	–
	477,798	576,653	**1,753,519**	**39,541,989**	2,116,316	47,723,110

C) Market risk

(i) Currency risk

Foreign exchange risk is limited since all significant transactions are either in USD or Dhs. (which is currently fixed to USD).

(ii) Interest rate risk

The Company has placed fixed deposits / margin money in form of fixed deposits with banks at normal commercial rates. Short term borrowings (Trust Receipts and working capital demand loans) carry interest at fixed rate linked to USD Libor.

Interest rate sensitivity analysis

A resonably possible change of 100 basis point in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Interest rate increase by 1%	**–**	(26,104)	**–**	**–**	(95,800)	(2,160,307)
Interest rate decrease by 1%	**–**	26,104	**–**	**–**	95,800	2,160,307

(iii) Price risk

The Company dose not have a significant risk in raw material price variation. In case of any variation in price same is passed on to customer through appropriate adjustment to selling price.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024 – (CONTINUED)

21. EARNINGS PER SHARE

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2024	31 March 2023	**31 March 2024**		31 March 2023	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Basic and diluted						
Profit for the year (A)	**264,994**	975,402	**972,527**	**21,930,422**	3,579,730	80,723,263
Weighted average number of shares (B)	**1,000**	1,000	**1,000**	**1,000**	1,000	1,000
Earnings per share basic / diluted (A/B)	**265**	975	**973**	**21,930**	3,580	80,723
Nominal value of equity share	**550**	550	**2,019**	**35,703**	2,019	35,703

Mr Sumit Issar
Mr Parag Shah
} Directors

STATEMENT LETTER OF DIRECTOR CONCERNING RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AS OF MARCH 31, 2024

With undersigned :

Name	: Rudy Eliezer Tiendas, S.H.
Office Address	: JI. Albasia Selatan Blok K6-09, Delta Silicon 8 Desa Sukasari, Kee. Serang Barn Kab. Bekasi, Jawa Barat 17530
Telephone number	: 021 - 5081 3033
Position	: Director

State that:

1. To take responsible for the preparation and presentation of the financial statements of the PT Mahindra Accelo Steel Indonesia (“Company”);
2. The financial statements of the Company has been composed and presented in accordance with the Financial Accounting Standards in Indonesia;
3. a. All information in the financial statements of the Company has been composed completely and rightfully;
   b. The financial statements of the Company do not contain misleading material information or facts, and do not omit material information or facts;
4. To take responsible for the internal control system in the Company.

This statement letter is made truthfully.

Tangerang, April 16, 2024

Rudy Eliezer Tiendas, S.H.
Director

INDEPENDENT AUDITORS' REPORT

The Shareholders, Board of Commissioners and Directors

PT MAHINDRA ACCELO STEEL INDONESIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PT Mahindra Accelo Steel Indonesia (the "Company"), which comprise the statement of financial position as at March 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The financial statements of PT Mahindra Accelo Steel Indonesia for the year ended March 31, 2023 were audited by another independent auditor who expressed an unqualified opinion on the financial statements with report No: 0101/2.0342/AU.1/05/0993-1/1/VI/2023 dated June 27, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REGISTERED PUBLIC ACCOUNTANTS
Prakarsa Hanum Yudhistiro

M. Hides Prakarsa, CPA, CPI
Ijin Akuntan Publik No. AP.1743
April 16, 2024

STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2024
(Expressed in Rupiah, unless otherwise stated)

	Note	March 31, 2024	March 31, 2023
ASSETS			
CURRENT ASSETS			
Cash and bank	5	**186,777,770**	491,287,208
Trade receivables - net	6	**5,594,273,770**	6,775,850,252
Other receivables	7	**42,032,089**	30,000,000
Inventory	8	**11,489,519,248**	21,383,225,004
Advances	9	**–**	20,000,000
Prepaid expenses	10	**178,188,491**	63,919,804
Prepaid tax	28a	**19,665,955,313**	18,659,234,427
Total current assets		**37,156,746,681**	47,423,516,695
Non-Current Assets			
Fixed assets - net	11	**93,530,743,532**	97,853,318,912
Intangible assets	12	**6,751,648**	11,551,648
Security deposit	13	**1,366,617,024**	1,366,617,024
Deffered tax assets	28d	**9,605,197,803**	–
Total non-current assets		**104,509,310,007**	99,231,487,584
TOTAL ASSETS		**141,666,056,687**	146,655,004,279
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables	14	**31,506,870,467**	47,592,122,209
Sales advance	15	**–**	8,575,970
Tax payable	28b	**120,393,715**	72,140,070
Accrued expenses	16	**2,133,119,223**	841,770,110
Short-term bank loans	17	**31,700,000,000**	9,950,000,000
Loan from related parties	19	**15,094,339,623**	–
Current maturities of long term liabilities	17	**15,750,000,000**	11,200,000,000
Other payables	18	**1,077,566,989**	1,928,276,081
Total current liabilities		**97,382,290,017**	71,592,884,440
Non-Current Liabilities			
Long-term liabilities from bank loan - net of current maturities	17	**25,200,000,000**	42,000,000,000
Employment benefits liabilities	20	**217,458,050**	126,181,116
Total non-current liabilities		**25,417,458,050**	42,126,181,116
TOTAL LIABILITIES		**122,799,748,067**	113,719,065,556
EQUITY			
Capital stock - nominal value Rp10,000,000 per share Authorized - 11,300 shares Subscribed and paid-up 5,550 shares	21	**55,500,000,000**	55,500,000,000
Actuarial gain (loss)		**35,960,976**	–
Deficit		**(36,669,652,356)**	(22,564,061,277)
Total equity		**18,866,308,620**	32,935,938,723
TOTAL LIABILITIES AND EQUITY		**141,666,056,687**	146,655,004,279

The accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2024
(Expressed in Rupiah, unless otherwise stated)

	Note	March 31, 2024	March 31, 2023
REVENUE	22	**61,782,759,513**	61,788,569,437
COST OF REVENUE	23	**(58,152,825,587)**	(57,633,188,563)
GROSS PROFIT		**3,629,933,926**	4,155,380,874
Selling expenses	24	**(2,099,350,388)**	(3,190,244,592)
General and administrative expenses	25	**(15,787,309,173)**	(11,471,794,994)
Finance cost	26	**(9,996,666,959)**	(5,546,074,188)
Other income (expenses) - net	27	**532,460,873**	(2,125,100,409)
Total		**(27,350,865,647)**	(22,333,214,183)
NET PROFIT (LOSS) BEFORE TAX		**(23,720,931,721)**	(18,177,833,309)
INCOME TAX BENEFITS (EXPENSE)			
Current	28c	**–**	–
Deferred	28d	**9,615,340,642**	–
NET PROFIT (LOSS) CURRENT YEARS		**(14,105,591,079)**	(18,177,833,309)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit loss:			
Actuarial gain/(loss)		**46,103,815**	**–**
Related income tax		**(10,142,839)**	**–**
TOTAL COMPREHENSIVE INCOME CURRENT YEARS		**(14,069,630,103)**	(18,177,833,309)

The accompanying notes to financial statements which are an integral part of the financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024
(Expressed in Rupiah, unless otherwise stated)

	March 31, 2024	March 31, 2023
Cash Flow from Operating Income		
Net profit (loss) before tax	**(23,720,931,721)**	(18,177,833,309)
Adjustment for:		
Payment of taxes	**(1,188,584,236)**	(1,353,726,739)
Unrealised gains on acturial valuations	**46,103,815**	–
Depreciation and amortisation	**4,548,584,986**	4,499,973,786
Operational profit/(loss) before changes of assets and liabilities	**(20,314,827,156)**	(15,031,586,262)
(Increase)/decrease of current assets		
Trade receivables	**1,181,576,483**	(6,775,850,252)
Other receivables	**(12,032,089)**	(30,000,000)
Inventory	**9,893,705,756**	(12,465,698,446)
Advances	**20,000,000**	(20,000,000)
Prepaid expenses	**(114,268,687)**	7,085,239
Prepaid tax	**181,863,350**	(4,935,566,559)
Other assets	**–**	29,000,000
Increase/(decrease) of current liabilities		
Trade payables	**(16,085,251,742)**	39,195,344,031
Sales advance	**(8,575,970)**	(878,144,907)
Tax payable	**48,253,645**	50,484,879
Accrued expenses	**1,291,349,113**	(30,111,739)
Other payables	**(759,432,158)**	1,808,199,367
Net cash provided from (used to) operating activities	**(24,677,639,455)**	923,155,351
Cash Flows from Investing activities		
Acquisition of fixed assets	**(190,858,205)**	(5,548,299,801)
Assets in progress	**(30,351,401)**	–
Net cash provided from (used to) investing activities	**(221,209,606)**	(5,548,299,801)
Cash Flow from Financing Activities		
Receipt/(payment)		
Bank long-term loan	**(12,250,000,000)**	(2,800,000,000)
Bank short-term loan	**21,750,000,000**	9,950,000,000
Related party loan	**15,094,339,623**	(5,677,139,0506)
Net cash provided from (used to) financing activities	**24,594,339,623**	1,472,860,944
Net increase (decrease) in cash and bank	**(304,509,438)**	(3,152,283,506)
Cash and bank at beginning of the year	**491,287,208**	3,643,570,714
CASH AND BANK AT END OF YEAR	**186,777,770**	491,287,208

The accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024
(Expressed in Rupiah, unless otherwise stated)

	Capital Stock	Acturial Gain (loss)	Deficit	Total Equity
Balance as of April 1, 2022	55,500,000,000	–	(4,386,293,116)	51,113,706,884
Net profit current year	–	–	(18,177,768,161)	(18,177,768,161)
Other comprehensive income	–	–	–	–
Balance as of March 31, 2023	55,500,000,000	–	(22,564,061,277)	32,935,938,723
Net profit current year	–	–	(14,105,591,079)	(14,105,591,079)
Other comprehensive income	–	35,960,976	–	35,960,976
Balance as of March 31, 2024	**55,500,000,000**	**35,960,976**	**(36,669,652,356)**	**18,866,308,620**

The accompanying notes to financial statements which are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2024 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information

PT Mahindra Accelo Steel Indonesia ("the Company") was established based on deed No. 65 dated December 18, 2018 by notary Mala Mukti S.H., a notary in Jakarta. The Company's Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-0060888.AH.01.01 Tahun 2018 dated December 19, 2018. The Company's Articles of Association have been amended several times, the latest being deed No. 843 dated October 16, 2023 of Hambit Maseh, S.H., a notary in Jakarta, regarding Amendment to the Board of Directors and Commissioners. The amendment deed has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia with letter No. AHU-AH.01.09-0174403 dated October 17, 2023. The Company has also been registered as a taxpayer with the Ministry of Finance of the Republik of Indonesia and the Directorate General of Taxes with Taxpayer Identification Number 90.338.648.0-018.000.

The company is domiciled at Jalan Albasia Selatan Blok K6-09 Delta Silicon 8, Sukasari, Serang Baru, Cikarang, Bekasi, West Java.

b. Business activities

In accordance with deed No. 898 dated June 28, 2021 of Hambit Maseh, S.H., notary in Jakarta which has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia with letter No. AHU-0037332. AH.01.02. Year 2021 dated June 30, 2021, the purpose and objective of the Company is to conduct business in the processing industry and wholesale trade. To achieve these purposes and objectives, the company can carry out the following business activities:

– Engaged in business in the processing industry, including industrial services for a variety of specialized metalworking and metal goods.

– Running a business in the processing industry, including the voltage converter (transformer), current converter (rectifier) and voltage controller (voltage stabilizer) industries.

– Engaged in business in the field of wholesale trade, including wholesale trade in metals and metal ores.

c. Composition of the company's management

The composition of the company's management as of March 31, 2024 and 2023 are as follows:

Board of Commissioners	2024	2023
President Commissioner	Mr Parag Chandulal Shah	Mr Parag Chandulal Shah
Commissioner	Mr Sumit Issar	Mr Sumit Issar
President Director	Mr Vijay Arora	Mr Vijay Arora
Director	Mr Rudy Eliezer Tiendas, SH	Mr Dharmesh Vipinchandra Modi
Director	Mr Laxman Baburao Popalghat	Mr Rudy Eliezer Tiendas, SH
Director	Mr Bharat Goenka	Ms Ami Vijaykumar Goda

Effective March 2, 2024, the company's president commissioner, Mr. Parag Chandulal Shah resigned from the companies board of commissioners. With effect from March 21, 2024, the company's director Mr. Bharat Goenka, resigned from the company's board of directors. The deed of amendment of the new board of directors of the company is in the process of being finalized.

The number of permanent employees (unaudited) as of March 31, 2024 and 2023 is 16 and 13 employees respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (PSAK) AND INTERPRETATIONS OF PSAK (ISAK)

i. New and Revised Statements of Financial Accounting Standard ("PSAK") and Interpretations of Financial Accounting Standard ("ISAK") effective for the year beginning on or after January 1,2023.

Standards and amendments to standards effective for periods beginning on or after January 1, 2023, with early adoption is permitted are:

- Amendments PSAK 1: Presentation of Financial Statements regarding Disclosure of Accounting Policies;
- Amendments PSAK 1: Presentation of Financial Statements regarding Classification of Liabilities as a Current or Non Current;
- PSAK 16 (amendment) Property, Plant and Equipment: Proceeds before Intended Use;
- Amendments PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors regarding Definition of Accounting Estimates;
- Amendments PSAK 46: Income Tax regarding Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and
- Revised PSAK 107: Accounting for Ijarah.

The implementation of the standards has no significant impact on the number reported in the current reporting period or previous periods.

ii. New standards which effective for periods beginning on or after January 1, 2025, with early adoption is permitted, are as follows:

- PSAK 74: Insurance Contract; and
- Amendments PSAK 74: Insurance Contract regarding Initial Application of PSAK 74 and PSAK 71 – Comparative Information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared and presented in accordance with Financial Accounting Standards in Indonesia, which includes the Statement of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (IFAS) issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants.

b. Basis preparation of financial statements

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The statement of cash flows is prepared using the in-direct method with classifications of cash flows into operating, investing and financing activities.

c. Foreign currency transactions and translation

The individual financial statements are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Indonesian Rupiah, which is the functional currency of the Company and the presentation currency for the financial statements.

Foreign currency transactions are translated into Rupiah using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2024 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

currency are translated into Rupiah using the closing exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within “finance income or costs”. All other net foreign exchange gains and losses are presented in the profit or loss within “other (losses)/ gains - net”.

Exchange differences are recognized in profit or loss in the period in which they arise.

Exchange rate used as benchmark is the rate which is issued by Bank Indonesia. The closing rates used as of March 31, 2024 and 2023 are as follows:

	2024	2023
1 US Dollar	15,853	15,062
1 Indian Rupee	190	–

d. Transactions with related parties

A related party is a person or entity that is related to the Company (the reporting entity):

1. A person or a close member of that person’s family is related to the reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
2. An entity is related to the reporting entity if any of the following conditions applies:
   i. The entity and the reporting entity are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled or jointly controlled by a person identified in (a).
   vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).
   viii. The entity, or any member of a Company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

e. Financial assets

Financial assets are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding.

The financial assets measured at amortised cost comprise cash and cash equivalents, trade accounts receivable, other accounts receivable and guarantee deposits in the statement of financial position.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

i. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

i. to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see below); and

ii. to designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see below).

<u>Amortized cost and effective interest method</u>

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

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Interest is recognized using the effective interest method for debt instruments measured subsequently at amortized cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company recognizes a loss allowance for Expected Credit Losses ("ECL") on trade and other accounts receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Impairment of financial assets

The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increase in credit risk

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, not recoverable. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

f. Financial liabilities and equity instruments

Financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either "at FVTPL" or "at amortized cost".

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

– it has been acquired principally for the purpose of repurchasing in the near term; or

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– on initial recognition it is part of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivative that is not designated and effective as a hedging instrument.

The Company does not hold financial liabilities that are designated as at FVTPL upon initial recognition.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Financial liabilities at amortized cost

Other financial liabilities, which include trade and other accounts payables, accrued expenses, bank and other borrowings, are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and method of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

g. Netting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

h. Cash and bank

Cash and cash equivalents are cash on hand and bank which are not used as collateral or are not restricted.

i. Trade receivable - net

Receivables are presented at the net amount after deducting the allowance for doubtful accounts based on an individual review of each receivable balance at the end of the year. At each balance sheet date, the Company evaluates whether there is objective evidence that receivables are impaired. Receivables are impaired and an impairment loss has occurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset, and the adverse event has an impact on the estimated future cash flows on financial assets or groups of financial assets that can be estimated reliably.

j. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method. Net realizable value is the estimated selling price of inventory minus all completion costs and estimated costs required to make the sale. Provision for impairment for inventory is carried out based on the results of a review of inventory conditions at the end of the year.

k. Prepaid expenses and advances

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

Advance payment is a payment for the procurement of goods and/or services which is calculated according to the price of the goods and/ or services received.

l. Fixed asset

Fixed assets are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Useful life	Depreciation rate
Building	30 year	3.33%
Machineries	15 year	6.67%
Furniture and Fittings	10 year	10%
Office and Factory Equipment	5-15 year	6,67% - 20%
Computer	4 year	25%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

m. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

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determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

n. Leases

As lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

i. fixed lease payments (including in- substance fixed payments), less any lease incentives;
ii. variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
iii. the amount expected to be payable by the lessee under residual value guarantees;
iv. the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
v. payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

i. the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured y discounting the revised lease payments using a revised discount rate.
ii. the lease payment change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
iii. a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurements of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the conditions required by the terms and conditions of the lease, a provision is recognized and measured under PSAK 57. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets. If a lease transfers ownership of the underlying assets or the cost of the right-of-use assets reflects that of the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying assets. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies PSAK 48 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of assets policy.

Variable rents that do not depend on an index or rate are not included in the measurements of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line “Other expenses” in statement of profit or loss and other comprehensive income.

As a practical expedient, PSAK 73 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Rental income from operating leases is recognized on accrual basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

o. Revenue and expense recognition

The Company recognizes revenue from sale of goods and service. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer. The Company has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Sales of goods

Revenues from cash sales of inventories based on delivery, which are recognized when the goods are received to the customers.

Service revenue

Revenue from services is recognized when services are rendered to the customers.

Expenses

Expenses are recognized when incurred.

p. Post employment benefits

The company implements PSAK No. 24, “Employee Benefits” and Law no. 11 of 2020 and Government Regulation no. 35 of 2021 concerning Job Creation and Company Regulations, where all actuarial gains (losses) from the company’s employee benefits liabilities must be recognized directly in other comprehensive income.

The actuarial valuation method used to determine the present value of employee benefits, related current service costs, and past service costs is the Projected Unit Credit Method. The provision for past service costs is deferred and amortized over the expected average remaining service years of the eligible employees. In addition, the

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provision for service costs is now charged directly to current year operations.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognized as income or expenses if the accumulated net unrecognized actuarial gains or losses at the end of the previous reporting period exceed 10% of the value of the defined benefit obligation or 10% of the fair value assets and pensions, as of that date. Actuarial gains or losses in excess of the 10% limit are recognized on a straight-line basis over the expected average remaining working lives of eligible employees.

An entity recognizes gain or loss from a curtailment when the curtailment occurs. Quarterly gains or losses consist of changes in the present value of defined benefit pension obligations and actuarial gains or losses and past service costs that have not been previously recognized.

q. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

<u>Estimated Useful Lives of Property and Equipment</u>

The useful life of each item of the Company's property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property and equipment would affect the recorded depreciation expense and decrease in the carrying values of these assets.

<u>Employee Benefits</u>

The determination of provision for post employment benefits is dependent on selection of certain assumptions used by management in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. While it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual results or significant changes in assumptions may materially affect the Company's provision for employment benefits.

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Income Tax

Under the tax laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitation under prevailing regulations. The Company has exposure to income taxes since significant judgment is involved in determining the Company's provision for income taxes.

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax provisions in the period in which such determination is made.

5. CASH AND BANKS

	March 31, 2024	March 31, 2023
Cash	**–**	**1,772,385**
Bank (Rupiah):		
PT Bank Mandiri (Persero), Tbk	**34,534,797**	**17,135,322**
MUFG Bank, Ltd	**152,242,973**	**355,785,568**
PT Bank HSBC Indonesia	**–**	**116,593,933**
Total	**186,777,770**	**491,287,208**

6. TRADE RECEIVABLES - NET

	March 31, 2024	March 31, 2023
Related parties		
Mahindra Accelo Limited	**260,314,187**	–
Nippon Steel Trading Coorporation	**–**	6,775,850,252
	260,314,187	–
Third parties		
PT Unelec Indonesia	**3,142,360,659**	–
PT Maxima Daya Indonesia	**1,942,590,154**	–
PT Elsewedy Electric Indonesia	**128,280,530**	–
PT Mastra Mulia Mandiri	**100,146,231**	–
Below Rp100 Mn	**20,582,009**	–
	5,333,959,583	6,775,850,252
Total	**5,594,273,770**	6,775,850,252

Accounts receivable aging analysis is calculated from the time the invoice is issued:

	March 31, 2024	March 31, 2023
Due 1 - 30 days	**5,089,913,252**	6,775,850,252
Due 31 - 60 days	**100,146,230**	–
Due 61 - 90 days	**69,939,108**	–
Due 91 - 120 days	**–**	–
Due > 120 days	**334,275,181**	–
Total	**5,594,273,770**	6,775,850,252

Based on the review of trade receivables at the end of the year, management believes that all trade receivables are collectible, so the company does not make allowances for impairment losses or allowances for uncollectible accounts.

7. OTHER RECEIVABLES

	March 31, 2024	March 31, 2023
Employee receivable	**40,000,000**	**30,000,000**
Others	**2,032,089**	**–**
Total	**42,032,089**	**30,000,000**

8. INVENTORIES

	March 31, 2024	March 31, 2023
Raw materials	**5,283,774,180**	19,915,174,000
Semi finished goods	**4,011,091,856**	2,600,279,830
Finished goods	**2,437,855,066**	1,062,125,408
	11,732,721,102	23,577,579,238
Less: Allowance for impairment of inventories	**(243,201,854)**	(2,194,354,234)
Total	**11,489,519,248**	21,383,225,004

9. ADVANCES

	March 31, 2024	March 31, 2023
Others	**–**	20,000,000
Total	**–**	20,000,000

10. PREPAID EXPENSES

	March 31, 2024	March 31, 2023
Insurance	**61,505,938**	63,919,804
Others	**116,682,553**	–
Total	**178,188,491**	63,919,804

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11. FIXED ASSETS

	March 31, 2024				
	Beginning balance	**Addition**	**Deduction**	**Reclassification**	**Ending balance**
At cost					
Direct acquisition					
Land	**18,975,114,097**	**–**	**–**	**–**	**18,975,114,097**
Building	**33,445,380,745**	**40,723,164**	**–**	**–**	**33,486,103,909**
Machineries	**44,873,976,018**	**33,775,856**	**–**	**–**	**44,907,751,874**
Furniture and Fittings	**451,743,535**	**18,040,678**	**–**	**–**	**469,784,213**
Office and Factory Equipment	**4,471,143,148**	**71,406,710**	**–**	**–**	**4,542,549,858**
Computer	**140,680,723**	**26,911,797**	**–**	**–**	**167,592,520**
Sub-total	**102,358,038,266**	**190,858,205**	**–**	**–**	**102,548,896,471**
Contruction in progress	**–**	**30,351,401**	**–**	**–**	**30,351,401**
Sub-total	**–**	**30,351,401**	**–**	**–**	**4,504,719,354**
Total	**102,358,038,266**	**221,209,606**	**–**	**–**	**102,579,247,872**
Accumulated depreciation					
Direct acquisition					
Building	**1,114,846,025**	**1,117,560,902**	**–**	**–**	**2,232,406,927**
Machineries	**2,982,791,481**	**2,992,766,217**	**–**	**–**	**5,975,557,698**
Furniture and Fittings	**34,270,209**	**45,906,431**	**–**	**–**	**80,176,640**
Office and Factory Equipment	**333,086,362**	**352,283,448**	**–**	**–**	**685,369,810**
Computer	**39,725,277**	**35,267,987**	**–**	**–**	**74,993,264**
Total	**4,504,719,354**	**4,543,784,986**	**–**	**–**	**9,048,504,340**
BOOK VALUE	**97,853,318,912**				**93,530,743,532**

	March 31, 2023				
	Beginning balance	**Addition**	**Deduction**	**Reclassification**	**Ending balance**
At cost					
Direct acquisition					
Land	18,973,859,487	1,254,610	–	–	18,975,114,097
Building	–	482,996,059	–	32,962,384,686	33,445,380,745
Machineries	–	–	–	44,873,976,018	44,873,976,018
Furniture and Fittings	–	451,743,535	–	–	451,743,535
Office and Factory Equipment	–	4,471,143,148	–	–	4,471,143,148
Computer	13,918,274	126,762,449	–	–	140,680,723
Sub-total	18,987,777,761	5,533,899,801	–	77,836,360,704	102,358,038,266
Contruction in progress	77,836,360,704	–	–	(77,836,360,704)	
Sub-total	77,836,360,704	–	–	(77,836,360,704)	
Total	96,824,138,465	5,533,899,801	–	–	102,358,038,266

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	March 31, 2023				
	Beginning balance	Addition	Deduction	Reclassification	Ending balance
Accumulated depreciation					
Direct acquisition					
Building	–	1,114,846,025	–	–	1,114,846,025
Machineries	–	2,982,791,481	–	–	2,982,791,481
Furniture and Fittings	–	34,270,209	–	–	34,270,209
Office and Factory Equipment	–	333,086,362	–	–	333,086,362
Computer	7,593,920	32,131,357	–	–	39,725,277
Total	7,593,920	4,497,125,434	–	–	30,351,401
BOOK VALUE	96,816,544,545				97,853,318,912

Depreciation expense is allocated as administrative and general expenses as of March 31, 2024 and 2023 amounting to Rp4,543,784,986 and Rp4,497,125.434, respectively.

12. INTANGIBLE ASSETS

	March 31, 2024	March 31, 2023
Software program		
Acquisition cost		
Beginning balance	**14,400,000**	–
Addition	**–**	14,400,000
Deduction	**–**	–
Ending balance	**14,400,000**	14,400,000
Amortisation		
Acquisition		
Beginning balance	**(2,848,352)**	–
Addition	**(4,800,000)**	(2,848,352)
Deduction	**–**	–
Ending balance	**(7,648,352)**	(2,848,352)
Book value	**6,751,648**	11,551,648

13. SECURITY DEPOSIT

	March 31, 2024	March 31, 2023
Custom Authority of Indonesia	**1,193,486,000**	1,193,486,000
PT Cikarang Listrindo	**173,131,024**	173,131,024
Total	**1,366,617,024**	1,366,617,024

Custom Authority of Indonesia

Represents custom deposit payment to Customs Authority of Indonesia for the temporary import permit for Machine -TBA 1000.

PT Cikarang Listrindo

Represents guarantee payment to PT Cikarang Listrindo for electricity connection based on agreement Number: 14.329/CL-PPA/XI/2020.

14. TRADE PAYABLES

	March 31, 2023	March 31, 2022
Related parties:		
Nippon Steel Trading Corporation	**27,916,473,515**	38,283,714,058
Mahindra Middle East Electrical Steel Service Center FZC	**556,440,300**	182,871,000
Mahindra and Mahindra Limited	**5,909,047**	–
Third parties:		
Zhejiang Huaying New Material Technology Co., Ltd	**2,390,347,046**	–
PT Badan Sintra Sinarindo Elektrik	**264,168,049**	–
PT Pilar Abadi Lestari	**80,125,052**	147,041,000
PT Packing Material Indonesia	**68,666,157**	182,007,187
Deloitte Touche Solutions	**54,500,000**	–
Cumic Steel Limited	**–**	8,646,637,604
Others (less than Rp50 million)	**170,241,301**	149,851,360
Total	**31,506,870,467**	47,592,122,209

15. SALES ADVANCES

Represents domestic advance sales as of March 31, 2024 and 2023 amounting to Rp0 and Rp8,575,970, respectively.

16. ACCRUED EXPENSES

	March 31, 2024	March 31, 2023
Interest loan	**1,295,555,599**	325,617,389
Performance pay	**396,345,792**	205,231,296
Professional fee	**312,248,265**	138,500,000
Electricity	**50,000,000**	–
BPJS	**25,223,837**	21,973,746
THR	**–**	150,447,679
Others	**53,745,730**	–
Total	**2,133,119,223**	841,770,110

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2024 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

17. BANK LOANS

a. Short-Term

	March 31, 2024	March 31, 2023
MUFG Bank, Ltd	**31,700,000,000**	9,950,000,000
Total	**31,700,000,000**	9,950,000,000

b. Long-Term

	March 31, 2024	March 31, 2023
MUFG Bank, Ltd	**40,950,000,000**	53,200,000,000
Less: Current maturity one year	**15,750,000,000**	11,200,000,000
Long-term part	**25,200,000,000**	42,000,000,000

Credit Agreement MUFG Bank, Ltd

Based on Credit Agreement number 2023-0057705_2023-0063392 dated February 28, 2024 which is an amendment and restatement of Credit Agreement Number 2021-0054119-LT dated November 25, 2021 as last amended by Amendment to Credit Agreement Number 2022-0009487-LT dated March 14, 2022, Credit Agreement Number 2021-0054119-LN dated January 7, 2022 as last amended by Amendment to Credit Agreement Number 2023-0015489-LN dated May 28, 2023, and Addendum on commercial terms Number 2023-0015489 dated May 28, 2023.

1) Credit Facilities:	Committed term loan facility
Plafond:	Rp56,000,000,000
Period:	until November 25, 2026
Interest rate:	Jisbor + Margin 3.25% p.a
Purpose:	Refinancing HSBC term loan and payment to contractor for building plant.
Security:	1). Mortgage over land and building with collateral value of RP45,000,000,000. 2). Fiducia over machineries with collateral value of Rp25,000,000,000.

2) Credit Facilities:	Uncommitted short term loan facility - Common line facility 1.
Plafond:	USD3,000,000
Period:	until March 28, 2025
Interest rate:	Jisbor + Margin 2.20% p.a
Purpose:	Working capital requirements
Security:	Clean

3) Credit Facilities:	Uncommitted Import settlement facility - Common line facility 1.
Plafond:	USD8,000,000
Period:	until August 28, 2025
Interest rate:	Jisbor + Margin 1.50% p.a
Purpose:	LC settlement
Security:	Clean

4) Credit Facilities:	Uncommitted LC Import/LC Local (Sight/ Usance) facility - Common line facility 1.
Plafond:	USD8,000,000
Period:	until August 28, 2025
Purpose	Purchase of material/ equipment/ other.
Security:	Clean
Other conditions:	All LC issuance must be available with MUFG Bank/Branch by negotiation.

5) Credit Facilities:	Uncommitted Invoice Financing facility - Common line facility 1
Plafond:	USD8,000,000
Period:	until May 28, 2025
Interest rate:	Jisbor + Margin 2.00% p.a
Purpose	To finance against underlying documents.
Security:	Clean

6) Credit Facilities:	Uncommitted forward foreign exchange facility (Spot/ Forward).
Plafond:	USD5,000,000
Period:	until May 28, 2025
Purpose	Hedging
Security:	Clean

18. OTHER PAYABLES

	March 31, 2024	March 31, 2023
PT Platetech Bajatama Internasional	**1,077,566,989**	1,928,276,081
Total	**1,077,566,989**	1,928,276,081

Represents payable to PT Platetech Bajatama Internasional for construction work services for the construction of PT Mahindra Acello Steel Indonesia's factory at Delta Silicon 8, Lippo Cikarang, Bekasi.

19. LOAN FROM RELATED PARTIES

	March 31, 2024	March 31, 2023
Mahindra Accelo Limited	**15,094,339,623**	–
Total	**15,094,339,623**	–

20. EMPLOYEE BENEFIT

The Company calculates and accounts for defined benefit post-employment benefits for its qualified employees in accordance with the Job Creation Law No. 11 of 2020, Government Regulation No. 35 of 2021 on Job Creation.

The Company recorded provision for post-employment benefits as of March 31, 2024 and 2023 based on the calculation of an independent actuary conducted by KKA V. Agus Basuki in his report No.115 /LAP/KKA-VAB/IV/2024 dated April 02, 2024 and No.124 /LAP/KKA-VAB/V/2023 dated May 8, 2023 using the "Projected Unit Credit" method with the following assumptions:

	March 31, 2024	March 31, 2023
Cost component		
Current service costs	**128,472,363**	72,000,330
Past service costs	**–**	54,180,786
Interest costs	**8,908,387**	–
Increase/(decrease) in liabilities due to program changes	**–**	–
Total	**137,380,750**	126,181,116

NOTES TO FINANCIAL STATEMENTS (Continued)
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	March 31, 2024	March 31, 2023
Program assets/(liabilities)		
Beginning balance	**126,181,116**	–
Current year expenses	**137,380,750**	126,181,116
Other comprehensive income (OCI)	**(46,103,815)**	–
Balance of employee benefit liabilities	**217,458,050**	126,181,116

The significant assumptions for determining the defined benefit obligation are the discount rate and expected salary increases.

	March 31, 2024	March 31, 2023
Discount rate per year	**6.90%**	7.06%
Normal pension rate	**56 year**	56 year

The sensitivity analysis below is determined based on the respective changes in assumptions that may occur at the end of the reporting period, with all other assumptions remain constant.

Sensitivity analysis of changes in financial assumptions is as follows:

	March 31, 2024	March 31, 2023
Present value of liabilities at a discount rate of +1%	**187,133,770**	108,417,911
Present value of liabilities at a discount rate of -1%	**253,448,176**	147,259,852
Present value of liabilities with a wage increase rate +1%	**252,997,336**	147,032,413
Present value of liabilities with a wage increase rate of -1%	**186,941,878**	108,278,498

21. CAPITAL STOCK

The authorized capital of the Company amounted to Rp113,000,000,000 consisting of 11,300 shares with a nominal value of Rp10,000,000 per share. Of the authorized capital, 5,550 shares have been issued and fully paid up or amounting to Rp55,500,000,000.

The composition of the Company's shareholders as of March 31, 2024 and 2023 is as follows:

Name of Shareholders	Number of shares	Percentage of Ownership	Total
Mahindra Accelo Limited	5,549	99.98%	55,490,000,000
Karthick Gnanasekaran	1	0.02%	10,000,000
Total	5,550	100%	55,500,000,000

22. REVENUE

	March 31, 2024	March 31, 2022
Steel sales	**61,136,544,104**	61,788,569,437
Processing income	**646,215,409**	–
Total	**61,782,759,513**	61,788,569,437

23. COST OF REVENUE

	March 31, 2024	March 31, 2022
Raw material		
At beginning of year	**17,720,819,766**	8,917,526,558
Purchase of raw materials	**47,784,737,959**	69,977,778,092
At end of year	**(5,040,572,326)**	(17,720,819,766)
Raw materials used	**60,464,985,399**	61,174,484,884
Manufacturing expenses	**474,381,872**	121,108,917
	60,939,367,271	61,295,593,801
Semi Finished goods		
At beginning of year	**2,600,279,830**	–
At end of year	**(4,011,091,856)**	(2,600,279,830)
	(1,410,812,026)	(2,600,279,830)
Cost of goods manufactured	**59,528,555,245**	58,695,313,971
Finished goods		
At beginning of year	**1,062,125,408**	–
At end of year	**(2,437,855,066)**	(1,062,125,408)
Cost Of Good Sold	**58,152,825,587**	57,633,188,563

24. SELLING EXPENSES

	March 31, 2024	March 31, 2023
Packaging materials	**1,545,851,459**	1,036,388,859
Freight charges	**538,647,159**	2,135,343,475
Promotion	**13,066,770**	15,782,258
Store consumed	**1,785,000**	2,730,000
Total	**2,099,350,388**	3,190,244,592

25. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2024	March 31, 2023
Employee salary	**4,685,576,392**	3,019,282,192
Depreciation	**4,543,784,986**	4,497,125,434
Rent	**1,828,710,000**	822,919,500
Professional fees	**1,598,832,180**	1,186,539,022
Maintenance and repair	**1,280,720,225**	577,906,942
Electricity	**525,293,430**	411,926,847
Business trip	**374,895,547**	196,285,325
Fixed asset insurance	**173,504,091**	298,070,880
Employment benefit	**137,380,750**	–
Director's expenses	**94,204,000**	75,672,060
Amortization	**4,800,000**	2,848,352
Others (under 100 million)	**539,607,572**	383,218,440
Total	**15,787,309,173**	11,471,794,994

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2024 AND FOR THE YEAR THEN ENDED
(Expressed in Rupiah, unless otherwise stated)

26. FINANCE COST

	March 31, 2024	March 31, 2023
Interest expense on bank long term loans	**4,934,952,693**	4,501,248,239
Interest expense on bank short term loans	**3,371,855,348**	476,922,524
Interest expense from related parties	**1,011,468,663**	249,638,580
Interest from LC discount	**678,390,255**	318,264,845
Total	**9,996,666,959**	5,546,074,188

27. OTHER INCOME (EXPENSES) - NET

	March 31, 2024	March 31, 2023
Other income		
Fixed deposit interest	**–**	6,495,590
Other interest	**73,222**	–
Foreign exchange gain	**867,269,239**	–
Other income	**67,248,380**	10,589,827
Total	**934,590,841**	17,085,417
Other expenses		
Foreign exchange loss	**–**	(1,842,201,108)
Bank administration	**(402,129,968)**	(299,428,340)
Other expenses	**–**	(556,378)
	(402,129,968)	(2,142,185,826)
Total	**532,460,873**	(2,125,100,409)

28. TAXATION

a. Prepaid tax

	March 31, 2024	March 31, 2023
Income tax article 28:		
Year 2021	**667,897,000**	667,897,000
Year 2022	**1,766,175,739**	1,766,175,739
Year 2023	**1,188,584,829**	–
VAT - in	**16,043,297,745**	16,225,161,688
Total	**19,665,955,313**	18,659,234,427

b. Taxes payable

	March 31, 2024	March 31, 2023
Income taxes article 21	**68,067,778**	61,403,200
Income taxes article 23	**11,602,773**	10,736,870
Income taxes article 25	**–**	–
Income taxes article 29	**–**	–
Income taxes article 4 (2) final	**40,723,164**	–
Total	**120,393,715**	72,140,070

c. Corporate income tax

The reconciliation between profit before income tax, as presented in the statement of profit or loss and other comprehensive income, and estimated taxable income for the years ended March 31, 2024 and 2023 is as follows:

	March 31, 2024	March 31, 2023
Net profit/(loss) before income tax	**(23,720,931,721)**	(18,177,768,161)
Fiscal adjustments consist of:		
Permanent correction:		
Interest income	**(73,222)**	(6,495,590)
Staff welfare	**49,299,647**	89,903,502
Others	**134,055,199**	28,328,000
Temporery correction:		
Employee benefit	**137,380,750**	–
Depreciation	**(9,550,711,472)**	–
Fiscal loss for the current year	**(32,950,980,000)**	(18,066,032,000)
Fiscal loss for the previous year	**(20,168,444,548)**	(2,102,412,548)
Total fiscal loss	**(53,119,424,548)**	(20,168,444,548)
Estimated Corporate Income Tax		
Less:		
Prepaid tax:		
Income taxes article 22	**1,188,584,829**	1,766,175,739
Income tax payable/(over) payment	**(1,188,584,829)**	(1,766,175,739)

NOTES TO FINANCIAL STATEMENTS (Continued)
AS AT MARCH 31, 2024 AND FOR THE YEAR THEN ENDED
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d. Deferred tax

The details of the Company's deferred tax assets are as follows:

	April 1, 2023	Prior year adjustment	profit or loss	Other comprehensive income	March 31, 2024
Employee benefit	–	–	30,223,765	–	30,223,765
Depreciation	–	–	(2,101,156,524)	–	(2,101,156,524)
Actuarial gain/ (loss)	–	–	–	(10,142,839)	(10,142,839)
Fiscal loss	–	4,437,057,801	7,249,215,600	–	11,686,273,401
Deferred tax assets	**–**	**4,437,057,801**	**5,178,282,841**	**(10,142,839)**	**9,605,197,803**

A reconciliation between total income tax benefit (expense) and the amounts computed by applying the effective tax rate to loss before tax is as follows:

	March 31, 2024	March 31, 2023
Loss before tax per statement of profit or loss and other comprehensive income	**(23,720,931,721)**	–
Income tax expense at effective tax rate	**(5,218,604,979)**	–
Tax effect of permanen differences	**40,322,000**	–
Beginning balance adjustment	**(4,437,057,801)**	–
Deferred tax benefits	**(9,615,340,779)**	–

29. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

There were transactions between the Company and related parties during the years ended March 31, 2024 and 2023. The Company conducts transactions in the context of carrying out its business activities.

Details of parties who are related parties are as follows:

Related parties	**Nature of relationship**	**Jenis Transaksi**
Mahindra Accelo Limited	Shareholder	Loan and Sale of goods
Mahindra Middle East Electrical Steel Service Center FZC	Fellow Subsidiary	Lease Payment
Mahindra & Mahindra Limited	Ultimate Holding Company	Operational Services
Nippon Steel Trading Coorporation	Associate Company	Purchases
Mr Dharmesh Vipinchandra Modi	Director	
Mr Rudy Eliezer Tiendas, SH	Director	Managerial Remuneration
Mr Laxman Baburao Popalghat	Director	

Transactions with Related Parties

In its business activities, the Company conducts certain transactions with related parties, which include among others:

	Percentage of total asset		Balance as of March 31,	
	2024	2023	**2024**	2023
Trade receivable				
Mahindra Accelo Limited	**0,18%**	0,00%	**260,314,187**	–
Nippon Steel Trading Coorporation	**0,00%**	4,62%	**–**	6,775,850,252

	Percentage of total liabilities		Balance as of March 31,	
	2024	2023	**2024**	2023
Trade payable				
Nippon Steel Trading Coorporation	**22,73%**	33,67%	**27,916,473,515**	38,283,714,058
Mahindra Middle East Electrical Steel	**0,45%**	0,16%	**556,440,300**	182,871,000
Mahindra and Mahindra Limited	**0,00%**	0,00%	**5,909,047**	–
Loan from related parties				
Mahindra Accelo Limited	**12,29%**	–	**15,094,339,623**	–

	Percentage of total revenue		Sales	
	2024	2023	**2024**	2023
Sales				
Mahindra Accelo Limited	**0,42%**	0,00%	**260,314,187**	–

NOTES TO FINANCIAL STATEMENTS (Continued)
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	Percentage of total purchase		Total purchase	
	2024	2023	**2024**	2023
Purchases				
Nippon Steel Trading Coorporation	**88,77%**	72%	**42,418,854,066**	50,587,437,741
Sales				
Nippon Steel Trading Coorporation	**0,00%**	38%	**–**	23,560,717,799

	Percentage of total expenses		Expenses	
	2024	2023	**2024**	2023
Expenses				
Mahindra Middle East Electrical Steel	**10,13%**	10,34%	**1,598,832,180**	1,186,539,022
Mahindra & Mahindra Limited	**0,32%**	0,11%	**51,066,180**	12,712,672
Mr Dharmesh Vipinchandra Modi	**1,92%**	8,02%	**302,933,000**	919,770,726
Mr Rudy Eliezer Tiendas, SH	**0,60%**	0,80%	**94,204,000**	92,056,060
Mr Laxman Baburao Popalghat	**2,69%**	0,00%	**424,756,867**	–

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Categories and classes of financial instruments

	March 31, 2024	March 31, 2023
Financial assets		
Measured through amortized cost		
Cash and cash equivalents	**186,777,770**	491,287,208
Trade receivables	**5,594,273,770**	6,775,850,252
Other receivables	**42,032,089**	30,000,000
Total financial assets	**5,823,083,629**	7,297,137,460
Financial liabilities		
Measured through amortized cost		
Trade payables	**31,506,870,467**	47,592,122,209
Sales advance	**–**	8,575,970
Accrued expenses	**2,133,119,223**	841,770,110
Short-term bank loans	**31,700,000,000**	9,950,000,000
Other payables	**1,077,566,989**	1,928,276,081
Long-term bank loan	**40,950,000,000**	53,200,000,000
Total financial assets	**107,367,556,679**	113,520,744,370

b. Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Company has implemented financial risk management and its policies to ensure adequate financial resources are available for business operations and development, as well as to manage foreign currency risk, interest rate risk, credit risk and liquidity risk. A summary of the financial risk management policies is as follows:

i. Foreign currency risk management

The Company is exposed to the risk of changes in foreign exchange rates primarily from certain transactions, assets and liabilities denominated in currencies arising from financing activities and day-to-day operations. The Company monitors and manages this risk appropriately.

ii. Credit risk management

Credit risk refers to the risk that a counterparty fails to fulfill its contractual obligations resulting in a financial loss to the Company. The Company's credit risk is mainly inherent in bank accounts, trade receivables and security deposits. The Company places bank balances with appropriate and reliable financial institutions to diversify interest income and spread risk. Trade receivables are with trusted third parties. The Company's exposures to counterparties are monitored continuously and the aggregate value of related transactions is spread among approved counterparties. The carrying amount of financial assets in the financial statements reflects the Company's exposure to credit risk. The Company has no collateral or other credit support to cover the credit risk associated with financial assets. The credit quality of financial assets that are not past due or impaired is based on internal credit ratings that are based on historical counterparty default data. For financial assets that are neither past due nor impaired, the Company believes that they can be recovered at full value.

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management lies with management, which has established a liquidity risk management framework appropriate for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve loan facilities, and by continuously monitoring forecast and actual cash flows.

31. BUSINESS CONDITION

The Company incurred a cummulative loss in 2024 and 2023 amounted to Rp36,669,652,356 and Rp22,564,061,277, respectively due to significant operating expenses, accordingly the Company is not yet able to optimize its sales.

32. ACCOUNT RECLASSIFICATION

Reclassification of financial statement accounts ending March 31, 2023, adjusted to financial statement accounts ending March 31, 2024.

33. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages herein were the responsibilities of the management, and were approved by the Directors and authorized for issue on 16 March, 2024.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra MSTC Recycling Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra MSTC Recycling Private Limited** (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a. The Company does not have any pending litigations which would impact its financial position.

    b. The company did not have any long-term contacts including derivatives contracts for which there were any material foreseeable lossess.

    c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35(c) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35(c) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIM4153

Place : Mumbai
Date : 19 April 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra MSTC Recycling Private Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company has self-constructed building on the leasehold land which is in the name of Company based on the taxes paid to the authorities (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or pending against the company for the holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the company , however, the same is established voluntarily. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs. 724.64 lakhs in the current financial year and Rs. 53.90 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIM4153

Place : Mumbai
Date : 19 April 2024

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra MSTC Recycling Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra MSTC Recycling Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sushma Jaglan
Partner
Membership No.: 137783
ICAI UDIN:24137783BKIQIM4153

Place : Mumbai
Date : 19 April 2024

BALANCE SHEET AS AT 31 MARCH, 2024

Rs. in lakhs

Particulars	**Note No.**	**As at 31 March, 2024**	As at 31 March, 2023
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	**3,259.84**	3,069.80
(b) Capital work-in-progress	5	**69.36**	179.87
(c) Intangible assets	6	**47.10**	5.95
(d) Intangible assets under development	7	**52.03**	52.60
(e) Financial assets			
Other financial assets	8	**129.34**	123.77
(f) Deferred tax assets (net)	21	**–**	–
(g) Other tax assets (net)	9A	**12.05**	15.70
(h) Other non-current assets	9B	**3.96**	1.60
Total non-current assets		**3,573.68**	3,449.29
2 Current assets			
(a) Inventories	10	**449.27**	381.78
(b) Financial assets			
(i) Trade receivables	11	**23.35**	16.03
(ii) Cash and cash equivalents	12A	**138.11**	279.04
(iii) Bank balances other than (ii) above	12B	**54.02**	1,573.44
(iv) Other financial assets	8	**28.35**	58.69
(c) Other current assets	9	**460.73**	376.54
Total current assets		**1,153.83**	2,685.52
Total assets (1+2)		**4,727.51**	6,134.81
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	13	**6,000.00**	6,000.00
(b) Other equity	14	**(3,503.04)**	(2,124.73)
		2,496.96	3,875.27
Total equity		**2,496.96**	3,875.27
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	15	**1,252.63**	1,243.38
(b) Provisions	16	**75.67**	57.17
Total non-current liabilities		**1,328.30**	1,300.55

BALANCE SHEET AS AT 31 MARCH, 2024 (Contd...)

Rs. in lakhs

Particulars	**Note No.**	**As at 31 March, 2024**	As at 31 March, 2023
3 **Current liabilities**			
(a) Financial liabilities			
(i) Lease liabilities	15	**339.36**	315.46
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	17	**9.37**	10.45
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	**333.49**	397.84
(iii) Other financial liabilities	18	**52.91**	106.52
(b) Other current liabilities	19	**160.79**	122.95
(c) Provisions	16	**6.33**	5.77
Total current liabilities		**902.25**	958.99
Total equity and liabilities (1+2+3)		**4,727.51**	6,134.81

The accompanying notes 1 to 35 are an integral part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
19 April 2024

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Manobendra Ghoshal
Chairman
DIN : 09762368

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS - 41200

Mumbai
19 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2024

Rs. in lakhs

	Particulars	**Note No.**	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
I	**INCOME**			
	Revenue from operations	22	**2,928.70**	3,040.98
	Other income	23	**52.34**	126.65
I	**Total income**		**2,981.04**	3,167.63
II	**EXPENSES**			
	(a) Cost of materials consumed	24a	**2,004.36**	1,770.00
	(b) Changes in inventories of finished goods and work-in-progress	24b	**(60.55)**	(94.84)
	(c) Employee benefits expense	25	**495.14**	447.23
	(d) Finance costs	26	**198.12**	120.40
	(e) Depreciation and amortisation expenses	4 & 6	**647.64**	477.13
	(f) Other expenses	27	**1,068.61**	978.74
	Total expenses (II)		**4,353.32**	3,698.66
III	**Loss before tax (I - II)**		**(1,372.28)**	(531.03)
IV	**Tax Expense**			
	(a) Current tax	20	**–**	–
	(b) Deferred tax	21	**1.57**	(0.18)
	Total tax expense		**1.57**	(0.18)
V	**Loss profit after tax (III - IV)**		**(1,373.85)**	(530.85)
VI	**Other comprehensive (loss) / income**		**(4.46)**	0.53
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liability / (asset)		**6.03**	(0.71)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	21	**(1.57)**	0.18
	(iii) Items that will be reclassified to profit or loss		**–**	–
	(iv) Income tax relating to items that will be reclassified to profit or loss		**–**	–
VII	**Total comprehensive loss for the year (V + VI)**		**(1,378.31)**	(530.32)
	Earnings per equity share (of Rs. 10/- each)			
	(a) Basic	34	**(2.29)**	(0.93)
	(b) Diluted		**(2.29)**	(0.93)

The accompanying notes 1 to 35 are an integral part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
19 April 2024

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Manobendra Ghoshal
Chairman
DIN : 09762368

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS - 41200

Mumbai
19 April 2024

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

For the year ended 31 March, 2024 **Rs. in lakhs**

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
Issued, subscribed and paid up		
Balance at the beginning of the year	**6,000.00**	5,720.00
Changes in equity share capital during the year	**–**	280.00
Balance at the end of the year	**6,000.00**	6,000.00

B. Other equity

For the year ended 31 March, 2024 **Rs. in lakhs**

Particulars	**Retained earnings**	
	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of year (A)	**(2,124.73)**	(1,594.41)
Loss for the year (B)	**(1,373.85)**	(530.85)
Other comprehensive (loss) /income (net of taxes) (C)	**(4.46)**	0.53
Total comprehensive loss for the year (D)=(B)+(C)	**(1,378.31)**	(530.32)
Balance at the end of year (A)+(D)	**(3,503.04)**	(2,124.73)

The accompanying notes 1 to 35 are an integral part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
19 April 2024

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Manobendra Ghoshal
Chairman
DIN : 09762368

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS - 41200

Mumbai
19 April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2024

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Cash flow from operating activities		
Loss before tax for the year	**(1,372.28)**	(531.03)
Adjustment for:		
(1) Depreciation and amortisation expenses	**647.64**	477.13
(2) Finance costs	**198.12**	120.40
(3) Interest income	**(26.36)**	(98.56)
(4) Net gain arising on financial assets designated as FVTPL	**(12.41)**	(9.83)
(5) Loss on sale of property, plant and equipment (net)	**3.55**	–
	(561.74)	(41.89)
Movement in working capital:		
(1) (Increase) /Decrease in inventories	**(67.48)**	131.49
(2) Increase in other assets	**(96.28)**	(228.56)
(3) Increase in trade receivables	**(7.32)**	(12.61)
(4) (Decrease) /Increase in trade payables	**(65.43)**	201.54
(5) Increase in provisions	**13.03**	26.56
(6) Increase in other liabilities	**7.53**	26.78
	(215.95)	145.20
Cash (used in) / generated from operations	**(777.69)**	103.31
Less: Income tax refund received/(paid) (net)	**4.49**	15.50
Net cash (used in) /generated from operating activities	**(773.20)**	118.81
Cash flow from investment activities		
(1) Payments for property, plant and equipment	**(357.72)**	(545.61)
(2) Proceeds from disposal of property, plant and equipment	**0.82**	–
(3) Bank balances not considered as cash and cash equivalents		
– Placed	**(460.28)**	(1,365.66)
– Matured	**1,979.69**	1,744.22
(4) Interest received	**62.59**	78.15
Net cash generated from / (used in) in investment activities	**1,225.10**	(88.90)
Cash flow from financing activities		
(1) Proceeds from issue of equity shares	**–**	280.00
(2) Repayment of the principal portion of the lease liabilities	**(396.17)**	(204.63)
(3) Repayment of the interest portion of the lease liabilities	**(196.66)**	(120.40)
Net cash used in from financing activities	**(592.83)**	(45.03)
Net decrease in cash and cash equivalents	**(140.93)**	(15.12)
Cash and cash equivalents at the beginning of the year	**279.04**	294.16
Cash and cash equivalents at the end of the year	**138.11**	279.04
Reconciliation of cash and cash equivalents with the balance sheet:		
Cash and cash equivalents as per balance sheet (refer Note no. 12A)	**138.11**	279.04
Balance as per statement of cash flows	**138.11**	279.04

Note:

The above Statement of Cash Flow has been prepared under the 'Indirect method' as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

The accompanying notes 1 to 35 are an integral part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
19 April 2024

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Manobendra Ghoshal
Chairman
DIN : 09762368

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS - 41200

Mumbai
19 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

1 Corporate information

Mahindra MSTC Recycling Private Limited is a private limited company incorporated in Mumbai, India on 16 December, 2016 under the Companies Act 2013. The registered office of the company is located at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is carrying on the business of setting up, owning, maintenance and operation of shredding plants and facilities for purchase, storage, collection, segregating, processing, recycling and importing of end of life vehicles and end of life white goods and other materials and sale there from of shredded ferrous and non-ferrous metal scrap and all other types of scrap including E-waste scrap, plastics, rubber, spare parts and any other disposable items, within and outside India.

2 Material accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 19 April, 2024.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Building - over the lease period

(b) Plant equipments - 5 to 20 years

(c) Furniture and fixtures - 10 years

(d) Office equipments - 5 to 10 years

(e) Electrical installations - 5 to 10 years

(f) Vehicles - 5 years

(g) Computers & data processing units - 5 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

2.4 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Advances paid towards the acquisition of intangible assets outstanding at each balance sheet is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under Intangible asset under development.

2.5 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets, Intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Inventories:

Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes.

2.7 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.8 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.9 Revenue recognition :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods: Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services: Service income is recognized over time based on as and when service is performed.

Other income:

Interest income is accounted on time proportionate basis.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

2.11 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation.

2.13 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.14 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in other financial liabilities.

2.15 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year.

Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2.17 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 4 - Property, plant and equipment

Rs. in lakhs

Description of assets	Building (Note 1)	Right of use asset (Leasehold land & building)	Plant equipments	Furniture and fixtures	Office equipments	Electrical installations	Vehicles	Computers & data processing units	Total
I. Cost									
Balance as at 1 April, 2023	**298.08**	**1,953.80**	**1,626.54**	**34.35**	**48.14**	**108.03**	**48.34**	**55.83**	**4,173.11**
Additions/transfer from CWIP during the year	–	512.59	239.64	29.03	35.63	24.35	26.04	2.35	869.63
Disposal (Note 2)	–	(335.86)	–	–	–	–	(14.14)	(1.17)	(351.17)
Balance as at 31 March, 2024	**298.08**	**2,130.53**	**1,866.18**	**63.38**	**83.77**	**132.38**	**60.24**	**57.01**	**4,691.57**
II. Accumulated depreciation									
Balance as at 1 April, 2023	**257.59**	**442.43**	**295.07**	**6.36**	**25.62**	**35.12**	**20.27**	**20.85**	**1,103.31**
Depreciation	5.79	454.77	108.32	5.50	12.51	12.28	9.87	13.75	622.79
Disposal (Note 2)	–	(283.43)	–	–	–	–	(9.83)	(1.11)	(294.37)
Balance as at 31 March, 2024	**263.38**	**613.77**	**403.39**	**11.86**	**38.13**	**47.40**	**20.31**	**33.49**	**1,431.73**
Net carrying amount (I-II)									
Balance as at 31 March, 2024	**34.70**	**1,516.76**	**1,462.79**	**51.52**	**45.64**	**84.98**	**39.93**	**23.52**	**3,259.84**
Balance as at 31 March, 2023	40.49	1,511.37	1,331.47	27.99	22.52	72.91	28.07	34.98	3,069.80
I. Cost									
Balance as at 1 April, 2022	292.19	844.03	1,423.05	18.70	36.29	88.89	23.54	22.06	2,748.75
Additions/transfer from CWIP during the year	5.89	1,425.91	203.49	15.65	11.85	19.14	24.80	33.77	1,740.50
Disposals during the year	–	(316.14)	–	–	–	–	–	–	(316.14)
Balance as at 31 March, 2023	298.08	1,953.80	1,626.54	34.35	48.14	108.03	48.34	55.83	4,173.11
II. Accumulated depreciation									
Balance as at 1 April, 2022	224.28	444.18	209.10	3.71	17.22	25.21	12.61	11.79	948.10
Depreciation	33.31	113.01	85.97	2.65	8.40	9.91	7.66	9.06	269.97
Eliminated on disposal of assets	–	(114.76)	–	–	–	–	–	–	(114.76)
Balance as at 31 March, 2023	257.59	442.43	295.07	6.36	25.62	35.12	20.27	20.85	1,103.31
Net carrying amount (I-II)									
Balance as at 31 March, 2023	40.49	1,511.37	1,331.47	27.99	22.52	72.91	28.07	34.98	3,069.80
Balance as at 31 March, 2022	141.53	287.09	1,210.65	11.98	22.76	72.12	15.40	6.90	1,800.65

Note 1: It includes the capital expenditure incurred on leasehold land.

Note 2: Disposal with respect to right of use assets represents expired leases.

Note No. 5 - Capital-work-in-progress (CWIP)

Rs. in lakhs

Description of assets	**As at 31 March, 2024**	As at 31 March, 2023
Cost		
Opening balance	**179.87**	53.77
Additions during the year	**174.92**	364.30
Total additions during the year	**354.79**	418.07
Deletions during the year		
Transfer to property, plant and equipment	**285.13**	238.20
Deletions during the year	**0.30**	–
Total deletions during the year	**285.43**	238.20
Closing balance	**69.36**	179.87

Ageing of capital work in progress:

Rs. in lakhs

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2024:					
Projects in progress:					
(a) Exceeded cost or overdue	–	–	–	–	–
(b) Other than covered in above (a)	**11.58**	**57.78**	**–**	**–**	**69.36**
Projects temporarily suspended:					
(a) Exceeded cost or overdue	–	–	–	–	–
(b) Other than covered in above (a)	**–**	**–**	**–**	**–**	**–**
Total	**11.58**	**57.78**	**–**	**–**	**69.36**
As at 31 March, 2023:					
Projects in progress					**–**
(a) Exceeded cost or overdue	**–**	**–**	**–**	**–**	**–**
(b) Other than covered in above (a)	**179.87**	**–**	**–**	**–**	**179.87**
Projects temporarily suspended:					
(a) Exceeded cost or overdue	**–**	**–**	**–**	**–**	**–**
(b) Other than covered in above (a)	**–**	**–**	**–**	**–**	**–**
Total	**179.87**	**–**	**–**	**–**	**179.87**

Note No. 6 - Intangible assets

Rs. in lakhs

Description of assets	Software	Website	Total
I. Cost			
Balance as at 1 April, 2023	53.04	3.75	56.79
Additions/transfer from Intangibles assets under development during the year	66.00	–	66.00
Balance as at 31 March, 2024	**119.04**	**3.75**	**122.79**
II. Accumulated amortisation			
Balance as at 1 April, 2023	47.09	3.75	50.84
Amortisation	24.85	–	24.85
Balance as at 31 March, 2024	**71.94**	**3.75**	**75.69**
Net carrying amount (I-II)			
Balance as at 31 March, 2024	**47.10**	**–**	**47.10**
Balance as at 31 March 2023	5.95	–	5.95
I. Cost			
Balance as at 1 April, 2022	53.04	3.75	56.79
Additions/transfer from Intangibles assets under development during the year	–	–	–
Balance as at 31 March, 2023	53.04	3.75	56.79
II. Accumulated amortisation			
Balance as at 1 April, 2022	41.31	3.75	45.06
Amortisation	5.78	–	5.78
Balance as at 31 March, 2023	47.09	3.75	50.84
Net carrying amount (I-II)			
Balance as at 31 March, 2023	5.95	–	5.95
Balance as at 31 March, 2022	11.72	–	11.72

Note No. 7 - Intangible assets under development

Rs. in lakhs

Description of assets	As at 31 March, 2024	As at 31 March, 2023
Opening balance	**52.60**	–
Additions during the year	**65.43**	52.60
Total additions during the year	**118.03**	52.60
Deletions during the year		
Transfer to intangible assets	**66.00**	–
Total deletions during the year	**66.00**	–
Closing balance	**52.03**	52.60

Ageing of intangible assets under development :

Rs. in lakhs

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2024:					
Projects in progress:					
(a) Exceeded cost or overdue	**–**	**–**	**–**	**–**	**–**
(b) Other than covered in above (a)	**52.03**	**–**	**–**	**–**	**52.03**
Projects temporarily suspended:					
(a) Exceeded cost or overdue	**–**	**–**	**–**	**–**	**–**
(b) Other than covered in above (a)	**–**	**–**	**–**	**–**	**–**
Total	**52.03**	**–**	**–**	**–**	**52.03**
As at 31 March, 2023:					
Projects in progress					
(a) Exceeded cost or overdue	–	–	–	–	–
(b) Other than covered in above (a)	52.60	–	–	–	52.60
Projects temporarily suspended:					
(a) Exceeded cost or overdue	–	–	–	–	–
(b) Other than covered in above (a)	–	–	–	–	–
Total	52.60	–	–	–	52.60

Note No. 8 - Other financial assets

Rs. in lakhs

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Financial assets at amortised cost						
Security Deposits						
Unsecured, considered good						
With others	**16.89**	**129.34**	**146.23**	17.98	123.77	141.75
Other receivables						
From related parties	**11.43**	**–**	**11.43**	3.22	–	3.22
From others	**–**	**–**	**–**	0.39	–	0.39
Interest receivable						
Interest accrued on deposits	**0.03**	**–**	**0.03**	37.10	–	37.10
Total	**28.35**	**129.34**	**157.69**	58.69	123.77	182.46

Note No. 9A - Other tax assets (net)

Rs. in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Income tax assets (net)	**12.05**	15.70
Total	**12.05**	15.70

Note No. 9B - Other assets

Rs. in lakhs

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	Current	**Non-Current**	**Total**	Current	Non-Current	Total
Capital advances	**–**	**–**	**–**	–	–	–
Total (A)	**–**	**–**	**–**	–	–	–
Advances other than capital advances						
Unsecured, considered good						
(i) Prepayments	**4.58**	**3.96**	**8.54**	4.74	1.60	6.34
(ii) Balances with government authorities (other than income taxes)						–
(a) GST input tax credit	**341.01**	**–**	**341.01**	178.69	–	178.69
(iii) Other advances						
(a) Defined contribution plan assets receivable in respect of employees transferred to the company	**9.32**	**–**	**9.32**	9.88	–	9.88
(b) Advances to suppliers	**56.25**	**–**	**56.25**	182.12	–	182.12
(c) Advances to employees	**0.10**	**–**	**0.10**	1.11	–	1.11
(d) Other advances to related party	**49.47**	**–**	**49.47**	–	–	–
Total (B)	**460.73**	**3.96**	**464.69**	376.54	1.60	378.14
Total (A + B)	**460.73**	**3.96**	**464.69**	376.54	1.60	378.14

Note No. 10 - Inventories

Rs. in lakhs

Particulars		As at 31 March, 2024	As at 31 March, 2023
(a)	Raw material {includes goods-in-transit Rs 0.05 lakhs (2023 : Rs. 3.45 lakhs)	**169.54**	166.31
(b)	Work-in-progress	**16.50**	2.13
(c)	Finished goods	**255.95**	209.77
(d)	Stores and spares	**7.28**	3.57
		449.27	**381.78**

(a) Raw material comprises of End of life Vehicles (ELVs) and industrial scrap. Work-in-progress comprises of hulk dismantled out of ELVs. Finished goods comprises of processed material i.e. steel scrap, accessories (preowned spare parts), etc.

(b) The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs 1,943.81 lakhs (2023 : Rs 1,675.16 lakhs)

(c) The mode of valuation of inventories has been stated in Note no. 2.6.

Note No. 11 - Trade receivables

Rs. in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade receivables		
Considered good, Unsecured	**23.35**	16.03
Total	**23.35**	16.03

(a) There are no trade receivables which have significant increase in credit risk or are credit impaired.

Trade receivables ageing schedule:

Rs. in lakhs

Particulars	**Outstanding for following periods from due date of payment**						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March, 2024							
Undisputed trade receivables — considered good	**–**	**23.35**	**–**	**–**	**–**	**–**	**23.35**
Disputed trade receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total trade receivables	**–**	**23.35**	**–**	**–**	**–**	**–**	**23.35**

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2023							
Undisputed trade receivables — considered good	–	16.03	–	–	–	–	16.03
Disputed trade receivables — considered good	–	–	–	–	–	–	–
Total trade receivables	–	16.03	–		–	–	16.03

Note No. 12 - Cash and bank balances

Rs. in lakhs

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
(A) Cash and cash equivalents		
(a) Balances with banks		
With scheduled banks		
(i) Current accounts	**138.11**	112.28
(ii) Deposits with original maturity of less than three months - refer note (a)	**–**	166.76
Total cash and cash equivalents	**138.11**	279.04
(B) Other bank balances		
(i) Deposit with banks with original maturity greater than 3 months but less than 12 months - refer note (b)	**54.02**	1,573.44
Total other bank balances	**54.02**	1,573.44

(a) Lien has been created on a fixed deposit of Rs Nil (2023 : Rs 82.20 lakhs) against bank guarantees issued by banks in favour of Transport department.

(b) Lien has been created on a fixed deposit of Rs 54.02 lakhs (2023 : Nil) against bank guarantees issued by banks in favour of Transport department.

Note No. 13 - Equity share capital

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Number of shares	**Rs. in lakhs**	Number of shares	Rs. in lakhs
(a) Authorised				
Equity Shares of Rs.10 each	**7,00,00,000**	**7,000.00**	6,00,00,000	6,000.00
	7,00,00,000	**7,000.00**	6,00,00,000	6,000.00
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs.10 each	**6,00,00,000**	**6,000.00**	6,00,00,000	6,000.00
	6,00,00,000	**6,000.00**	6,00,00,000	6,000.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	**As at 31 March, 2024**		As at 31 March, 2023	
	Number of shares	**Rs. in lakhs**	Number of shares	Rs. in lakhs
Equity Shares of Rs. 10 each				
<u>Subscribed and fully paid</u>				
Opening balance	**6,00,00,000**	**6,000.00**	5,72,00,000	5,720.00
Add: shares issued for cash	**–**	**–**	28,00,000	280.00
Closing balance	**6,00,00,000**	**6,000.00**	6,00,00,000	6,000.00

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceeding the Balance Sheet date.

Terms and rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to his share in the paid up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of equity shares held by the holding company:

Particulars	**As at 31 March, 2024**	As at 31 March, 2023
	Number of shares	Number of shares
Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited), the holding company	**3,00,00,000**	3,00,00,000

(iv) Details of equity shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Accelo Limited	**3,00,00,000**	**50.00%**	3,00,00,000	50.00%
MSTC Limited	**3,00,00,000**	**50.00%**	3,00,00,000	50.00%

(v) Details of equity shares held by promoter and promoter group:

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Accelo Limited	**3,00,00,000**	**50.00%**	3,00,00,000	50.00%
MSTC Limited	**3,00,00,000**	**50.00%**	3,00,00,000	50.00%

Note No. 14 - Other equity

Rs. in lakhs

Particulars	Retained earnings	
	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of year (A)	**(2,124.73)**	(1,594.41)
Loss for the year (B)	**(1,373.85)**	(530.85)
Other comprehensive (loss) / income (net of taxes) (C)	**(4.46)**	0.53
Total comprehensive loss for the year (D)=(B)+(C)	**(1,378.31)**	(530.32)
Balance at the end of year (A)+(D)	**(3,503.04)**	(2,124.73)

Nature and purpose of other equity:

Retained earnings:

Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

Note No. 15 - Lease liabilities

Rs. in lakhs

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	Current	**Non-Current**	**Total**	Current	Non-Current	Total
Lease liabilities	**339.36**	**1,252.63**	**1,591.99**	315.46	1,243.38	1,558.84
Total lease liabilities	**339.36**	**1,252.63**	**1,591.99**	315.46	1,243.38	1,558.84

While measuring lease liabilities, Company has discounted lease payments using its incremental borrowing rate of 11.34 % per annum during the year.

Note No. 16 - Provisions

Rs. in lakhs

Particulars	As at 31 March, 2024			As at 31 March, 2023		
	Current	**Non-Current**	**Total**	Current	Non-Current	Total
Provision for employee benefits						
Long-term employee benefits						
(i) Provision for gratuity	**–**	**27.09**	**27.09**	–	18.94	18.94
(ii) Provision for compensated absences	**6.33**	**38.35**	**44.68**	5.77	34.85	40.62
(iii) Provision for post retirement medical benefit	**–**	**10.23**	**10.23**	–	3.38	3.38
Total	**6.33**	**75.67**	**82.00**	5.77	57.17	62.94

Note:
The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 28.

Note No. 17 - Trade payables

Rs. in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade payables for goods and services		
(a) Micro enterprises and small enterprises	**9.37**	10.45
(b) Other than micro enterprises and small enterprises	**333.49**	397.84
Total	**342.86**	408.29

Note: Dues of micro and small enterprises

Rs. in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**9.37**	10.45
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues of micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Trade payables ageing schedule:

Rs. in lakhs

Particulars	Not due	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2024						
Trade payables — MSME	9.37	–	–	–	–	9.37
Trade payables — Others	81.49	151.21	4.04	–	–	236.74
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	90.86	151.21	4.04	–	–	246.11
Accrued expenses	96.75	–	–	–	–	96.75
Total trade payables	**187.61**	**151.21**	**4.04**	**–**	**–**	**342.86**
As at March 31, 2023						
Trade payables — MSME	10.45	–	–	–	–	10.45
Trade payables — Others	135.05	172.24	10.80	–	–	318.09
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	145.50	172.24	10.80	–	–	328.54
Accrued expenses	79.75	–	–	–	–	79.75
Total trade payables	**225.25**	**172.24**	**10.80**	**–**	**–**	**408.29**

Note No. 18 - Other financial liabilities

Rs. in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Other financial liabilities measured at amortised cost		
(a) Other liabilities		
(i) Creditors for capital supplies/services	**8.83**	32.13
(ii) Employee related liabilities	**44.08**	74.39
Total	**52.91**	106.52

Note No. 19 - Other current liabilities

Rs. in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Others		
(i) Employee recoveries and employer contributions	**3.31**	3.78
(ii) Statutory dues payable	**24.16**	17.27
(iii) GST payable	**70.44**	1.53
(iv) Dealers deposit	**0.50**	1.39
(v) Advance received from customers	**62.38**	98.98
Total	**160.79**	122.95

Note No. 20 - Current tax

(a) Income tax recognised in statement of profit and loss

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Current tax:		
In respect of current year	**–**	–
Deferred tax:		
In respect of taxable temporary differences	**–**	0.22
In respect of deductible temporary differences	**1.57**	(0.40)
	1.57	(0.18)
Total	**1.57**	(0.18)

(b) Income tax recognised in other comprehensive income

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined obligations	**(1.57)**	0.18
Total	**(1.57)**	0.18
Bifurcation of income tax recognised in other comprehensive income into:		
-Items that will not be reclassified to profit and loss	**(1.57)**	0.18
Total	**(1.57)**	0.18

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(Loss) / Profit before tax	**(1,372.28)**	(531.03)
Income tax expense calculated at 26% (2023: 26%)	**(356.79)**	(138.07)
Effect of expenses that are non - deductible in determining taxable profit	**(1.61)**	(11.29)
Effect of unused tax losses for which no deferred tax asset is recognised	**356.83**	153.02
Others	**–**	(3.84)
	(1.57)	(0.18)
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
Income tax expense recognised in statement of profit and loss	**(1.57)**	(0.18)

Note:
The tax rate used for the year ended 31 March, 2024 and 31 March 2023 reconciliations above is the corporate tax rate of 26% (including Health and Education cess of 4% respectively) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 21 - Deferred tax

Rs. in lakhs

Particulars	For the year ended 31 March, 2024			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**66.95**	**10.75**	**–**	**77.70**
Employee benefits	**0.18**	**–**	**–**	**0.18**
Tax effect of items constituting deferred tax assets				
Employee benefits	**(10.75)**	**(2.62)**	**1.57**	**(11.80)**
Carry forward tax losses to the extent of balance in deferred tax liabilities	**(56.01)**	**(12.22)**	**–**	**(68.23)**
Others	**(0.37)**	**2.52**	**–**	**2.15**
Net deferred tax liabilities/(assets)	**–**	**(1.57)**	**1.57**	**–**

Rs. in lakhs

Particulars	For the year ended 31 March, 2023			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	66.73	0.22	–	66.95
Employee benefits	–	–	0.18	0.18
Tax effect of items constituting deferred tax assets				
Employee benefits	(7.72)	(3.03)	–	(10.75)
Preliminary expenses	(3.04)	3.04	–	–
Carry forward tax losses to the extent of balance in deferred tax liabilities	(52.36)	(3.65)	–	(56.01)
Others	(3.61)	3.24	–	(0.37)
Net deferred tax liabilities/(assets)	–	(0.18)	0.18	–

Amounts on which deferred tax asset has not been created:

Deferred tax asset have not been recognised in respect of following items, because it is not probable that future taxable profits will be available on which the Company can use the benefit therefrom:

Rs. in lakhs

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Unused tax losses (revenue in nature) [see expiry years in note below]	**2,809.28**	1,257.26
Unused depreciation losses (will never expire)	**1,147.48**	924.23
Total	**3,956.76**	2,181.49

Note : The unreognised tax losses carried forward will expire as follows:

Rs. in lakhs

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Assessment years		
2027-28	**367.90**	154.99
2028-29	**582.49**	582.49
2029-30	**194.77**	194.77
2030-31	**–**	–
2031-32	**522.63**	325.01
2032-33	**1,141.49**	–
Total	**2,809.28**	1,257.26

Note No. 22 - Revenue from operations

Rs. in lakhs

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Revenue from contracts with customers:		
Sale of goods (refer Note below)	**2,880.14**	3,012.19
Sale of services (refer Note below)	**48.56**	28.79
Total	**2,928.70**	3,040.98

(a) Revenue from sale of goods mainly comprises of sale of processed material i.e. steel scrap, accessories (preowned spare parts), processed industrial scrap, etc.

(b) The management determines that the segment information reported under Note No. 32 - Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Note No. 23 - Other income

Rs. in lakhs

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
(a) Interest Income at amortised cost:		
On fixed deposits with banks	**25.52**	96.59
Others	**0.84**	1.97
(b) Interest on discounting of security deposit measured at FVTPL	**12.41**	9.83
(c) Other income including earnest money deposit forfeited	**13.57**	18.26
Total	**52.34**	126.65

Note No 24(a) - Cost of materials consumed

Rs. in lakhs

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Opening stock	**166.31**	392.85
Add: Purchases	**2,007.59**	1,543.46
	2,173.90	1,936.31
Less: Closing stock	**(169.54)**	(166.31)
Total cost of materials consumed	**2,004.36**	1,770.00

Note No 24(b) - Change in inventories of finished goods and work-in-progress

Rs. in lakhs

Particulars	**For the year ended 31 March, 2024**	For the year ended 31 March, 2023
Inventories at the end of the year:		
Finished goods	**255.95**	209.77
Work-in-progress	**16.50**	2.13
	272.45	211.90
Inventories at the beginning of the year:		
Finished goods	**209.77**	114.09
Work-in-progress	**2.13**	2.97
	211.90	117.06
Net (increase)	**(60.55)**	(94.84)

Note No. 25 - Employee benefits expenses

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Salaries and wages	**422.00**	381.09
(b) Contribution to provident and other funds	**32.86**	26.81
(c) Post retirement medical benefit expenses	**0.64**	0.97
(d) Staff welfare expenses	**39.64**	38.36
Total	**495.14**	447.23

Note No. 26 - Finance costs

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest expense on		
(a) Interest expense on lease liabilities	**196.66**	120.40
(b) Interest on overdraft (refer Note below)	**1.46**	–
Total	**198.12**	120.40

Note : Interest incurred on amount withdrawn from Overdraft facility during the financial year. Interest payable at the rate of 8.9% per annum.

Analysis of interest expense by category

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest Expense		
(a) On financial liabilities measured at amortised cost	**198.12**	120.40
Total	**198.12**	120.40

Note No. 27 - Other expenses

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Power and fuel	**32.54**	20.70
(b) Rates and taxes	**9.11**	10.89
(c) Security expenses	**82.72**	57.98
(d) Insurance charges	**3.51**	2.68
(e) Repairs and maintenance charges	**21.89**	22.54
(f) Rent expenses	**42.43**	6.24
(g) Advertisement expenses	**2.62**	37.11
(h) Auditor’s remuneration (refer Note below)	**10.12**	9.75
(i) Directors’ fees	**5.20**	5.20
(j) Loss on sale of property, plant and equipment (net)	**3.55**	-
(k) Printing and stationery	**5.04**	6.57
(l) Legal and professional expenses	**438.18**	382.06
(m) Subcontracting and hire charges	**195.95**	191.32
(n) Travelling expenses	**43.44**	64.38
(o) Other general expenses#	**172.31**	161.32
Total	**1,068.61**	978.74

\# it includes software charges of Rs 88.35 lakhs (2023 : Rs 84.11 lakhs) and housekeeping charges of Rs 38.75 lakhs (2023 : Rs 27.42 lakhs)

Note

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Payment to Statutory Auditors (excluding GST)		
(a) For audit	**4.12**	3.75
(b) For other services	**6.00**	6.00
	10.12	9.75

Note No. 28 - Employee benefits

(a) Defined contribution plan:

The Company has recognized, in the statement of profit and loss for the year ended, an amount of Rs 22.80 lakhs (2023: Rs 20.08 lakhs) pertaining to defined contribution plans.

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Provident Fund	**13.85**	11.61
Pension Fund	**8.95**	8.47
Total	**22.80**	20.08

(b) Defined benefit plan:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee’s service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST RETIREMENT MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiary and plan carries the longevity risks.

Life expectancy:

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation as on 31 March, 2024

Particulars				Rs. in lakhs
	Funded Plan	**Unfunded Plan**	Funded Plan	Unfunded Plan
	Gratuity	**Post retirement medical benefits**	Gratuity	Post retirement medical benefits
	31 March, 2024	**31 March, 2024**	31 March, 2023	31 March, 2023
(i). Expense recognised in the statement of profit and loss for the year ended:				
1. Current service cost	**7.64**	**0.38**	5.30	0.61
2. Interest on net defined benefit (asset)/liability	**1.25**	**0.26**	0.52	0.36
	8.89	**0.64**	5.82	0.97
(ii). Included in other comprehensive income				
1. Return on assets less interest on assets	**0.26**	**–**	0.58	**–**
2. Actuarial (Gain)/Loss on account of :		**–**	**–**	**–**
- Financial assumptions	**1.75**	**0.56**	(2.86)	(0.38)
- Experience adjustments	**(2.20)**	**5.65**	4.41	(2.45)
- Demographic assumptions		**–**	**–**	**–**
	(0.19)	**6.21**	2.13	(2.83)
(iii). Net asset/(liability) recognised in the balance sheet as at 31 March				
1. Present value of defined benefit obligation as at 31 March	**62.69**	**10.23**	52.87	3.38
2. Fair value of plan assets as at 31 March	**35.60**	**–**	33.93	**–**
3. (Deficit)	**(27.09)**	**(10.23)**	(18.94)	(3.38)
4. Current portion of the above	**–**	**–**	**–**	**–**
5. Non current portion of the above	**(27.09)**	**(10.23)**	(18.94)	(3.38)
(iv). Change in the obligation during the year ended				
1. Present value of defined benefit obligation at the beginning of the year	**52.88**	**3.38**	32.22	5.24
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	**–**	**–**	**–**	**–**
3. Expenses recognised in statement of profit and loss account				
– Current service Cost	**7.64**	**0.38**	5.30	0.61
– Interest expense (Income)	**3.86**	**0.26**	2.68	0.36
4. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
– Actuarial gain (loss) arising from:				
i. Demographic assumptions	**–**	**–**	–	–
ii. Financial assumptions	**1.75**	**0.56**	(2.86)	(0.38)
iii. Experience adjustments	**(2.20)**	**5.65**	4.41	(2.45)
5. Benefit payments	**(0.68)**	**–**	–	**–**
6. Impact of liability assumed or (settled)	**(0.56)**	**–**	11.12	–
7. Present value of defined benefit obligation at the end of the year	**62.69**	**10.23**	52.87	3.38
(v). Change in fair value of assets during the year ended				
1. Fair value of plan assets at the beginning of the year	**33.93**	**–**	30.07	–
2. Expenses recognised in statement of profit and loss account				
– Interest on plan assets	**2.61**	**–**	2.16	–
3. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
– Actual return on plan assets in excess of the expected return	**(0.26)**	**–**	(0.58)	–
– Others (specify)	–	**–**	–	–

Particulars	Rs. in lakhs			
	Funded Plan	**Unfunded Plan**	Funded Plan	Unfunded Plan
	Gratuity	**Post retirement medical benefits**	Gratuity	Post retirement medical benefits
	31 March, 2024	**31 March, 2024**	31 March, 2023	31 March, 2023
4. Contributions by employer (including benefit payments recoverable)	**–**	**–**	2.28	–
5. Benefit payments	(0.68)	**–**	–	–
6. Assets acquired/ (settled)	–	**–**	–	–
7. Fair value of plan assets at the end of the year	**35.60**	–	33.93	–
(vi). The major categories of plan assets				
– List the plan assets by category here				
– Insurer managed funds	**35.60**	**NA**	33.93	NA
(vii). Actuarial assumptions				
1. Discount rate	**7.20%**	**7.20%**	7.60%	7.60%
2. Attrition rate	**8.00%**	**8.00%**	8.00%	8.00%
3. Medical premium inflation	**–**	**6.00%**	**–**	6.00%
4. Rate of increase in compensation levels	**8.00%**	**–**	8.00%	**–**
5. Mortality table	**IALM(2012-14) ult**	**IALM(2012-14) ult**	IALM(2012-14) ult	IALM(2012-14) ult

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(viii) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key aerial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the gratuity benefits to changes in the weighted principal assumptions is:

Rs. in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2024**	1%	58.47	67.26
	31 March, 2023	1%	49.18	57.05
Salary growth rate	**31 March, 2024**	1%	67.45	58.46
	31 March, 2023	1%	56.93	49.16

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs. in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2024**	1%	8.90	11.83
	31 March, 2023	1%	2.90	3.95
Medical inflation rate	**31 March, 2024**	1%	11.83	8.87
	31 March, 2023	1%	3.95	2.89

(ix) Expected contributions for the next year:

The expected contribution payable to the plan next year is Rs. 5 lakhs (2023 : Rs 5 lakhs).

(x) Maturity profile:

Gratuity Rs. in lakhs

Maturity profile of defined benefit obligation:	**31 March, 2024**	31 March, 2023
Within 1 year	**5.00**	4.09
1 - 2 year	**5.01**	4.40
2 - 3 year	**5.16**	4.41
3 - 4 year	**5.24**	4.50
4 - 5 year	**12.19**	4.57
5 - 10 years	**38.96**	35.31
More than 10 years	**46.12**	48.78

Post retirement medical benefits Rs. in lakhs

Maturity profile of defined benefit obligation:	**31 March, 2024**	31 March, 2023
Within 1 year	**–**	–
1 - 2 year	**–**	–
2 - 3 year	**–**	–
3 - 4 year	**–**	–
4 - 5 year	**–**	–
5 - 10 years	**2.33**	0.54
More than 10 years	**30.59**	12.46

Note No. 29 - Related party transactions

Related party transactions as required by IND AS 24 " Related Party Disclosures" are given below.

(A) List of related parties:

Ultimate Holding Company	Mahindra & Mahindra Limited (M&M)
Holding Company	Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited) (MAL)
Other parties with whom transactions have taken place during the year	
(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited (MIBS)
	Mahindra Steel Service Centre Limited (MSSCL)
	Mahindra Logistics Limited (MLL)
	Mahindra First Choice Wheels Limited (MFCWL)
(ii) Companies having significant influence	MSTC Limited (MSTC)
(iii) Key Managerial Personnel (KMP)	Mr. Ashish Bhagra, Chief Operating Officer and Manager
	Mr. Duraiswamy Subramaniam Ramadorai (Independent Director)
	Mr. Ajay Mehta (Independent Director - appointed w.e.f. 1st April, 2022)

(B) Disclosure of transactions (net of duties and taxes) between the Company and related parties during the financial year ended 31 March, 2024:

Rs. in lakhs

	Ultimate Holding Company		**Holding Company**		**A Company having significant influence**		**Fellow Subsidiary**	
	M&M		**MAL**		**MSTC**		**MIBS**	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Issue of equity share capital	**–**	–	**–**	140.00	**–**	140.00	**–**	–
Purchase of raw material	**76.14**	145.33	**–**	–	**–**	–	**–**	–
Purchase of property, plant and equipment	**15.39**	13.40	**–**	–	**–**	–	**–**	–
Rent paid	**2.51**	1.90	**–**	–	**–**	–	**–**	–
Reimbursement made to related parties	**99.80**	102.11	**0.18**	6.29	**–**	4.91	**–**	–
Reimbursement received from related parties	**1.72**	–	**0.39**	1.38	**–**	4.08	**–**	–
Legal and professional expenses	**3.00**	0.89	**–**	–	**21.47**	13.18	**–**	–
Deputation of key managerial personnel from related parties	**–**	–	**–**	–	**33.84**	28.46	**–**	–
Deputation of personnel from related parties	**–**	–	**55.33**	86.49	**–**	–	**–**	–
Other expenses	**0.22**	3.70	**–**	–	**–**	–	**–**	–
Sale of goods	**–**	–	**–**	1.76	**–**	–	**–**	–
Payroll processing fees	**–**	–	**–**	–	**–**	–	**1.01**	0.90
Business support (manpower arrangement) charges	**–**	–	**–**	–	**–**	–	**183.59**	111.82

(C) Outstanding receivable from and payable to related parties **Rs. in lakhs**

	Ultimate Holding Company		**Holding Company**		**A Company having significant influence**		**Fellow Subsidiary**	
	M&M		**MAL**		**MSTC**		**MIBS**	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Outstanding receivables	**0.23**	–	**–**	–	**49.47**	41.20	**–**	–
Outstanding payables	**97.77**	163.87	**6.42**	18.43	**5.39**	6.60	**14.98**	15.90

Rs. in lakhs

	Fellow Subsidiary MSSCL		Fellow Subsidiary MLL		Fellow Subsidiary MFCWL	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Reimbursement received from related parties	**18.12**	8.58	**–**	–	**0.66**	–
Reimbursement made to related parties	**–**	–	**–**	–	**–**	–
Deputation of personnel from related parties	**–**	–	**–**	–	**–**	–
Sale of goods	**–**	2.50	**–**	–	**–**	–
Other expenses	**–**	–	**59.31**	30.88	**24.13**	26.60
Freight charges paid	**–**	–	**45.15**	28.59	**–**	–

Rs. in lakhs

	Fellow Subsidiary MSSCL		Fellow Subsidiary MLL		Fellow Subsidiary MFCWL	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Outstanding receivables	**11.20**	0.81	**–**	–	**–**	–
Outstanding payables	**–**	–	**8.61**	28.19	**18.69**	51.52

Rs. in lakhs

	KMP Mr. Ashish Bhagra		KMP Mr. Duraiswamy Subramaniam Ramadorai		KMP Mr. Ajay Mehta	
	31 March, 2024	31 March, 2023	**31 March, 2024**	31 March, 2023	**31 March, 2024**	31 March, 2023
Sitting fees paid	**–**	–	**2.60**	2.60	**2.60**	2.60
Managerial remuneration paid	**66.90**	66.57	**–**	–	**–**	–

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.
2. Managerial remuneration excludes provision for gratuity, compensated absences and post retirement medical benefits since these are provided on the basis of an actuarial valuation for the Company as a whole.

Note No. 30 - Financial instruments

[I] Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of total equity of the Company.

The Company monitors capital on the basis of the carrying amount of equity less cash and bank balances as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in lakhs

	31 March 2024	31 March, 2023
Equity	**2,496.96**	3,875.27
Less:- Cash and bank balances	**(192.13)**	(1,852.48)
	2,304.83	2,022.79

[II] Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

As at 31 March 2024, the Company had receivables majorly from a single customer. The Company does not expect any credit loss.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with banks and within credit limits assigned to each counterparty.

(B) LIQUIDITY RISK

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. in lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total
Non-derivative financial liabilities					
31 March 2024					
Non-interest bearing	**395.77**	**–**	**–**	**–**	**395.77**
Fixed interest rate instruments	**554.69**	**984.95**	**512.53**	**154.79**	**2,206.96**
Total	**950.46**	**984.95**	**512.53**	**154.79**	**2,602.73**
31 March 2023					
Non-interest bearing	514.81	–	–	–	514.81
Fixed interest rate instruments	463.42	969.90	429.89	103.07	1,966.28
Total	978.23	969.90	429.89	103.07	2,481.09

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in lakhs

	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total
Non-derivative financial assets					
31 March 2024					
Non-interest bearing	**182.84**	**93.63**	**33.59**	**55.70**	**365.76**
Fixed interest rate instruments	**54.05**	**–**	**–**	**–**	**54.05**
Total	**236.89**	**93.63**	**33.59**	**55.70**	**419.81**
31 March 2023					
Non-interest bearing	173.34	–	–	–	173.34
Fixed interest rate instruments	1,772.06	65.24	–	84.33	1,921.64
Total	1,945.41	65.24	–	84.33	2,094.98

(iv) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in lakhs

	31 March, 2024	31 March, 2023
Bank Overdraft/ WCDL facility		
– Expiring within one year (Unsecured)	**350.00**	400.00
– Expiring beyond one year	**–**	–
Non-Fund Based facility: (LC, BG, LUT, LER)		
– Expiring within one year (Secured)	**–**	–
– Expiring beyond one year (Secured)	**50.00**	30.00

(C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Note No. 31 - Fair value measurement

Fair Valuation Techniques and Inputs used.

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

– quoted prices for similar assets or liabilities in active markets
– quoted prices for identical or similar assets or liabilities in markets that are not active
– inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
– implied volatilities
– credit spreads
– inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs. in lakhs

Financial assets/ financial liabilities	**Fair value hierarchy as at 31 March 2024**			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– cash and cash equivalents	–	**138.11**	**–**	**138.11**
– other bank balances	–	**54.02**	**–**	**54.02**
– trade receivables	–	**23.35**	**–**	**23.35**
– other receivables	–	**11.43**	**–**	**11.43**
– security deposits	–	**146.23**	**–**	**146.23**
– Interest receivable	–	**0.03**	**–**	**0.03**
Total	**–**	**373.17**	**–**	**373.17**
Financial liabilities				
Financial liabilities held at amortised cost				
– trade payables	–	**342.86**	**–**	**342.86**
– lease liability	–	**1,591.99**	**–**	**1,591.99**
– creditors for capital supplies/services	–	**8.83**		**8.83**
– employee related liabilities	–	**44.08**	**–**	**44.08**
Total	**–**	**1,987.76**	**–**	**1,987.76**

Rs. in lakhs

Financial assets/ financial liabilities	Fair value hierarchy as at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– cash and cash equivalents	–	279.04	–	279.04
– other bank balances	–	1,573.44	–	1,573.44
– trade receivables	–	16.03	–	16.03
– other receivables	–	3.61	–	3.61
– security deposits	–	141.75	–	141.75
– Interest receivable	–	37.10	–	37.10
Total	–	2,050.97	–	2,050.97
Financial liabilities				
Financial liabilities held at amortised cost				
– trade payables	–	408.29	–	408.29
– lease liability	–	1,558.84	–	1,558.84
– creditors for capital supplies/services	–	32.13	–	32.13
– employee related liabilities	–	74.39	–	74.39
Total	–	2,073.65	–	2,073.65

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company considers that the carrying amount of financial assets and financial liabilities recognised in financial statements approximates their fair value.

Note No. 32 - Segment reporting

Segment Information

The company has identified 'Processing of End of life vehicles (ELVs) and Industrial steel scrap' as its only primary reportable segment. The Chief Operating Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

All customers of the Company are located within India.

The Company operates and has its processing (vehicle recycling) facilities based out at Greater Noida, Chennai, Indore, Ahmedabad, Hyderabad, Guwahati and Bangalore in India.

There is no single customer who is individually contributing to more than 10% of the Company's revenue during the current financial year.

There was a single customer who was individually contributing to more than 10% of the Company's revenue during the previous financial year. Total amount of revenue from such customer for the year ended on 31 March 2023 is Rs. 419.04 lakhs.

Note No. 33 - Commitments (to the extent not provided for)

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**13.34**	147.98

Note No. 34 - Earnings per share

Rs. in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(Loss) / Profit after tax (Rs. lakhs) (A)	**(1,373.85)**	(530.85)
Weighted average number of shares (B)	**6,00,00,000**	5,72,76,712
Earnings per share [basic / diluted] (Rs.) (A/B)	**(2.29)**	(0.93)
Nominal value of equity share (Rs.)	**10**	10

Note No. 35 - Additional regulatory information:

(a) - Details of struck off companies:

As at 31 March,2024

Rs. in lakhs

Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding	Relationship with the Struck off company, if any, to be disclosed
Star wire india limited	Payables	–	No
Nagadi consultants Pvt. Ltd.	Payables	–	No
APJ Infotech	Receivables	–	No
3R zerowaste Pvt.Ltd.	Receivables	–	No

As at 31 March,2023

Rs. in lakhs

Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding	Relationship with the Struck off company, if any, to be disclosed
Star wire india limited	Payables	–	No
Nagadi consultants Pvt. Ltd.	Payables	–	No
APJ Infotech	Receivables	–	No
3R zerowaste Pvt.Ltd.	Receivables	–	No

(b) - Ratios:

Sr. No.	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	Variance (%)	Notes
1	**Current Ratio (times)** Current Assets / Current Liabilities	**1.28**	2.80	-54%	**1**
2	**Debt-Equity Ratio (times)** (Long term Borrowings + Short term Borrowings (including current maturities of long term borrowings) / (Total Equity)	**–**	–	–	**2**
3	**Debt Service Coverage Ratio (times)** (Profit before interest, tax, depreciation, amortisation, impairments and exceptional items) / (Gross interest for the year + Principal repayments within a year)	**–**	–	–	**2**
4	**Return on Equity** (Net Profit for the year / Total Equity)	**-55.0%**	-13.7%	302%	**3**
5	**Inventory Turnover (times)** (Cost of materials consumed / Average Inventories for the year)	**4.68**	3.74	25%	4
6	**Trade Receivables Turnover (times)** Revenue from sale of goods and services) / (Average Trade Receivable for the year)	**148.75**	312.70	-52%	**5**
7	**Trade Payables Turnover (times)** (Purchase of goods and services) / (Average Trade Payable for the year)	**5.35**	5.45	-2%	

Sr. No.	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	Variance (%)	Notes
8	**Net Working Capital Turnover (times)** Revenue from sale of goods and services) / (Working Capital i.e. Current Assets - Current Liabilities)	**11.64**	1.76	561%	**6**
9	**Net Profit margin (%)** (Net Profit for the year/ Revenue from operations)	**-46.91%**	-17.46%	169%	**7**
10	**Return on Capital Employed (%)** (Profit before interest and tax / Average Debt and Shareholder Funds for the year)	**-36.85%**	-10.26%	259%	**8**
11	**Return on Investment (%)** (Total income from Investment / Average Investment for the year)	**–**	–	–	**9**

Notes:

1) The ratio has decreased due to increase in payables as on 31 March 2024 on account of expenditure incurred for opening recycling facilities and purchase of raw materials.
2) The Company does not have any borrowing during the year and in previous year.
3) The return on equity has decreased as Company has incurred losses during the year mainly on account of operating expenditure incurred for opening recycling facilities in new locations and fall in metal scrap prices.
4) Inventory turnover ratio has increased mainly due to increase in procurement cost and increase in number of end of life vehicles during the year as compared to previous year.
5) Mainly due to lower revenue during the current financial year. There are no major outstanding receivables from customer as Company entered into transactions with customers on advance/immediate payment basis only.
6) Improvement as compared to previous year mainly due to reduction in working capital ratio due to increase in payables.
7) Net profit margin has reduced due to loss incurred during the financial year on account of operating expenditure incurred for opening recycling facilities in new locations, metal price correction and other operating factors.
8) The return on capital employed has reduced as compared to previous year mainly on account of operating expenditure incurred in for recycling facilities in new locations, increased capital expenditure, metal price correction and other operating factors.
9) The Company has not made any investment during the year and in previous year.

(c) - Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

The accompanying notes 1 to 35 are an integral part of the financial statements

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In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sushma Jaglan
Partner
Membership No: 137783

Mumbai
19 April 2024

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Manobendra Ghoshal
Chairman
DIN : 09762368

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary
ACS - 41200

Mumbai
19 April 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Holdings Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on various dates taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 23 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 23 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our exmination which included test checks, the Company has used accounting software for maintaining its books of acount which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of accounts. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accouting software, we did not come accross any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN:24113156BKGFOI6804

Place: Bengaluru
Date: 07 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) The Company does not have any Property, Plant and Equipment (including Rights of Use assets) or Intangible assets. Accordingly, clause 3(i) of the Order is not applicable.

(ii) (a) The Company is a Core Investment Company, not requiring regsitration, as per Reserve Bank of India Act, 1934, Primarily engaged in the business of acquistion of shares and other securities within the group. Accordinlgy, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, limited liability partnership or any other parties during the year.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the operation carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Income-Tax,or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations given to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements as stipulated by the provision of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions has been disclosed in the financial statements as required by the applicable accouting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has Three CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Venkataramanan Vishwanath
Partner
Membership No.: 113156
ICAI UDIN:24113156BKGFOI6804

Place: Bengaluru
Date: 07 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holdings Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Venkataramanan Vishwanath
Partner
Membership No: 113156
ICAI UDIN:24113156BKGFOI6804

Place: Bengaluru
Date: 07 May 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Particulars	Notes	As at 31st March, 2024 Rupees lakhs	As at 31st March, 2023 Rupees lakhs
ASSETS			
I. Financial Assets			
(a) Cash and cash equivalents	3	**10.60**	4.66
(b) Bank balances other than (a) above	3	**31,448.75**	45,000.00
(c) Investments	4	**3,02,629.74**	239,038.67
(d) Other current assets	5	**301.70**	590.86
(e) Assets held for sale	4	**–**	–
		3,34,390.79	284,634.19
II. Non-Financial Assets			
(a) Income tax assets (net)	6	**161.63**	90.06
(b) Deferred tax assets (net)	7	**4,891.55**	3,164.49
		5,053.18	3,254.55
TOTAL ASSETS		**3,39,443.97**	287,888.74
LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial Liabilities			
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	8	**–**	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8	**6.10**	24.82
		6.10	24.82
II. Non-Financial Liabilities			
(a) Other non financial liabilities	9	**0.65**	2.62
		0.65	2.62
III. EQUITY			
(a) Equity share capital	10	**2,70,537.17**	2,70,537.17
(b) Other equity	11	**68,900.05**	17,324.13
		3,39,437.22	2,87,861.30
TOTAL LIABILITIES AND EQUITY		**3,39,443.97**	2,87,888.74

The accompanying notes 1 to 23 are an integral part of the Financial Statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Date: 7th May, 2024

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Zhooben Bhiwandiwala
Chief Executive Officer/
Whole-time Director
DIN.No.00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date: 7th May, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Particulars	Notes	For the year ended 31st March, 2024 Rupees lakhs	For the year ended 31st March, 2023 Rupees lakhs
(I)	**Revenue from operations**	**12**	**6,440.62**	1,464.13
(II)	**Income from investments related to subsidiaries, associates and joint ventures**	**13**	**43,938.53**	–
(III)	**Total income**		**50,379.15**	1,464.13
(IV)	**Expenses**			
	Other expenses	**14**	**266.15**	104.67
(V)	**Total Expenses**		**266.15**	104.67
(VI)	Profit before tax (III+IV)		**50,113.00**	1,359.46
(VII)	Add/(Less): exceptional item	**15**	**–**	50,438.35
(VIII)	Profit before tax (VI+VII)		**50,113.00**	51,797.81
(IX)	**Tax expenses:**			
	Current tax		**(607.00)**	(240.00)
	Deferred tax		**1,753.00**	(6,529.81)
			1,146.00	(6,769.81)
(X)	Profit for the year (VIII+IX)		**51,259.00**	45,028.00
(XI)	**Other comprehensive income/(loss)**			
	(i) Items that will not be reclassified to profit or loss			
	Net gain/(loss) on equity instruments through other comprehensive income		**342.86**	(788.05)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(25.94)**	225.11
	Total other comprehensive (loss)/income		**316.92**	(562.94)
	Total comprehensive income for the year		**51,575.92**	44,465.06
(XII)	Earnings per equity share : (Basic and diluted) (Face Value Rs.10 per share) (Rupees)	**22**		
	Basic		**1.91**	1.66
	Diluted		**1.91**	1.66

The accompanying notes 1 to 23 are an integral part of the Financial Statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Date: 7th May, 2024

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
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Manoj Bhat
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Whole-time Director
DIN.No.00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date: 7th May, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

	Particulars	For the year ended 31st March, 2024 Rupees lakhs	For the year ended 31st March, 2023 Rupees lakhs
A.	**Cash Flow from operating activities:**		
	Profit before tax	**50,113.00**	51,797.81
	Adjustments for:		
	Impairment and loss on sale of non-current investments	**(43,938.53)**	(50,438.35)
	Profit on sale of mutual fund	**(1,607.05)**	(25.70)
	Interest income	**(3,119.67)**	(934.14)
	Net gain arising on financial assets at fair value through Profit or loss	**(1,455.56)**	(379.11)
	Dividend on investments measured at fair value through Profit and loss	**–**	(4.11)
	Operating profit before working capital changes	**(7.81)**	16.40
	Changes in Working Capital:		
	Adjustments for:		
	Decrease/(Increase) in Other current assets	**289.16**	–
	Adjustments for:		
	(Decrease)/Increase before Trade payable and Other current liabilities	**(20.69)**	0.38
		268.47	0.38
	Cash generated from operations	**260.66**	16.78
	Income taxes paid (net of refunds)	**(678.57)**	(201.80)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(417.91)**	(185.02)
B.	**Cash Flow from investing activities:**		
	Purchase of long term investments - subsidiaries	**(6,525.00)**	(30,198.36)
	Purchase of investments - mutual funds	**(71,709.30)**	(27,574.76)
	Purchase of Certificate of Deposits	**(38,578.07)**	–
	Sale of investments - subsidiaries	**55,999.84**	71,993.65
	Sale of investments - others		–
	Sale of investments - mutual funds	**44,565.46**	6,435.05
	Interest received	**3,119.67**	339.88
	Dividend on current investments	**–**	4.11
	NET CASH GENERATED / (USED IN) FROM INVESTING ACTIVITIES (B)	**(13,127.40)**	20,999.57
C.	**Cash Flow from financing activities:**		
	Proceeds from issue of share capital	**–**	24,187.22
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**–**	24,187.22
	CHANGES AS NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(13,545.31)**	45,001.77
	Cash and cash equivalents at the beginning of the year	**45,004.66**	2.89
	Cash and cash equivalents at the end of the year	**31,459.35**	45,004.66
	Reconciliation of cash and cash equivalents with statement of financial position		
	Bank balance in current accounts (Refer Note 3)	**10.60**	4.66
	Fixed deposits with original maturity greater than 3 months but less than 12 months (Refer Note 3)	**31,448.75**	**45,000.00**

The accompanying notes 1 to 23 are an integral part of the Consolidated Financial Statements

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in "Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows."

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataraman Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Date: 7th May, 2024

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Zhooben Bhiwandiwala
Chief Executive Officer/
Whole-time Director
DIN.No.00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date: 7th May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(A) Equity Share Capital

	For the year ended 31st March, 2024 Rupees lakhs	For the year ended 31st March, 2023 Rupees lakhs
Issued, Subscribed and paid up:		
Balance as at the beginning of the year	**270,537.17**	246,349.95
Equity share capital issued, subscribed and paid up during the year	**–**	24,187.22
Balance as at the end of the year	**270,537.17**	270,537.17

(B) Other Equity

	Reserves and surplus		**Items of other comprehensive income**	**Total**
	Special reserve	Retained earnings	Equity instruments through other comprehensive income	
	Rupees lakhs	**Rupees lakhs**	**Rupees lakhs**	**Rupees lakhs**
Balance as at 31st March 2022	502.03	(30,737.85)	3,094.89	**(27,140.93)**
Profit for the year	–	45,028.00	–	**45,028.00**
Other comprehensive loss	–	–	(562.94)	**(562.94)**
Balance as at 31st March 2023	502.03	14,290.15	2,531.95	**17,324.13**
Profit for the year	–	51,259.00	–	**51,259.00**
Other comprehensive income	–		316.92	**316.92**
Transfer from OCI to retained earning		79.26	(79.26)	**–**
Balance as at 31st March 2024	**502.03**	**65,628.42**	**2,769.61**	**68,900.05**

(C) Description of the nature and purpose of Other Equity:

i) **Special reserve:** Special Reserve is created as per section 45-IC of the Reserve Bank of India Act, 1934.

ii) **Retained earnings:** Retained earings comprises of accumulated balance of profits/(losses) of current and prior years.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Date: 7th May, 2024

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Zhooben Bhiwandiwala
Chief Executive Officer/ Whole-time Director
DIN.No.00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date: 7th May, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Background

Mahindra Holdings Limited ('the Company') is a limited company incorporated in India. The address of its Registered Office and principal activities of the Company are disclosed in the introduction to the Annual Report. The Company is a Core Investment Company, not requiring registration, as per the Reserve Bank of India Act, 1934. The principal activity of the Company is to make investments in group companies.

2. Significant Accounting Policies

(a) Statement of compliance and basis of preparation and presentation

These financial statements of Mahindra Holdings Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements are presented in Indian Rupees which is also the Company's functional currency.

These are the standalone financial statement of the Company. The Ministry of Corporate Affairs has, vide its Notification G.S.R 742(E) dated 27th July, 2016, exempted a wholly owned subsidiary Company from preparation and presentation of Consolidated Financial Statements provided the Company meets the conditions as mentioned in the said Notification.

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid Notification.

These financial statements have been approved by the Company's Board of Directors and authorised for issue on 7th May 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(c) Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair Value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on Management's best estimate about future developments.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis except for those purchases or sales where delivery of assets are not on the trade date but on a subsequent date within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of allocating interest income over the relevant period.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(f) Investments in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

(g) Revenue recognition

i) Dividend income is accounted for when the right to receive payment is established.

ii) Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(h) Taxation

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect included in the accounting for the business combination.

(i) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

NOTE 3

Cash and Cash equivalents

Particulars	As at 31st March, 2024 Rupees lakhs	As at 31st March, 2023 Rupees lakhs
Balances with Bank:		
In current accounts	**10.60**	4.66
	10.60	4.66
Other bank balance :		
Fixed deposits with original maturity greater than 3 months but less than 12 months.......	**31,448.75**	45,000.00
	31,448.75	45,000.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 4

Investments

No of shares	Face Value Per Unit Rupees	Particulars	**As at 31st March, 2024**	As at 31st March, 2023
			Rupees lakhs	Rupees lakhs
		(A) Investments in equity instruments unquoted -at cost		
		(i) In subsidiary companies:		
13,30,00,000	10	(2023: 6,77,50,000) Mahindra Airways Limited	**13,300.00**	6,775.00
5,08,75,528	10	(2023: 4,84,71,357) Mahindra First Choice Wheels Limited (Refer note 1 below)	**71,431.52**	66,070.22
42,22,250	$0.001	Bristlecone Worldwide Inc (formerly known as Bristlecone Limited)	**14,025.07**	14,025.07
2,66,07,970	10	Gromax Agri Equipment Limited	**1,985.98**	1,985.98
–	10	(2023: 50,000) Emergent Solren Private Limited (Refer note 2 below)	**–**	5.00
			100,742.57	88,861.27
		(ii) In associate companies:		
35,000	10	Mahindra and Mahindra Contech Limited	**169.79**	169.79
–	10	(2023: 100) Medwell Ventures Private Limited (Refer note 4 below)	**–**	–
1,91,928	10	Mahindra eMarket Limited	**1.19**	1.19
21,17,580	10	New Delhi Centre for Sight Limited	**11,650.59**	11,650.59
			11,821.57	11,821.57
		(iii) In Joint Venture Company :		
23,45,93,167	10	(2023: 27,36,46,420) Mahindra Susten Private Limited (Refer note 3 below)	**38,557.67**	50,284.14
			38,557.67	50,284.14
		(B) Designated & carried at fair value through other comprehensive income		
		(i) In other entities:		
10	10	NBS International Limited (subsidiary of the holding company)	**0.03**	0.03
19,748	5	PSL Media & Communications Limited (associate of the holding company)	**0.01**	0.01
–	0.02	(2023: 18,68,53,800) Mahindra Two Wheelers Limited (subsidiary of the holding company)	**–**	196.91
15,00,000	10	Mahindra Integrated Business Solutions Private Limited (subsidiary of the holding company)	**150.00**	150.00
			150.04	346.95
		(C) Investments in preference shares unquoted- at cost		
		(i) In subsidiary companies:		
1,26,00,000	10	(2023: 6,62,13,008) 0.001 % Non-Cumulative Compulsorily Convertible Preference Shares of Mahindra First Choice Wheels Limited (refer note 1 below)	**1,260.00**	6,621.30
77,75,147	$0.001	Series Series A Convertibel Preference Shares of Bristlecone Worldwide Inc (formerly known as Bristlecone Limited)	**25,826.74**	25,826.74
69,20,000	$0.001	Series B Convertibel Preference Shares of Bristlecone Worldwide Inc (formerly known as Bristlecone Limited)	**22,986.20**	22,986.20
			50,072.94	55,434.24
		(ii) In associate companies		
–	2000	(2023: 1,81,597) Series B Compulsory Convertible Preference Shares of Medwell Ventures Private Limited (Refer note 4 below)	**–**	–
16,35,502	10	Series B Compulsory Convertible Preference Shares of New Delhi Centre for Sight Limited	**9,000.00**	9,000.00
1,56,063	10	0.01% Series A Compulsory Covertible Cumulative Preference Shares of Aquasail Distribution Company Private Limited	**600.00**	600.00
			9,600.00	9,600.00
		(D) Investments in Equity Shares Quoted		
		Designated & carried at fair value through other comprehensive income		
		(i) In other entities:		
1,98,201	5	Tech Mahindra Limited (associate of the holding company)	**2,478.30**	2,183.88
			2,478.30	2,183.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

No of shares	Face Value Per Unit Rupees	Particulars	As at 31st March, 2024	As at 31st March, 2023
			Rupees lakhs	Rupees lakhs
		(E) Investments in Mutual Funds Quoted:		
		Carried at Fair Value Through Profit or Loss		
		Investments in Mutual Funds	**21,579.81**	31.61
51,26,588.00		(2023: Nil) Aditya Birla Sun Life Money Manager Fund - rowth-Regular Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	**17,274.58**	–
44,94,246.22		(2023:19,28,420.63) ICICI - Money Market Fund Growth	**15,527.94**	6,192.80
–		(2023: 2,18,58,795.55) SBI Savings Fund - Regular Plan Growth	**–**	7,740.13
–		(2023: 2,01,062.20) Kotak Money Market Fund - Growth (Regular Plan) (Erstwhile Kotak Floater ST)	**–**	7,646.87
2,727.32		(2023: Nil) HDFC Money Market Fund- Regular Plan Growth	**978.79**	
6,39,637.77		(2023: Nil) UTI Money Market Fund - Regular Plan - Growth	**17,951.25**	
			51,732.56	21,579.81
		(F) Investments in Certificate of Deposits Quoted :		
		Carried at fair value through other comprehensive income		
		Investments in Certificate of Deposits	**38,547.28**	–
			38,547.28	–
		Less: Allowance for impairment	**(1,073.19)**	(1,073.19)
		Total Investments	**302,629.74**	239,038.67
		(i) Investment outside of India (A)	**62,838.00**	62,838.00
		(ii) Investment in India (B)	**239,791.75**	176,200.67
		Total (A+B)	**302,629.74**	239,038.67

Note 1

During the year, 0.001% Non-Cumulative Compulsury Convertible Preferences Shares of Mahindra First Choice Wheels Limited are converted into Equity shares at conversion value of Rs. 223 per share. On Convertion of Preference Shares, 24,04,171 equity shares allotted to the Company.

Note 2

Mahindra Susten Private Limited ("MSPL") ("Joint Venture of the Company") entered in to scheme of arrangement with Emergent Solren Private Limited ("ESPL") ("wholly owned subsidiary of the Company") and their respective shareholders and creditors for demerger of Solar power business into ESPL. As per the scheme, ESPL issued 1 equity share of ESPL of Rs.10 each fully paid up for every 40 equity shares held in MSPL of Rs. 10 each to the shareholders of MSPL i.e., the Company and 2452991 Ontario Limited ("2OL"). On 27 July 2023, the Mumbai Bench of the National Company Law Tribunal sanctioned the scheme. Accordingly, ESPL issued 68,41,164 number of equity shares to the Company. Pursuant to this the Company holds 70% of shareholding in ESPL and becomes joint venture of company.

Subsequently, the Company entered into agreement with Mahindra & Mahindra Limited ("M&M") ("Holding Company") and 2OL to sell 60.01% stake and 9.99% stake to the M&M and 2OL respectively for a total consideration of Rs. 33600 lakhs.

Note 3

During the previous year, Mahindra Susten Private Limited ("Susten") issued Bonus Shares in the proportion of 1:1, i.e. 1 Bonus Ordinary Equity Share of Rs. 10 each for every 1 fully paid-up Ordinary Equity Share of Rs. 10 each during the year. Accordingly, the Company held 39,09,23,456 equity shares (including bonus shares). On 22 December 2022, the Company sold 30% of the paid up equity share capital i.e. 11,72,77,037 equity shares to 2452991 Ontario Limited ("2OL"), a wholly owned subsidiary of Ontario Teachers' Pension Plan Board for a total consideration of Rs 71,993.65 lakhs resulting into long term capital gains tax of Rs 6,529.81 lakhs. The long term capital gain on sale of Susten was set off against the brought forward long term capital losses. This led to utilization of deferred tax assets of Rs 6,529.81 lakhs during the previous year.

Further, during the current year Company sold additional 9.99% stake in Mahindra Susten Private Limited for a total consideration of Rs. 21, 037.28 lakhs, a gain of Rs. 14,563.54 lakhs.

Note 4

In April 2023, the Company entered into an agreement with Health Care At Home India Private Limited to sell its entire shareholding in Medwell Ventures Private Limited for total consideration of approx Rs 1,087.71 lakhs. Investment in Medwell Ventures Private Limited was fully impaired in the books as on 31 March 2023. As the divestment was approved by the Board before 31 March 2023, investment in Medwell Ventures Private Limited is presented as Assets Held for sale as at 31 March 2023 in line with requirements under Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations.

NOTE 5

Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
	Rupees lakhs	Rupees lakhs
Interest accrued on fixed deposits	**301.70**	590.86
	301.70	590.86

NOTE 6

Current tax assets (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
	Rupees lakhs	Rupees lakhs
Advance Income-tax (net of provision for tax) ...	**161.63**	90.06
	161.63	90.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 6 (a)

Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	For the year ended 31st March, 2024 Rupees lakhs	For the year ended 31st March, 2023 Rupees lakhs
Current tax:		
In respect of current year	**(607.00)**	(240.00)
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**1,753.00**	(6,529.81)
Total income tax expense	**1,146.00**	(6769.81)

(b) Income tax recognised in other comprehensive income

Particulars	For the year ended 31st March, 2024 Rupees lakhs	For the year ended 31st March, 2023 Rupees lakhs
Deferred tax related to items recognised in other comprehensive income during the year	**(25.94)**	225.11
Total	**(25.94)**	225.11

(c) Reconciliation of estimated income tax at tax rate to income tax expense reported in profit or loss as follows:

Particulars	For the year ended 31st March, 2024 Rupees lakhs	For the year ended 31st March, 2023 Rupees lakhs
Profit/(Loss) before tax	**50,113.00**	51,797.81
Applicable Income tax rate	**25.17%**	25.17%
Expected Income Tax expense	**12,612.44**	13,036.47
Items on which no DTA is created/DTA created at definite rate		
Effect of income exempted from tax	**(11,064.13)**	–
Effect of expenses not deductible in determining taxable income	**(402.31)**	
Others	**–**	(67.07)
Effect of income chargeable at specified tax rate	**–**	(6,199.59)
Income tax expense recognised in profit or loss	**1,146.00**	6,836.88

NOTE 7

Deferred Tax (Assets)/Liabilities (Net)

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March 2024			
	Opening Balance Rupees lakhs	**Charge/ (credit) in Profit or Loss Rupees lakhs**	**Charge/ (credit) in OCI Rupees lakhs**	**Closing Balance Rupees lakhs**
Tax effect of items constituting deferred tax liabilities				
Fair Value through Other Comprehensive Income financial assets	**188.55**	**–**	**25.94**	**214.49**
Tax effect of items constituting deferred tax assets				
On Carryforward long term/short capital losses	**(3,353.04)**	**(1,753.00)**	**–**	**(5106.04)**
Net deferred tax assets (net)	**(3,164.49)**	**(1,753.00)**	**25.94**	**(4,891.55)**

Note: Net deferred tax assets have been recognised by the Company to the extent that sufficient taxable profit are probable and will be available against which such deferred tax assets can be realised.

Particulars	For the Year ended 31st March 2023			
	Opening Balance Rupees lakhs	Charge/ (credit) in Profit or Loss Rupees lakhs	Charge/ (credit) in OCI Rupees lakhs	Closing Balance Rupees lakhs
Tax effect of items constituting deferred tax liabilities				
Fair Value through Other Comprehensive Income financial assets	413.66	–	(225.11)	188.55
Tax effect of items constituting deferred tax assets				
On Carryforward long term/short capital losses	(9,882.85)	6,529.81	–	(3,353.04)
Net deferred tax assets (net)	(9,469.19)	6,529.81	(225.11)	(3,164.49)

NOTE 8

Trade payables

Particulars	As at 31st March, 2024 Rupees lakhs	As at 31st March, 2023 Rupees lakhs
(i) Total outstanding dues of micro and small enterprises	**–**	–
(ii) Total outstanding dues of creditors other than micro and small enterprises	**6.10**	24.82
	6.10	24.82

Note: On the basis of information available with the management, there are no Micro, Small and Medium Enterprises as specified in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues which are outstanding for more than the stipulated period. Accordingly, the disclosures as required by Notification No. GSR 719(E) dated 16 November 2007 are not applicable. This has been relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

i) Creditors Ageing schedule for the year ended 31st March, 2024

(Rs. lakhs)

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	more than 3 years	Total
MSME	–	–	–	–	–	–
Others	–	–	–	–	–	–
Disputed dues- MSME	–	–	–	–	–	–
Disputed dues- Others	–	–	–	–	–	–
						–
Accured expenses	–	–	–	–	–	6.10
Total Trade payable	–	–	–	–	–	6.10

ii) Creditors Ageing schedule for the year ended 31st March, 2023

(Rs. lakhs)

Particulars	Less than 6 months	6 Months – 1 year	1-2 year	2-3 Year	More than 3 year	Total
MSME	–	–	–	–	–	–
Others	1.53	–	–	–	–	1.53
Disputed dues- MSME	–	–	–	–	–	–
Disputed dues- Others	–	–	–	–	–	–
	1.53	–	–	–	–	1.53
Accured expenses		–	–	–	–	23.29
Total Trade payable	–	–	–	–	–	24.82

NOTE 9

Other non financial liabilities

Particulars	As at 31st March, 2024 Rupees lakhs	As at 31st March, 2023 Rupees lakhs
– Statutory dues payables		
Tax deducted at source	**0.65**	2.62
	0.65	2.62

NOTE 10

Share capital

Particulars		As at 31st March, 2024 Rupees lakhs	As at 31st March, 2023 Rupees lakhs
Authorised:			
2,75,40,00,000	Ordinary (equity) shares of Rs.10 each with voting rights	**2,75,400.00**	2,75,400.00
20,00,000	preference shares of Rs. 100 each	**2,000.00**	2,000.00
	Total	**2,77,400.00**	2,77,400.00
Issued:			
2,70,53,71,700	Ordinary (equity) shares of Rs.10 each with voting rights	**2,70,537.17**	2,70,537.17
	Total	**2,70,537.17**	2,70,537.17
Subscribed and Fully paid-up:			
2,70,53,71,700	Ordinary equity shares of Rs.10 each with voting rights	**2,70,537.17**	2,70,537.17
	(All the shares are held by Mahindra & Mahindra Limited (the Holding Company)		
	Total	**2,70,537.17**	2,70,537.17

(a) The ordinary equity shares of the Company, having par value of Rs.10 per share, rank pari passu in all respects including voting rights and entitlement to dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of shares held by the holding company:

Particulars	Equity shares with voting rights Number of shares
As at 31st March, 2024	
Mahindra & Mahindra Limited, the holding company*	**2,70,53,71,700**
As at 31st March, 2023	
Mahindra & Mahindra Limited, the holding company*	**2,70,53,71,700**

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2024 Number of shares held	As at 31st March, 2024 % holding in that class of shares	As at 31st March, 2023 Number of shares held	As at 31st March, 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited *	**2,70,53,71,700**	**100%**	2,70,53,71,700	100%

*Includes 6 shares held jointly with its nominees

(d) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Period ended 31st March, 2024			
- Number of shares	**2,70,53,71,700**	**–**	2,70,53,71,700
- Amount (Rupees lakhs)	**2,70,537.17**	**–**	2,70,537.18
Year ended 31st March, 2023			
- Number of shares	**2,46,34,99,450**	**24,18,72,250**	2,70,53,71,700
- Amount (Rupees lakhs)	**2,46,349.95**	**24,187.22**	2,70,537.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 11

Other Equity:

Particulars	Reserves and surplus		Items of other comprehensive income	
	Special reserve	Retained earnings	Equity instruments through other comprehensive income	Total
	Rupees lakhs	Rupees lakhs	Rupees lakhs	Rupees lakhs
Balance as at 31st March 2022	502.03	(30,737.85)	3,094.89	**(27,140.93)**
Profit for the year	–	45,028.00	–	**45,028.00**
Other comprehensive income	–	–	(562.94)	**(562.94)**
Balance as at 31st March 2023	502.03	14,290.15	2,531.95	**17,324.13**
Profit for the year	–	51,259.00	–	**51,259.00**
Other comprehensive income	–	–	316.92	**316.92**
Transfer from OCI to retained earning	–	79.26	(79.26)	**–**
Balance as at 31st March 2024	502.03	65,628.42	2,769.61	**68,900.05**

(A) Description of the nature and purpose of Other Equity:

i) **Special reserve:** Special Reserve is created as per section 45-IC of the Reserve Bank of India Act, 1934.

ii) **Retained earnings:** Retained earings comprises of accumulated balance of profits/(losses) of current and prior years.

NOTE 12

Revenue from Operations:

Particulars	**For the year ended 31st March, 2024 Rupees lakhs**	For the year ended 31st March, 2023 Rupees lakhs
a) Dividend Income:		
Mutual fund measured at fair value through profit or loss	**–**	4.11
Investments in others	**258.34**	121.07
b) Profit on sale of mutual fund (net)	**1,607.05**	25.70
c) Interest Income		
Interest on deposits	**2,268.09**	891.36
Interest on others	**851.58**	42.78
d) Net gain arising on financial assets at fair value through Profit or loss	**1,455.56**	379.11
Total	**6,440.62**	1,464.13

NOTE 13

Income from investments related to subsidiaries, associates and joint ventures

Particulars	**For the year ended 31st March, 2024 Rupees lakhs**	For the year ended 31st March, 2023 Rupees lakhs
Gain on sale of Mahindra Susten Private Limited	**14,563.54**	–
Gain on sale of Emergent Solren Private Limited	**28,287.28**	–
Gain on sale of Medwell Ventures Private Limited	**1,087.71**	–
Total	**43,938.53**	–

NOTE 14

Other Expenses:

Particulars	**For the year ended 31st March, 2024 Rupees lakhs**	For the year ended 31st March, 2023 Rupees lakhs
Payment to statutory auditors:		
For audit fees	**4.25**	4.00
For other services	**1.45**	1.24
Legal and professional charges	**101.07**	90.23
Directors' commission	**2.00**	2.00
Donation	**148.41**	–
Directors sitting fees	**1.60**	2.80
Miscellaneous expenses	**7.37**	4.40
Total	**266.15**	104.67

15. Exceptional Item

Exceptional Item recognised in profit or loss account represents:

- During previous year, the Company has sold its Non-Current Investments in Mahindra Susten Private Limited resulting gain of Rs. 50,438.35 lakhs.

16. Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders by Holding Company.

The Company determines the amount of capital required on the basis of its strategic investment plans. The same is funded through equity capital.

17. Financial risk management framework

The Company's activities expose it to a variety of financial risks namely credit risk, interest risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a Risk Management policy and a program that performs close monitoring of and responding to each risk factors. The ultimate responsibility vests with the Board of Directors.

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on liquid funds is limited because the counterparties are Mutual Funds and banks with high credit- ratings assigned by credit- agencies.

c) Liquidity risk

The Board of Directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Maturity of financial liabilities

The following Table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the Table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The Table include both interest and principal cash flows.

(Rs. lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
31st March, 2024				
Non-interest bearing	6.10	–	–	–
31st March, 2023				
Non-interest bearing	24.82	–	–	–

d) Interest rate risk

The Company does not have any borrowings and hence, it does not have any interest rate risk.

e) Maturity analysis of assets and liabilities

The below Table shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

(Rs. lakhs)

Particulars	31st March, 2024		31st March, 2023	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	**10.60**	**–**	4.66	–
Other bank balance	**31,448.75**	**–**	45,000	
Investments................................	**90,279.84**	**2,12,349.90**	21579.81	2,17,458.86
Other current assets	**301.70**	**–**	590.86	–
Income tax assets (net)	**–**	**161.63**	–	90.06
Deferred tax assets (net)	**–**	**4891.55**	–	3,164.49
Total Assets	**1,22,040.89**	**2,17,403.08**	67,175.33	2,20,713.41
Liabilities				
Trade Payables- total outstanding dues of creditors other than micro enterprises and small enterprises ...	**6.10**	**–**	24.82	–
Other non-financial liabilities	**0.65**	**–**	2.62	–
Total liabilities	**6.50**	**–**	27.44	–

18. Fair value measurement

a) Fair valuation Techniques and inputs used –recurring items

(Rs. lakhs)

Financial assets/ financial liabilities measured at fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2024	31st March, 2023		
Financial assets Investments				
Mutual fund investments	**51,732.56**	21,579.81	Level 1	Net Asset value
Investment in equity instruments -Quoted	**2,478.30**	2,183.88	Level 1	Quoted market price
Investment in Certificate of deposits -Quoted	**38,547.28**	–	Level 1	Net Asset value
Investment in equity instruments -Unquoted	**150.04**	346.95	Level 3	Price of recent transaction.

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value.

(Rs. lakhs)

Particulars	Unquoted equity instruments
Year ended 31st March, 2024	
Opening balance of fair value......................................	**346.95**
Total gain recognised in other comprehensive income	**(196.91)**
Closing balance of fair value	**150.04**
Year ended 31st March, 2023	
Opening balance of fair value......................................	346.95
Total gain recognised in other comprehensive income	–
Closing balance of fair value	346.95

19. Segment information

The Company is a Core Investment Company, primarily engaged in the business of acquisition of shares and other securities in group companies. The Company's business activity falls within a single segment and accordingly there is no separate reportable segment as per Ind AS 108.

20. Related Party Transactions

(a) List of Related Parties:

i) Holding Company:

- Mahindra & Mahindra Limited

ii) Related Parties where control exists:

Subsidiary Companies:

- Mahindra First Choice Wheels Limited
- Fifth Gear Ventures Limited (wholly owned subsidiary of Mahindra First Choice Wheels Limited)
- Mahindra Airways Limited
- Emergent Solren Private Limited- (Wholly owned subsidiary w.e.f 9th November 2022) (ceased to be a wholly owned subsidiary w.e.f. 1st September 2023)
- Bristlecone Worldwide Inc (formerly known as Bristlecone Limited)
- Bristlecone India Limited (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone Inc (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone UK Limited (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone (Malaysia) Sdn Bhd (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone Consulting Limited (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone International AG (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone Middle East DMCC (wholly owned subsidiary of Bristlecone Worldwide Inc)
- Bristlecone (Singapore) Pte Ltd (wholly owned subsidiary of Bristlecone India)
- Bristlecone Gmbh (wholly owned subsidiary of Bristlecone India)
- Bristlecone International Costa Rica Limited (wholly owned subsidiary of Bristlecone India)

iii) Fellow Subsidiary Companies:

- Marvel Solren Private Limited (wholly owned subsidiary of Mahindra Sustainable Energy Private Limited) (formerly known as Mahindra Telecom Energy Management Services Private Limited) (wholly owned subsidiary ot Mahindra Susten Private Limited w.e.f 15th December 2023)
- Mahindra Telecom Energy Management Services Private Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Joint Ventures :

- Mahindra Susten Private Limited
- Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited)- (wholly owned subsidiary of Mahindra Susten Private Limited) (upto 9th January 2024)
- Illuminate Hybren Private Ltd (formerly known as Icarus Hybren Private Limited) (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 30th May 2023)
- Hazel Hybren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 2nd June 2023)
- Furies Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 14th June 2023)
- Gelos Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 14th June 2023)
- Jade Hybren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 30th November 2023)
- Kyros Hybren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 30th November 2023)
- Layer Hybren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 2nd December 2023)
- Migos Hybren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited w.e.f 15th December 2023)
- Martial Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Marvel Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited) (Ceased to be subsidiary w.e.f 12th December 2023)
- Brightsolar Renewable Energy Private Limited (subsidiary of Mahindra Renewables Private Limited) (upto 9th January 2024)
- Neo Solren Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited) (upto 9th January 2024)
- Astra Solren Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited) (upto 9th January 2024)
- Mega Suryaurja Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited) (Ceased to be subsidiary w.e.f 9th January 2024)
- MSPL International DMCC (wholly owned subsidiary of Mahindra Susten Private Limited) (Ceased to be subsidiary w.e.f 18th January 2023)
- Emergent Solren Private Limited (w.e.f 1st September 2023 to 15th December 2023)

iv) Name of other related parties where transactions have taken place:

Fellow Subsidiary Companies:

- Mahindra Two Wheelers Limited (upto 25th July 2023)
- Mahindra Integrated Business Solutions Private Limited

Associate of Holding Company:

- Tech Mahindra Limited

Directors of the Company

- Mr. K Chandrasekar – Director
- Mr. Zhooben Bhiwandiwala – Whole-time Director and Chief Executive Officer (KMP)

(b) Related Party Transactions are as under:

(Rs. lakhs)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate Companies	Associate of Holding Company	Fellow Subsidiary	Fellow Subsidiary	Director
(A) Investments Subscribed/ Purchased:							
(a) Mahindra First Choice Wheels Limited*	–	5,361.30	–	–	–	–	–
	(–)	(24,300.30)	(–)	(–)	(–)	(–)	(–)
(b) Mahindra Airways Limited	–	6,525.00	–	–	–	–	–
	(–)	(6,190.00)	(–)	(–)	(–)	(–)	(–)
(c) Emergent Solren Private Limited #	–	–	–	–	–	–	–
	(–)	(5.00)	(–)	(–)	(–)	(–)	(–)
(B) Investments – Sales:							
(a) Mahindra Two Wheelers Limited	196.91	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(b) Emergent Solren Private Limited #	33,355.07	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(C) Dividend Received:							
(a) Mahindra Integrated Business Solutions Private Limited	–	150.00	–	–	–	–	–
	(–)	(10.74)	(–)	(–)	(–)	(–)	(–)
(b) Tech Mahindra Limited	–	–	–	87.21	–	–	–
	(–)	(–)	(–)	(95.14)	(–)	(–)	(–)
(c) Mahindra Two Wheelers Limited	–	–	–	–	21.13	–	–
	(–)	(–)	(–)	(–)	(15.19)	(–)	(–)
(D) Receipt of services							
(a) Mahindra & Mahindra Limited	81.89	–	–	–	–	–	–
	(77.37)	(–)	(–)	(–)	(–)	(–)	(–)
(E) Inter-corporate Deposit Given:							
(a) Mahindra Airways Limited	–	60.00	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. lakhs)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate Companies	Associate of Holding Company	Fellow Subsidiary	Fellow Subsidiary	Director
(F) Inter-corporate Deposit Repaid:							
(a) Mahindra Airways Limited	–	60.00	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(G) Interest Income:							
(a) Mahindra & Mahindra Limited	–	1.19	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
(H) Investments Balances:							
(a) Mahindra First Choice Wheels Limited	–	71,431.52	–	–	–	–	–
	(–)	(72,691.52)	(–)	(–)	(–)	(–)	(–)
(b) Mahindra Airways Limited	–	13,300.00	–	–	–	–	–
	(–)	(6,775.00)	(–)	(–)	(–)	(–)	(–)
(c) Emergent Solren Private Limited	–	–	–	–	–	–	–
	(–)	(5.00)	(–)	(–)	(–)	(–)	(–)
(d) Mahindra Susten Private Limited	–	–	–	–	–	38,557.67	–
	(–)	(–)	(–)	(–)	(–)	(50,284.14)	(–)
(I) Outstanding - Payable:							
(a) Mahindra & Mahindra Limited	–	–	–	–	–	–	–
	(16.25)	(–)	(–)	(–)	(–)	(–)	(–)
(J) Commission and Director fees	–	–	–	–	–	–	3.60
	(–)	(–)	(–)	(–)	(–)	–	(4.80)

* Refer sub note (1) of Note 4- Investments

Refer sub note (2) of Note 4- Investments

Note: Previous year's figures are given in brackets.

21. Corporate Social Responsibility (CSR)

Particulars	31st March, 2024	31st March, 2023
(i) Gross Amount required to be spend by the Company during the current year	**148.41**	Nil
(ii) Amount of expenditure incurred during the year on :...		
a. Construction /acquisition of any assets	**Nil**	Nil
b. On purpose other than (i) above	**148.41**	Nil
(iii) Shortfall/(excess) of amount for the year	**Nil**	Nil
Total of previous year shortfall/(excess)............	**Nil**	Nil
(v) Excess available from the previous year......	**Nil**	Nil
(vi) Total Shortfall /(excess for the set off available)...	**Nil**	Nil

22. Earnings per share:

Particulars	31st March, 2024	31st March, 2023
Profit after tax for the year (Rs. lakhs)................	**51,259.00**	45,028.00
Nominal Value per ordinary equity Share (in Rs.)...	**10**	10
Weighted Average number of ordinary equity shares for Basic Earnings per share................	**2,70,53,71,700**	2,70,53,71,700
Basic Earnings per equity Share (in Rs.) - (Rounded off)	**1.91**	1.66
Weighted Average number of ordinary equity shares for Diluted Earnings per share..............	**2,70,53,71,700**	2,70,53,71,700
Diluted Earnings per equity Share (in Rs.) - (Rounded off)	**1.91**	1.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

23. Other matters

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

I. Information with regard to other matters specified in Part II of Schedule III to the Act is either nil or not applicable to the Company for the year.

II. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

III. The Company does not have any transactions with struck off companies.

IV. The Company does not have any property, plant and equipment (including right-of- use assets) or intangible assets or both during the current or previous year.

V. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

VI. Details of Investments made by the Company in Ultimate Beneficiary:

		(Rs. lakhs)
Name of the Company	**Date of Transaction**	**Amount**
Holding Company:		
Mahindra Airways Limited	17th April 2023	425.00
Mahindra Airways Limited	5th July 2023	3,000.00
Mahindra Airways Limited	9th January 2024	3,100.00

VII. The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

VIII. The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

IX. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

X. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Bengaluru
Date: 7th May, 2024

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director
DIN.No. 05205447

Zhooben Bhiwandiwala
Chief Executive Officer/
Whole-time Director
DIN.No.00110373

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS: 38069

Place: Mumbai
Date: 7th May, 2024

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	Bristlecone Worldwide, Inc.***	*Bristlecone India Limited	*Bristlecone Inc	*Bristlecone UK Limited	*Bristlecone (Malaysia) Sdn Bhd	*Bristlecone Consulting Limited	*Bristlecone International AG	*Bristlecone Middle East DMCC	**Bristlecone (Singapore) Pte Ltd	**Bristlecone Gmbh	*Bristlecone Internacional Costa Rica Sociedad De Responsabilidad Limitada
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Foreign Subsidiary	Indian Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary
	Currency	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
3	Share Capital	16.36	1,904.94	5,711.50	2,474.67	88.07	0.00	92.14	11.35	1,033.38	45.12	83.37
4	Reserves & Surplus	5,315.62	12,994.50	3,573.71	(1,824.24)	91.24	328.53	2,225.79	997.79	23.24	5,427.02	(10.56)
5	Total Assets	20,264.87	24,944.82	31,128.01	650.43	191.69	401.58	3,844.42	1,233.77	1,070.78	6,840.75	107.55
6	Total Liabilities & Equity	20,264.87	24,944.82	31,128.01	650.43	191.69	401.58	3,844.42	1,233.77	1,070.78	6,840.75	107.55
7	Investments	19,493.74	778.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Turnover	0.06	52,073.83	78,158.78	14.01	53.93	330.21	3,968.40	1,318.62	103.60	7,362.08	0.00
9	Profit/(Loss) before taxation	(1,229.35)	3,340.96	4,396.71	3.35	3.94	27.02	(250.32)	65.82	18.87	594.39	(93.85)
10	Provision for taxation	269.55	880.62	(1,070.42)	0.00	0.00	(18.53)	(0.02)	0.00	0.26	(176.45)	0.00
11	Profit/(Loss) after taxation	(959.80)	2,460.34	3,326.29	3.35	3.94	8.48	(250.34)	65.82	18.61	417.95	(93.85)
12	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	% of shareholding	96.40%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* a subsidiary of Bristlecone Limited

**a subsidiary of Bristlecone India

*** Bristlecone Worldwide, Inc. formerly known as Bristlecone Limited

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part “A”: Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra Airways Limited	Mahindra First Choice Wheels Limited	Gromax Agri Equipment Limited	$ Fifth Gear Ventures Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary
3	Share Capital	13,300.00	9,054.62	5,430.20	33.44
4	Reserves & Surplus	(781.73)	7450.44	(1,513.13)	1500.42
5	Total Assets	12,525.36	38,553.25	11,674.19	2,837.40
6	Total Liabilities & Equity	12,525.36	38,553.25	11,674.19	2,837.40
7	Investments	–	571.87	–	–
8	Turnover	0.19	75,135.20	25,096.06	2,956.14
9	Profit/(Loss) before taxation	(73.35)	(9496.58)	(844.87)	(1397.30)
10	Provision for taxation	–	(13.91)	–	0.31
11	Profit/(Loss) after taxation	(73.35)	(9442.91)	(844.87)	1,397.61
12	Proposed Dividend	–	–	–	–
13	% of shareholding	100%	54.43%	49%	100%

$ a subsidiary of Mahindra First Choice Wheels Ltd

Part “B”: Associate Companies

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra and Mahindra Contech Limited	Mahindra eMarket Limited	# Aquasail Distribution Company Private Limited	# New Delhi Centre for Sight Limited
1	Latest audited Balance Sheet Date	31st March, 2024	31st March, 2024	31st March, 2024	31st March, 2024
2	Share of associates companies held by the company on the year end	23.33%	24.00%	17.65%	30.30%
3	No of Equity Share held	35,000	1,91,928	1,56,063	37,53,082
4	Amount of Investment in associate companies	169.79	1.19	600.00	20,650.60
5	Extent of Holding %	23.33%	24.00%	17.65%	30.30%
6	Description of how there is significant influence	–	–	–	–
7	Reason why the associate companies is not consolidated	NA	NA	NA	NA
8	Net worth attributable to shareholding as per latest audited Balance Sheet	454.01	(26.17)	34.99	8,010.45
9	Profit/(Loss) for the year	32.88	(2.58)	(50.23)	1,554.17

Amounts are based on unaudited financials.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part “C”: Joint Ventures

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra Susten Private Limited
1	Latest audited Balance Sheet Date	31st March, 2024
2	Share of Joint Ventures held by the company on the year end	60%
3	No of Equity Share held	23,45,93,167
4	Amount of Investment in Joint Venture	38,557.67
5	Extent of Holding %	60%
6	Description of how there is significant influence	–
7	Reason why the joint venture is not consolidated	NA
8	Net worth attributable to shareholding as per latest audited Balance Sheet	1,81,560.19
9	Profit/(Loss) for the year	83,589.67
10	Considered in Consolidation	50,153.80
11	Not Considered in Consolidation	33,435.87

Manoj Bhat
Director
DIN.No. 05205447

Zhooben Bhiwandiwala
Chief Executive Officer/
Director
DIN.No.00110373

Gayathri Iyer
Company Secretary
ACS: 38069

Shriniwas Mantri
Chief Financial Officer

Place: Mumbai
Date: 7th May, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LTD

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Mahindra Overseas Investment Company (Mauritius) Ltd,** the "Company", which comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"),* and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the separate financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The directors have assessed that its investment in associate, stated at cost in these separate financial statements, have higher fair value based on available quoted price. Thus, the Company would be able to repay all its liabilities should the need arise. Furthermore, the holding company has undertaken to provide financial support to ensure continuation of the Company's operations. The separate financial statements do not include any adjustments if the going concern basis is no longer appropriate. Our opinion is not modified in this respect.

Other Matter

The supplementary information presented in Indian Rupee in the separate financial statements is solely for the convenience of the users of these separate financial statements. The supplementary information presented in Indian Rupee does not form part of the audited separate financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the opinion expressed in this auditors' report.

Information Other than the Separate Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of Directors sections, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

The Company is licensed as an Authorised Company with the Financial Services Commission of Mauritius (FSC) and by virtue of this status, it does not have an obligation to file audited financial statements with the FSC.

Mahindra and Mahindra Limited, the parent company, is listed in the Republic of India and is required to submit consolidated audited financial statements to the Indian authorities. The Group Auditors of the parent company, in compliance with ISA 600, Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors), require an audit to be performed on these separate financial statements and to communicate the results thereon to them. In this context, the directors have voluntarily appointed Grant Thornton to carry out an audit on these separate financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 19 April 2024

Ebene 72201, Republic of Mauritius

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 USD	2024 INR (Note 1)	2023 USD	2023 INR (Note 1)
INCOME					
Dividend income		**9,890,439**	**824,565,899**	8,335,960	694,968,985
Other income		**–**	**–**	2,394	199,588
		9,890,439	**824,565,899**	8,338,354	695,168,573
EXPENSES					
Professional fees		**130,770**	**10,902,295**	108,259	9,025,553
Repairs and maintenance		**–**	**–**	21,988	1,833,140
Audit fees		**26,500**	**2,209,305**	30,139	2,512,688
Bank charges		**3,150**	**262,616**	8,059	671,879
Licence fees		**450**	**37,517**	450	37,517
Insurance charges		**–**	**–**	240	20,009
		160,870	**13,411,733**	169,135	14,100,786
OPERATING PROFIT		**9,729,569**	**811,154,166**	8,169,219	681,067,787
Impairment of investments	10	**(13,816,308)**	**(1,151,865,598)**	(25,934,000)	(2,162,117,580)
Investment written off	11	**–**	**–**	(1)	(83)
Finance income	17.1	**3,587,349**	**299,077,286**	5,840,148	486,893,139
Finance costs	17.2	**(13,347,728)**	**(1,112,800,083)**	(3,470,684)	(289,350,925)
LOSS BEFORE TAX		**(13,847,118)**	**(1,154,434,229)**	(15,395,318)	(1,283,507,662)
Tax credit/(expense)	8	**1,188,919**	**99,120,178**	(2,947,659)	(245,746,330)
LOSS FOR THE YEAR		**(12,658,199)**	**(1,055,314,051)**	(18,342,977)	(1,529,253,992)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss					
Fair value loss on financial assets at fair value through other comprehensive income	**11(iii)**	**(1,454,451)**	**(121,257,581)**	(6,545,466)	(545,695,500)
Items that will be reclassified subsequently to profit or loss		**–**	**–**	–	–
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(1,454,451)**	**(121,257,581)**	(6,545,466)	(545,695,500)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(14,112,650)**	**(1,176,571,632)**	(24,888,443)	(2,074,949,492)

These notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	**2024**	**2024**	2023	2023
		USD	**INR (Note 1)**	USD	INR (Note 1)
ASSETS					
Non-current					
Investments in associates	9	**78,400,645**	**6,536,261,774**	78,400,645	6,536,261,774
Investments in subsidiaries	10	**79,978,100**	**6,667,774,197**	93,794,408	7,819,639,795
Financial assets at fair value through other comprehensive income (“FVOCI”)	11	**25,750,842**	**2,146,847,696**	27,205,293	2,268,105,277
Non-current assets		**184,129,587**	**13,350,883,667**	199,400,346	16,624,006,846
Current					
Other receivables and prepayments	15	**53,399**	**4,451,877**	53,345	4,447,373
Cash and cash equivalents	12	**9,199,785**	**766,986,075**	1,720,176	143,411,073
Current Assets		**9,253,184**	**771,437,952**	**1,773,521**	**147,858,446**
Total assets		**193,382,771**	**16,122,321,619**	201,173,867	16,771,865,292
EQUITY AND LIABILITIES					
Equity					
Stated capital	13	**440,309,209**	**36,708,578,754**	440,309,209	36,708,578,754
Accumulated losses		**(466,360,616)**	**(38,880,484,556)**	(446,408,213)	(37,217,052,718)
Fair value reserves for financial assets at FVOCI	11	**(23,646,302)**	**(1,971,392,198)**	(29,486,055)	(2,458,252,404)
Total equity		**(49,697,709)**	**(4,143,298,000)**	(35,585,059)	(2,966,726,368)
Liabilities					
Current					
Borrowings	14	**242,995,461**	**20,258,531,584**	236,688,734	19,732,739,754
Accruals	16	**85,019**	**7,088,035**	70,192	5,851,906
Total current liabilities		**243,080,480**	**20,265,619,619**	236,758,926	19,738,591,660
Total liabilities		**243,080,480**	**20,265,619,619**	236,758,926	19,738,591,660
Total equity and liabilities		**193,382,771**	**16,122,321,619**	201,173,867	16,771,865,292

Approved by the Board of Directors on 19 April 2024 and signed on its behalf by:

Zakir Niamut

DIRECTOR

These notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital	Accumulated losess	Fair value reserves for financial assets at fair value through other comprehensive income	Total
	USD	USD	USD	USD
Balance at 01 April 2022	440,309,209	(427,019,081)	(23,986,744)	(10,696,616)
Loss for the year	–	(18,342,977)	–	(18,342,977)
Other comprehensive income	–	–	(6,545,466)	(6,545,466)
Total comprehensive loss for the year	–	(18,342,977)	(6,545,466)	(24,888,443)
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	–	(1,046,155)	1,046,155	–
Balance at 31 March 2023	440,309,209	(446,408,213)	(29,486,055)	(35,585,059)
Balance at 01 April 2023	**440,309,209**	**(446,408,213)**	**(29,486,055)**	**(35,585,059)**
Loss for the year	**–**	**(12,658,199)**	**–**	**(12,658,199)**
Other comprehensive income	**–**	**–**	**(1,454,451)**	**(1,454,451)**
Total comprehensive loss for the year		**(12,658,199)**	**(1,454,451)**	**(14,112,650)**
Transfer of fair value loss of equity investment at FVOCI to accumulated losses	**–**	**(7,294,204)**	**7,294,204**	**–**
Balance at 31 March 2024	**440,309,209**	**(466,360,616)**	**(23,646,302)**	**(49,697,709)**

	Stated capital	Accumulated losses	Fair value reserves for financial assets at fair value through other comprehensive income	Total
	INR	INR	INR	INR
Balance at 01 April 2022	36,708,578,754	(35,600,580,784)	(1,999,774,846)	(891,776,876)
Loss for the year	–	(1,529,253,992)	–	(1,529,253,992)
Other comprehensive loss	–	–	(545,695,500)	(545,695,500)
Total comprehensive loss for the year	–	(1,529,253,992)	(545,695,500)	(2,074,949,492)
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	–	(87,217,942)	87,217,942	–
Balance at 31 March 2023	36,708,578,754	(37,217,052,718)	(2,458,252,404)	(2,966,726,368)
Balance at 01 April 2023	**36,708,578,754**	**(37,217,052,718)**	**(2,458,252,404)**	**(2,966,726,368)**
Loss for the year	**–**	**(1,055,314,051)**	**–**	**(1,055,314,051)**
Other comprehensive loss	**–**	**–**	**(121,257,581)**	**(121,257,581)**
Total comprehensive loss for the year	**–**	**(1,055,314,051)**	**(121,257,581)**	**(1,176,571,632)**
Transfer of fair value loss of equity investment at FVOCI to accumulated losses	**–**	**(608,117,787)**	**608,117,787**	**–**
Balance at 31 March 2024	**36,708,578,754**	**(38,880,484,556)**	**(1,971,392,198)**	**(4,143,298,000)**

These notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note	**2024 USD**	**2024 INR (Note 1)**	2023 USD	2023 INR (Note 1)
Operating activities					
Loss before tax		**(13,847,118)**	**(1,154,434,229)**	(15,395,318)	(1,283,507,662)
Adjustments for:					
Net impairment of investments		**13,816,308**	**1,151,865,598**	25,934,000	2,162,117,580
Investment written off		**–**	**–**	1	83
Interest expense		**12,160,133**	**1,013,790,288**	3,076,535	256,490,723
Dividend income		**(9,890,439)**	**(824,565,899)**	(8,335,960)	(694,968,985)
Net foreign exchange differences		**(3,723,645)**	**(310,440,284)**	(5,840,148)	(486,893,139)
		(1,484,761)	**(123,784,526)**	(560,890)	(46,761,400)
Changes in working capital:					
Change in other receivables and prepayments		**(54)**	**(4,502)**	(8,913)	(743,077)
Change in accruals		**14,827**	**1,236,127**	(12,258)	(1,021,949)
Net cash used in operations		**(1,469,988)**	**(122,552,901)**	(582,061)	(48,526,426)
Interest paid	**19**	**(11,136,764)**	**(928,472,015)**	(1,295,492)	(108,005,168)
Tax refund		**2,672,485**	**222,805,074**	44,614	3,719,469
Tax paid		**(1,483,566)**	**(123,684,896)**	(2,947,659)	(245,746,331)
Net cash used in operating activities		**(11,417,833)**	**(951,904,738)**	(4,780,598)	(398,558,456)
Investing activities					
Purchase of investments		**–**	**–**	(8,900,000)	(741,993,000)
Proceeds from sale of investments		**–**	**–**	2,886,520	240,649,172
Dividends received		**9,890,439**	**824,565,899**	8,335,960	694,968,985
Net cash from investing activities		**9,890,439**	**824,565,899**	2,322,480	193,625,157
Financing activities					
Loans repaid to banks	**19**	**(278,509,298)**	**(23,219,320,174)**	(109,035,920)	(9,090,324,650)
Loans received from banks	**19**	**236,536,340**	**19,720,034,666**	107,198,700	8,937,155,619
Loan repaid to shareholder		**(189,089,145)**	**(15,764,362,019)**	–	–
Loan received from shareholder	**19**	**240,000,000**	**20,008,800,000**	–	–
Net cash from/(used in) financing activities		**8,937,897**	**745,152,473**	(1,837,220)	(153,169,031)
Net change in cash and cash equivalents		**7,410,503**	**617,813,634**	(4,295,338)	(358,102,329)
Cash and cash equivalents, beginning of year		**1,720,176**	**143,411,073**	5,049,819	421,003,410
Exchange differences on cash and cash equivalents		**69,106**	**5,761,368**	965,695	80,509,992
Cash and cash equivalents, end of year		**9,199,785**	**766,986,075**	1,720,176	143,411,073
Cash and cash equivalents made up of:					
Cash at bank	**12**	**9,199,785**	**766,986,075**	1,720,176	143,411,073

These notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS

Mahindra Overseas Investment Company (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 7 December 2004 as a private Company with liability limited by shares and held a Global Business Licence issued by the Financial Services Commission up to 22 March 2021. Pursuant to a Board meeting held on 2 February 2021, the Company sought authorisation from the Financial Services Commission ("FSC") to be converted from a Global Business Licence Company to an Authorised Company. The Company was issued with an authorisation from the FSC to convert into an Authorised Company under Section 71A of the Financial Services Act 2007 on 22 March 2021.

The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius. The principal purpose of the Company is to act as an investment holding company.

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the USD amounts actually represent or have been or could be converted into INR. As the amounts shown in INR are for convenience only, the rate of USD 1= INR 83.37 has been used for the purpose of presentation of the INR amounts in the accompanying separate financial statements for the two years ended 31 March 2024 and 31 March 2023.

2. APPLICATION OF NEW AND REVISED STANDARDS

2.1 New and amended Standards that are effective for the current year

The following new and amended Standards and Interpretations are mandatory for the first time for the financial year beginning 01 April 2023:

IFRS 17	Amendments to IFRS 17 Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial Application of IFRS 17 and IFRS 9- Comparative Information (Amendments to IFRS 17)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments IAS 12)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 12	International Reform Tax – Pillar Two Model Rules (Amendments to IAS 12)
IFRS for SMEs	International Tax Reform – Pillar Two Model Rules (Amendments to the IFRS for SMEs Standard)

Management has assessed the impact of these revised amendments and concluded that only IAS 1: *Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)* has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below:

IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
IAS 21	Lack of Exchangeability (Amendments to IAS 21)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

Management have yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

(a) Overall considerations

The material accounting policies that have been used in the preparation of these separate financial statements are summarised below.

(b) Revenue

Dividend income is recognised when the Company's right to receive such dividend is established.

(c) Expenses

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(d) Taxation

Tax expense recognised in the statement of profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the separate financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

(e) Consolidated financial statements

The financial statements are separate financial statements which contain information about Mahindra Overseas Investment Company (Mauritius) Ltd as a company and do not contain consolidated financial information as the parent of a group.

(f) Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company has majority voting rights in ten unquoted companies at the reporting date and which are considered to be subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements.*

Consolidated financial statements have not been presented as the Company monitors the performance of the subsidiaries on an ongoing basis and their accounts are made available to the Company as and when required. The Company believes that consolidated information would add minimal value and also the costs of providing the information would exceed any benefits therefrom. The investments in the subsidiaries are measured at cost less any impairment charges in these separate financial statements. Impairment charges are recognised in the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited in the statement of profit or loss and other comprehensive income.

(g) Investment in associate

An associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: (a) representation on the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

Investment in associate is initially shown at cost in these separate financial statements in accordance with IAS 28, *Investments in Associates and Joint Ventures.* Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(h) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's other receivables and cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. For the Company, instruments within the scope of the new requirements included its other receivables.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement financial liabilities

The Company's financial liabilities include accruals and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Equity

Stated capital is determined using the value of shares that have been issued.

Accumulated losses include all current and prior years' results as disclosed in the statement of profit or loss and other comprehensive income.

(k) Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

(l) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in United States Dollars ("USD"), which is the Company's functional and presentation currency. The Company has also presented the financial statements in Indian Rupee ('INR") for the convenience of users of financial statements.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss and other comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and amortised over the terms of the borrowings.

(o) Comparatives

Where necessary, comparatives figures have been adjusted to confirm with changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the separate financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following is the significant management judgement in applying the accounting policies of the Company that has the most significant effect on the separate financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these separate financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

In particular, the directors have assessed that its investment in associates, stated at cost in these separate financial statements, has a higher fair values based on available quoted price. The fair value of this investment as at 31 March 2024 is more than the cost by USD 197 million. Consequently, the total asset size of the Company is deemed to be USD 390 million which is more than the liabilities of USD 243 million (principally consisting of loan from Mahindra & Mahindra Limited) resulting into a comfortable safety margin of USD 147 million. The Company would therefore be able to repay all its liabilities should the need arise.

Furthermore, all the Company's borrowings are secured by the corporate guarantee of the parent company, Mahindra & Mahindra Limited ("M&M").

Investments in associates

The directors have assessed the level of influence that the Company has on CIE Automotive S.A and The East India Company Group Limited and determined that the Company has significant influence even though the shareholdings are below 20% due to the representations on the board of directors and participations in policy-making processes. Consequently, these investments have been classified as associates.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of investments in associates and subsidiaries.

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts of certain investments suffered impairment losses as reported in Notes 9 and 10.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting date.

Fair value of unquoted investments

The Company holds investments that are not quoted on active markets. Fair values of such investments are determined using management's assessment including third party transaction values, earnings, net asset value or discounted cash flow, whichever, is considered to be appropriate. Changes in assumptions about these factors and the method adopted could affect the reported fair values of the financial instruments.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

5. FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2024 USD	**2024 INR (Note 1)**	2023 USD	2023 INR (Note 1)
Financial assets				
Non-current				
Financial assets at fair value through other comprehensive income:				
Investments in quoted and unquoted securities	**25,750,842**	**2,146,847,696**	27,205,293	2,268,105,277
	25,750,842	**2,146,847,696**	27,205,293	2,268,105,277
Current				
Financial assets measured at amortised cost:				
Other receivables	**51,823**	**4,320,484**	51,823	4,320,484
Cash and cash equivalents	**9,199,785**	**766,986,075**	1,720,176	143,411,073
	9,251,608	**771,306,559**	1,771,999	147,731,557
Total financial assets	**35,002,450**	**2,918,154,255**	28,977,292	2,415,836,834
Financial liabilities				
Current				
Financial liabilities measured at amortised cost:				
Borrowings	**242,995,461**	**20,258,531,584**	236,688,734	19,732,739,754
Accruals	**85,019**	**7,088,035**	70,192	5,851,906
	243,080,480	**20,265,619,619**	236,758,926	19,738,591,660
Total financial liabilities	**243,080,480**	**20,265,619,619**	236,758,926	19,738,591,660

The Company's risks are managed by its Board of Directors and the focus is on securing the Company's short to medium term cash flows by minimising the exposure to financial risks. The Company's investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described below.

(a) Market risk analysis

Market risk is specifically comprised of currency risk and interest rate risk, which result from both its operating and investing activities. The Company is exposed to market risk through its use of financial instruments.

(i) Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: *Financial Instruments: Disclosures,* arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The currency profile of the Company's financial assets and financial liabilities is as follows:

	Financial assets 2024 USD	**Financial liabilities 2024 USD**	Financial assets 2023 USD	Financial liabilities 2023 USD
United States Dollar (USD)	**632,825**	**243,055,895**	3,380,591	57,909
Euro (EUR)	**32,815,513**	**23,236**	25,548,186	236,699,801
South African Rand (ZAR)	**889,346**	**–**	–	–
Indian Rupee (INR)	**664,766**	**1,349**	48,515	1,216
	35,002,450	**243,080,480**	28,977,292	236,758,926

	Financial assets 2024	**Financial liabilities 2024**	Financial assets 2023	Financial liabilities 2023
	INR (Note 1)	**INR (Note 1)**	INR (Note 1)	INR (Note 1)
United States Dollar (USD)	**52,758,619**	**20,263,569,969**	281,839,871	4,827,873
Euro (EUR)	**2,735,829,319**	**1,937,185**	2,129,952,267	19,733,662,409
South African Rand (ZAR)	**74,144,776**	**–**	–	–
Indian Rupee (INR)	**55,421,541**	**112,466**	4,044,696	101,378
	2,918,154,255	**20,265,619,619**	2,415,836,584	19,738,591,660

The Company's transactions are carried out in the United States Dollar (USD), Euro (EUR), South African Rand (ZAR) and Indian Rupee (INR). Consequently, the Company is exposed to foreign currency risk on its financial liabilities and financial assets denominated in EUR, ZAR and INR.

The table below illustrates the sensitivity of profit and equity in regard to the Company's financial instruments and the USD/EUR, USD/ZAR and USD/INR exchange rates "all other things being equal".

It assumes the following percentage changes in the exchange rates:

	2024	2023
	% change	% change
EUR	**1%**	3%
ZAR	**6%**	18%
INR	**1%**	8%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the foreign currencies had strengthened by the above percentages, then this would have the following impact on loss and equity:

	Loss 2024		Loss 2023	
	USD	**INR (Note 1)**	USD	INR (Note 1)
EUR	**327,923**	**27,338,921**	(6,334,548)	(528,111,267)
ZAR	**53,361**	**4,448,687**	8,733	728,070
INR	**6,634**	**553,091**	(97)	(8,087)

	Equity 2024		Equity 2023	
	USD	**INR (Note 1)**	USD	INR (Note 1)
EUR	**(99,109)**	**(8,262,727)**	7,074,312	589,785,391
ZAR	**(53,361)**	**(4,448,687)**	(8,733)	(728,070)
INR	**(6,634)**	**(553,091)**	97	8,087

If the foreign currencies had weakened by the above percentages, then this would have the same reverse impact on loss and equity.

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company is not exposed to changes in market interest rates on its interest-bearing financial assets since they have fixed interest rates.

As 31 March 2024, the Company has interest bearing financial liabilities in the form of bank loan from Bank of America, N.A.

Loan from Bank of America, N.A

During the year ended 31 March 2021, the Company entered into a Loan Agreement dated 24 March 2021 with Bank of America ("BOA") to borrow an amount of up to EUR 50,000,000. The loan carries interest at EURIBOR +125 basis point. It is agreed that if the EURIBOR is negative it shall be deemed zero for the purpose of the loan facility. The loans are repayable within the next 12 months. As at 31 March 2024, the Company has an amount payable of USD 50,401 towards BOA.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of loss and equity to reasonably possible changes in interest rates of +/- 1% for the years ended 31 March 2023 and 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

A 1% increase in interest rate will have the following impact:

	Loss for the year	**Shareholder's deficit**
	USD	**USD**
At 31 March 2024	**504**	**504**
	Loss for the year	**Shareholder's deficit**
	USD	**USD**
At 31 March 2023	422,082	422,082

	Loss for the year	**Shareholder's deficit**
	INR	**INR**
At 31 March 2024	**42,019**	**42,019**
	Loss for the year	**Shareholder's deficit**
	INR	**INR**
At 31 March 2023	36,334,720	36,334,720

A 1% decrease in interest rate would have the reversed impact.

(iii) Other price sensitivity

The Company is exposed to other price risk in respect of its listed securities. The average volatility observed in the share prices during the year ended 31 March 2024 is shown in the table below:

Name of investee company	% change in share price 2024	% change in share price 2023
Zoomcar Holding, Inc.	**83%**	–
Global Dominion Access S.A	**7%**	11%
Bird Rides Inc.	**82%**	89%
REE Automotive	**1701%**	83%

	Other comprehensive income and equity		Other comprehensive income and equity	
	2024	**2024**	2023	2023
	USD	**INR**	USD	INR
Increase	**6,668,631**	**555,963,766**	15,131,224	1,243,635,288
Decrease	**(6,668,631)**	**(555,963,766)**	(15,131,224)	(1,243,635,288)

The listed securities were classified as financial assets at fair value through other comprehensive income and therefore no effect on profit was noted.

(b) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is monitored by management on an ongoing basis. The Company limits its risk by carrying out transactions with related parties. The Company has significant concentration of credit risk as follows.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
ASSETS				
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")	**25,750,842**	**2,146,847,696**	27,205,293	2,268,105,277
	25,750,842	**2,146,847,696**	27,205,293	2,268,105,277
Current				
Other receivables	**51,823**	**4,320,484**	51,823	4,320,484
Cash and cash equivalents	**9,199,785**	**766,986,076**	1,720,176	143,411,073
	9,251,608	**771,306,560**	1,771,999	147,731,557
Total assets	**35,002,450**	**2,918,154,255**	28,977,292	2,415,836,834

The Company holds investments in both quoted and unquoted companies. The directors have made assessment on the fair value of these investments and recognised a fair value loss of USD 1,454,451 (2023: USD 6,545,466) in these separate financial statements.

The Company measures credit risk and ECL using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL.

Based on the assessment for other receivables, management considers the probability of default of the counterparty to be close to zero and as a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Company.

The credit risk for the bank balances and derivative financial instruments is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

The disposal of the investments is subject to some restrictions as described in Note 11 to these separate financial statements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

(c) Liquidity risk analysis

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from the shareholder.

The Company's main cash inflows are in the form of dividend, interest on loans, proceeds from issue of shares and disposal of investments. The main cash outflows relate to repayment of loans and interest and capital investments.

The Company's liquidity risk is managed by securing credit facilities from financial institutions and also through shares issue. The Company also seeks financial support of its parent company where necessary.

The Company also manages its liquidity needs by carefully monitoring cash inflows and cash outflows due in day-to-day business as well as scheduled debt servicing payments for long-term financial liabilities.

At 31 March 2024, the Company has contractual maturities which are summarised below:

	Current		**Non-current**	
	Within 1 year	**Within 1 year**	**Over 1 year**	**Over 1 year**
	USD	**INR (Note 1)**	**USD**	**INR (Note 1)**
Borrowings	**242,995,461**	**20,258,531,584**	**–**	**–**
Accruals	**85,019**	**7,088,035**	**–**	**–**
Total	**243,080,480**	**20,265,619,619**	**–**	**–**

This compares to the maturity of the Company's financial liabilities in the previous reporting year as follows:

	Current		Non–current	
	Within 1 year	Within 1 year	Over 1 year	Over 1 year
	USD	INR (Note 1)	USD	INR (Note 1)
Borrowings	236,688,734	19,732,739,754	–	–
Accruals	70,192	5,851,906	–	–
Total	236,758,926	19,738,591,660	–	–

(d) Concentration risk analysis

The Company has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However the directors consider these investments to be strategic and the concentration risk is manageable.

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

– Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within which the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2024.

Level 1

	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Investments at fair value through other comprehensive income	**23,350,838**	**–**	**2,400,000**	**25,750,838**

	Level 1	**Level 2**	**Level 3**	**Total**
	INR	**INR**	**INR**	**INR**
Financial assets				
Investments at fair value through other comprehensive income	**1,946,759,364**	**–**	**200,088,000**	**2,146,847,364**

The following table shows the Levels within which the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2023:

Level 1

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Investments at fair value through other comprehensive income	24,805,293	–	2,400,000	27,205,293

	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR
Financial assets				
Investments at fair value through other comprehensive income	2,068,017,277	–	200,088,000	2,268,105,277

There were no transfers between Level 1 and Level 2 during the year ended 31 March 2024 and 31 March 2023.

The method used for the purpose of measuring fair values of securities are detailed below:

Quoted company (Level 1)

The listed equity shares are denominated in EURO and USD and are publicly traded on Bolsa de Madrid, New York Stock Exchange and Nasdaq Stock Market. The fair value has been determined by reference to their respective quoted closing prices at the reporting date.

Unquoted company (Level 3)

The fair value of the investment in the unquoted company is determined using management's assessment including third party transaction values, earnings, net asset value or discounted cash flow, whichever, is considered to be appropriate.

Level 3- Fair value measurement

The reconciliation of the carrying amount of financial assets classified within level 3 is as follows:

	2024	**2024**	2023	2023
	USD	**INR**	USD	INR
At 01 April	**2,400,000**	**200,0888,000**	4,200,012	350,154,167
Fair value adjustments	**–**	**–**	(1,800,002)	(150,066,167)
At 31 March	**2,400,000**	**200,0888,000**	2,400,000	200,088,000

6.2 Fair value measurement of financial instruments not carried at fair value

The Company's other financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

6.3 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of investments in associates, investments in subsidiaries and prepayments. For these non-financial instruments, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

The details of the gearing ratio are disclosed as follows:

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Total borrowings (i)	**242,995,461**	**20,258,531,584**	236,688,734	19,732,739,754
Less: cash and cash equivalents	**(9,199,785)**	**(766,986,075)**	(1,720,176)	(143,411,073)
Net debt	**233,795,676**	**19,491,545,509**	234,968,558	19,589,328,681
Total equity	**–**	**–**	–	–
Total capital	**233,795,676**	**19,491,545,509**	234,968,558	19,589,328,681
Gearing ratio (%) (ii)	**100%**	**100%**	100%	100%

(i) Borrowings include short-term borrowings as detailed in Note 14.

(ii) The Company was fully geared (2023: 100%) at the reporting date and the directors consider that this level of gearing is necessary taking into account the Company's business activities.

8. TAXATION

(i) Income tax

The Company, has on 22 March 2021, obtained authorisation from the Financial Services Commission to act as an Authorised Company. The Finance (Miscellaneous Provisions) Act 2018 amended the Financial Services Act 2007 to introduce a new type of licence, the "Authorised Company". An Authorised Company is required to have its place of effective management outside of Mauritius. Accordingly, under this new regime, the Company has its control and management in India and it will be deemed to be non-resident for tax purposes in Mauritius. By being non-resident for tax purposes in Mauritius, it will not be subject to tax on its foreign income. On the other hand, the Company will be liable to tax in Mauritius on any local-source income. Furthermore, an Authorised Company is required to file a return of income to the Mauritius Revenue Authority within six months of its accounting year end.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2024, the Company did not have any current tax liability with the Mauritius Tax authority and India Tax Authority.

Statement of profit or loss and other comprehensive income

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Tax charge for the year (Note 8(ii))	**–**	**–**	–	–
Tax charge related to PoEM (Note 8 (iv))	**–**	**–**	(1,468,526)	(122,431,012)
Tax refund during the year (Note 8(iii))	**2,672,485**	**222,805,074**	–	–
Withholding tax (Note 8 (iii))	**(1,483,566)**	**(123,684,896)**	(1,479,133)	(123,315,318)
Tax credit/(expense)	**1,188,919**	**99,120,178**	(2,947,659)	(245,746,330)

During the year ended 31 March 2023, the tax charge of USD 1,468,526 related to an advance tax payment in respect to Tax residency and Place of Effective Management ("PoEM") year of assessment 2023/2024 (Note 8 (iv)) and Tax Deducted at Source paid on behalf of Indian vendors.

(i) Movement in current tax liability:

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
At 01 April	**–**	**–**	–	–
Tax charge for the year	**–**	**–**	1,468,526	120,698,152
Tax paid for the year	**–**	**–**	(1,468,526)	(120,698,152)
Provision for tax	**(2,672,485)**	**(222,805,074)**	–	–
Tax refund during the year	**2,672,485**	**222,805,074**	–	–
	–	**–**	–	–

(ii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Loss before tax	**(13,847,118)**	**(1,154,44,229)**	(15,395,318)	(1,283,507,662)
Tax calculated at the rate of 15%	**(2,077,068)**	**(173,165,159)**	(2,309,298)	(192,526,174)
Items outside taxation scope	**(2,021,668)**	**(168,546,461)**	(2,125,031)	(177,163,834)
Non-allowable expenses	**4,098,668**	**341,705,951**	4,434,261	369,684,340
Deferred tax not recognised	**68**	**5,669**	68	5,669
Tax expense for the year	**–**	**–**	–	–

(iii) Withholding tax

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Withholding tax	**1,483,566**	**123,684,897**	1,479,133	121,569,941
	1,483,566	**123,684,897**	1,479,133	121,569,941

During the year ended 31 March 2024, withholding tax of 19% was charged on dividend income amounting to USD1,483,566 from CIE Automotive S.A and Global Dominion S.A, both quoted companies incorporated in Spain. Pursuant to the Double Taxation Agreement between India and Spain, the Company would be taxed at 15% rather than 19%. As such, as from January 2023, withholding tax of 15% would be charged on such dividend income. Additionally, an amount of USD 2,672,485 was refunded in respect of withholding tax on dividend income made in prior years.

(iv) Tax residency and Place of Effective Management ("PoEM")

During the year, the Company has not paid any advance tax in India (2023: USD 1,468,526) and would also submit tax returns in India for the said period by 30 September 2024.

(v) Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions.

Deferred tax is calculated on all temporary differences under the liability method at the rate of 15%.

9. INVESTMENTS IN ASSOCIATES

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) At carrying amount:				
Balance at 01 April and 31 March	**78,400,645**	**6,536,261,774**	78,400,645	6,536,261,774

(ii) Details pertaining to the investments are as follows:

Name of investee companies	Class of shares	Country of incorporation	% holding	Carrying amount 2024	Carrying amount 2023
				USD	USD
CIE Automotive S.A.	Equity shares	Spain	7.43%	**78,400,645**	78,400,645
The East India Company Group Limited (Note 10 (v))	Equity shares	Jersey	18.62%	**15,893,176**	15,893,176

Name of investee companies	Class of shares	Country of incorporation	% holding	Carrying amount 2024	Carrying amount 2023
				USD	USD
The East India Company Gin (BVI) Limited (Note 10 (v))	Equity shares	British Virgin Islands	20%	**4,000**	4,000
The East India Company Gin Ltd (Note 10 (v))	Equity shares	The Republic of Singapore	20%	**25,992**	25,992
Accumulated impairment				**(15,923,168)**	(15,923,168)
Total				**78,400,645**	78,400,645

(iii) The Company exercises significant influence with its 20% stake in The East India Company Gin (BVI) Limited and The East India Company Gin Ltd. For the remaining investee companies, although the Company has less than 20% shareholdings in these companies, the directors assessed the level of influence that the Company had on them and determined that it has significant influence over these investee companies through its representation on the board of directors and participations in policy-making processes. Consequently, these investments have been classified as associates and accounted at cost in these separate financial statements.

(iv) At 31 March 2024, the investment in CIE Automotive S.A. had a fair value of USD 275,266,689 based on the closing market price listed on the Madrid Stock Exchange (Bolsa de Madrid), Spain.

(v) During the year ended 31 March 2024, the directors have assessed the recoverable amounts of the investments in associates and confirm that the carrying amount of these investments have not suffered any additional impairment. Consequently, there was no movement in accumulated impairment losses.

(vi) The above companies are considered to be associates in accordance with IAS 28, *Investments in Associates and Joint Ventures.* Consequently, as required by IAS 28, the Company should adopt the equity method for these investments. However, these investments have not been equity accounted in these separate financial statements.

10. INVESTMENTS IN SUBSIDIARIES

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Non-current				
Investments in subsidiaries	**79,978,100**	**6,667,774,197**	93,794,408	7,708,962,395

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Unquoted and at carrying amount				
Balance at 01 April	**93,794,408**	**7,819,639,795**	113,720,100	9,480,844,737
Additions during the year (Note 10 (ii))	**–**	**–**	8,900,000	741,993,000
Disposals during the year (Note 10 (iii))	**–**	**–**	(2,891,692)	(241,080,362)
Impairment of investments (Note 10 (iv))	**(13,816,308)**	**(1,151,865,598)**	(25,934,000)	(2,162,117,580)
Balance at 31 March	**79,978,100**	**6,667,774,197**	93,794,408	7,819,639,795

(i) Details pertaining to the investments are as follows:

Name of investee companies	Country of incorporation	% holding	Carrying amount 2024	Carrying amount 2023
			USD	USD
Equity shares				
Mahindra - BT Investment Company (Mauritius) Limited	Republic of Mauritius	57%	**6,771,600**	6,771,600
Mahindra Europe S.r.l	Republic of Italy	100%	**4,136,635**	4,136,635
Mahindra Racing UK Limited	United Kingdom	100%	**33,700**	33,700
Mahindra Automotive North America, Inc	United States of America	100%	**194,343,430**	194,343,430
Erkunt Sanayi A.S.	Turkey	63.72%	**30,384,793**	30,384,793
Erkunt Traktor Sanayii A.S.	Turkey	100%	**102,943,630**	102,943,630
Reversal of impairment			**–**	72,473,012
Accumulated impairment losses (Note 10(ii))			**(258,635,688)**	(317,292,392)
Total			**79,978,100**	93,794,408

(ii) The directors have assessed the recoverable amounts of the investments in subsidiaries and concluded that these investments have suffered additional impairment of USD13,816,308 resulting to accumulated impairment losses of USD 258,635,688.

(iii) The disposals of the following investments are subject to some restrictions, as more fully defined in the respective Agreements:

Name of investee companies	Restrictions on disposal of shares
Mahindra – BT Investment Company (Mauritius) Limited	As detailed in the Share Subscription Agreement signed between the Company, Mahindra – BT Investment Company (Mauritius) Limited and BT Holdings Limited on 23 June 2005.
Mahindra Europe S.r.l.	As detailed in the Credit Agreement with EXIM Bank and prior approval of Unicredit Bank and San Paolo Bank have to be obtained before any disposal of shares held.

(iv) The above unquoted companies are considered to be subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements.* Consequently, as required by IFRS 10, the Company should present consolidated financial statements. However, the Company has only prepared separate financial statements as it monitors the performance of its subsidiaries on an ongoing basis and their accounts are made available to the Company as and when required. The Company believes that consolidated information would add minimal value and also the costs of providing the information would exceed any benefits therefrom.

(v) The proportions of the voting rights in the subsidiaries held directly by the Company do not differ from the proportion of ordinary shares held.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) Cost				
Balance at 01 April	**56,691,348**	**4,726,357,681**	57,737,503	4,813,575,623
Investment written off during the year	**(7,294,204)**	**(608,117,787)**	(1,046,155)	(87,217,942)
Balance at 31 March	**49,397,144**	**4,118,239,894**	56,691,348	4,726,357,681

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
(ii) Fair value				
Balance at 01 April	**27,205,293**	**2,268,105,277**	33,750,760	2,813,800,860
Investment written off during the year	–	–	(1)	(83)
Fair value adjustment for the year	**(1,454,451)**	**(121,257,581)**	(6,545,466)	(545,695,500)
Balance at 31 March	**25,750,842**	**2,146,847,696**	27,205,293	2,268,105,277

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
(iii) Fair value reserves				
At beginning of the year	**(29,486,055)**	**(2,458,252,404)**	(23,986,744)	(1,999,774,846)
Transfer of fair value loss of equity investment at FVOCI to accumulated losses	**7,294,204**	**608,117,787**	1,046,155	87,217,942
Fair value adjustment for the year	**(1,454,451)**	**(121,257,581)**	(6,545,466)	(545,695,500)
At end of year	**(23,646,302)**	**(1,971,392,198)**	(29,486,055)	(2,458,252,404)

(iv) Details pertaining to the investments are as follows:

Name of investee companies	Country of incorporation	% holding	2024	2023
			USD	USD
Equity shares				
Mahindra Do Brasil Industrial, Ltd	Brazil	0.27%	**20,000**	20,000
Preference shares/common stock				
Cleartrip Inc	Cayman Islands	0.74%	**–**	–
Cloudleaf, Inc. – Series A Preferred Stock	United States of America	15.13%	**2,030,479**	2,030,479
Cloudleaf, Inc. – Series B Preferred Stock	United States of America	8.31%	**2,389,132**	2,389,132
Avaamo, Inc	United States of America	5.27%	**2,999,998**	2,999,998
Zoomcar, Inc. (Note 11(vi))	United States of America	–	**–**	7,294,205
Medixine OY	Finland	1.3%	**239,020**	239,020
Global Dominion Access S.A	Spain	3.7%	**34,386,175**	34,386,175
Bird Rides Inc. Series D-1 Preferred Stock	United States of America	0.22%	**6,832,339**	6,832,339
Prana Holdings, Inc (initially acquired at a cost of USD 1,441,607)	United States of America	3.7%	**–**	–
REE Automotive	Israel	–	**500,000**	500,000
Zoomcar Holding, Inc. (Note 11(vi))	United States of America	0.22%	**–**	–
Other				
Chartoff – Tempest Productions, LLC	–	–	**1**	1
Fair value reserves			**(23,646,302)**	(29,486,055)
Fair value at 31 March			**25,750,842**	27,205,293

(v) At the reporting date, the fair value losses of USD 1,454,451 during the current year arose on the investments in Global Dominion Access S.A, Bird Rides Inc. Series D-1 Preferred Stock, REE Automotive and Zoomcar Holding, Inc.

(vi) During the year ended 31 March 2024, Zoomcar, Inc. has merged with Innovative International Acquisition Corp., and other entities which was renamed as Zoomcar Holdings, Inc., a quoted entity incorporated in the United State of America. Consequently, the Company was allotted 252,245 shares representing 0.22% of the share capital of Zoomcar Holdings, Inc.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Cash at bank:				
– USD	**317,978**	**26,509,826**	217,842	18,161,488
– ZAR	**664,766**	**55,421,542**	664,766	55,421,541
– EUR	**7,327,695**	**610,909,932**	837,568	69,828,044
– INR	**889,346**	**74,144,775**	–	–
	9,199,785	**766,986,075**	1,720,176	143,411,073

13. STATED CAPITAL

The Company has issued shares to Mahindra & Mahindra Ltd as follows:

	2024		2023	
	No of Shares	**USD**	No of Shares	USD
Issued and fully paid: 687,472,686 shares of no par value	**687,472,686**	**440,309,209**	687,472,686	440,309,209

There was no new issue of shares during the year under review (2023: Nil).

(i) The movement in stated capital was as follows:

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
At 01 April and 31 March	**440,309,209**	**36,708,578,754**	440,309,209	36,708,578,754

(ii) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

14. BORROWINGS

	2024	2024	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Current				
Loans from holding company (Note 14 (ii))	**242,945,060**	**20,254,329,652**	194,480,524	16,213,841,286
Bank loans (Note 14 (iii))	**50,401**	**4,201,932**	42,208,210	3,518,898,468
Total	**242,995,461**	**20,258,531,584**	236,688,734	19,732,739,754

(i) The movements during the year on the borrowings was as follows:

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Balance at 01 April	**236,688,734**	**19,732,739,754**	242,474,376	20,215,088,726
Loans repaid during the year:				
Bank of America, N.A	**(227,279,298)**	**(18,948,275,074)**	(62,697,720)	(5,227,108,916)
Société Générale	**(21,230,000)**	**(1,769,945,100)**	(46,338,200)	(3,863,215,734)
Mahindra & Mahindra Limited	**(189,089,145)**	**(15,764,362,019)**	**–**	**–**
HSBC Bank (Mauritius) Limited	**(30,000,000)**	**(2,501,100,000)**	**–**	**–**
Loans received during the year:				
Bank of America, N.A (Note 14(a))	**185,306,340**	**15,448,989,566**	59,868,950	4,991,274,362
Société Générale (Note 14(b))	**21,230,000**	**1,769,945,100**	47,329,750	3,945,881,258
Mahindra & Mahindra Limited (Note 14(ii))	**240,000,000**	**20,008,800,000**	**–**	**–**
HSBC Bank (Mauritius) Limited (Note 14(c))	**30,000,000**	**2,501,100,000**	**–**	**–**
Interest expense	**12,160,133**	**1,013,790,288**	3,076,535	256,490,723
Interest payments	**(11,136,764)**	**(928,472,015)**	(1,295,492)	(108,005,168)
Foreign exchange losses	**(3,654,539)**	**(304,678,916)**	(5,729,465)	(477,665,497)
Balance at 31 March	**242,995,461**	**20,258,531,584**	236,688,734	19,732,739,754

(ii) Loans amounting to EUR 146,650,000 and EUR 30,000,000, disbursed by the parent company, Mahindra & Mahindra Ltd, a quoted company, in prior financial years, have been rolled over for another year ending on 06 June 2023 and 22 September 2023 respectively. During the year, these loans including their interest payables were fully repaid.

During the year ended 31 March 2024, the Company received new loans from Mahindra & Mahindra Ltd amounting to USD 113,000,000, USD 54,000,000 and 73,000,000 which shall be repaid within 12 months and carry interest rate of one-year Secured Overnight Financial Rate (“SOFR”) plus 1.25% per annum.

As at 31 March 2024, the interest payable amounted to USD 2,650,555 (2023: USD 1,826,034).

(iii) Summary of bank borrowings arrangements are as follows:

(a) Loan from Bank of America, N.A (“BOA”)

During the year ended 31 March 2021, the Company entered into a Loan Agreement dated 24 March 2021 with Bank of America (“BOA”) to borrow an amount of up to EUR 50,000,000. The loan carries interest at EURIBOR +125 basis points. It is agreed that if the EURIBOR is negative, it shall be deemed zero for the purpose of the loan facility. During the year ended 31 March 2023, the Company entered into an Amended Facility Letter to increase the facility from EUR50,000,000 to EUR125,000,000. During the year ended 31 March 2024, an amount of EUR 46,020,546 (USD 49,182,340) was disbursed. The loan was fully repaid as at reporting date except for an amount of USD 50,401 which was paid subsequent to the reporting date.

During the year ended 31 March 2024, BOA disbursed loans amounting to EUR 30,000,000 (USD 32,124,000) and USD104,000,000, in several tranches which had repayment dates within the next 12 months. Loans amounting to EUR 30,000,000 and USD 104,000,000 have been repaid as at the reporting date by the Company. Consequently, all the loans were fully repaid.

(b) Loan from Société Générale

Pursuant to the Master Money Market Agreement dated 27 January 2021, Société Générale disbursed loan amounting to EUR 20,000,000 (USD 21,230,000). The loan has been fully repaid as at 31 March 2024.

(c) Loan from HSBC Bank (Mauritius) Limited

During the year ended 31 March 2024, HSBC disbursed loan amounting to USD 30,000,000 to the Company. The loan has been fully repaid as at 31 March 2024.

15. OTHER RECEIVABLES AND PREPAYMENTS

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Prepayments	**1,576**	**131,393**	1,522	126,889
Deposit	**51,823**	**4,320,484**	51,823	4,320,484
	53,399	**4,451,877**	53,345	4,447,373

(i) The directors have assessed the recoverable amount of the other receivable and concluded that no allowance for credit losses is necessary as any such impairment would be wholly insignificant to the Company in these separate financial statements.

16. ACCRUALS

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
Professional fees	**70,014**	**5,837,069**	57,709	4,811,199
Administration fees	**15,005**	**1,250,966**	12,483	1,040,707
	85,019	**7,088,035**	70,192	5,851,906

17. FINANCE INCOME AND FINANCE COSTS

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
17.1 Finance income				
Foreign exchange gains	**3,587,349**	**299,077,286**	5,840,148	486,893,139
	3,587,349	**299,077,286**	5,840,148	486,893,139

	2024	**2024**	2023	2023
	USD	**INR (Note 1)**	USD	INR (Note 1)
17.2 Finance costs				
Interest on borrowings (Note 14 (i))	**12,160,133**	**1,013,790,288**	3,076,535	256,490,890
Foreign exchange losses	**1,187,595**	**99,009,795**	394,147	32,860,035
	13,347,728	**1,112,800,083**	3,470,684	289,350,925

18. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2024, the Company had transactions with its related party. The nature, volume of transaction and balance with the related party are as follows:

Nature of relationship	**Nature of transaction**	**Volume of transactions**	**Credit balance at 31 March 2024**	Credit balance at 31 March 2023
		USD	**USD**	USD
Parent company	Loans payable	**48,464,536**	**242,945,060**	194,480,524

Nature of relationship	Nature of transaction	Volume of transactions	Credit balance at 31 March 2024	Credit balance at 31 March 2023
		INR	INR	INR
		(Note 1)	(Note 1)	(Note 1)
Parent company	Loans payable	4,040,488,366	20,254,329,652	16,213,841,286

The terms and conditions of the balance are stated in Note 14 to these separate financial statements.

19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Net debt reconciliation:

Net debt	2024 USD	2023 USD
Borrowings:		
– Repayable within one year	**242,995,461**	236,688,734
	242,995,461	236,688,734

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
Net debt as at 01 April 2023	**–**	**236,688,734**	**236,688,734**
Cash flows:			
– Proceeds from loans (net of transaction cost)	**–**	**476,536,340**	**476,536,340**
– Interest payments	**–**	**(11,136,764)**	**(11,136,764)**
– Repayment of loans	**–**	**(467,598,443)**	**(467,598,443)**
Non-cash:			
– Interest expense	**–**	**12,160,133**	**12,160,133**
– Foreign exchange losses	**–**	**(3,654,539)**	**(3,654,539)**
Net debt as at 31 March 2024	**–**	**242,995,461**	**242,995,461**

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
Net debt as at 01 April 2022	–	242,474,376	242,474,376
Cash flows:			
– Proceeds from loans (net of transaction cost)	–	107,198,700	107,198,700
– Interest payments	–	(1,295,492)	(1,295,492)
– Repayment of loans	–	(109,035,920)	(109,035,920)
Non-cash:			
– Interest expense	–	3,076,535	3,076,535
– Foreign exchange losses	–	(5,729,465)	(5,729,465)
Net debt as at 31 March 2023	–	236,688,734	236,688,734

Net debt	2024 INR (Note 1)	2023 INR (Note 1)
Borrowings:		
– Repayable within one year	**20,258,531,584**	19,732,739,754
	20,258,531,584	19,732,739,754

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Net debt as at 01 April 2023	**–**	**19,732,739,754**	**19,732,739,754**
Cash flows:			
– Proceeds from loans (net of transaction cost)	**–**	**39,728,834,666**	**39,728,834,666**
– Interest payments	**–**	**(928,472,015)**	**(928,472,015)**
– Repayment of loans	**–**	**(38,983,682,193)**	**(38,983,682,193)**
Non-cash:			
– Interest expense	**–**	**1,013,790,288**	**1,013,790,288**
– Foreign exchange losses	**–**	**(304,678,916)**	**(304,678,916)**
Net debt as at 31 March 2024	**–**	**20,258,531,584**	**20,258,531,584**

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Net debt as at 01 April 2022	–	20,215,088,727	20,215,088,727
Cash flows:			
– Proceeds from loans (net of transaction cost)	–	8,937,155,619	8,937,155,619
– Interest payments	–	(108,005,168)	(108,005,168)
– Repayment of loans	–	(9,090,324,650)	(9,090,324,650)
Non-cash:			
– Interest expense	–	256,490,723	256,490,723
– Foreign exchange losses	–	(477,665,497)	(477,665,497)
Net debt as at 31 March 2023	–	19,732,739,754	19,732,739,754

20. GOING CONCERN

The separate financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder.

The Company's accumulated losses amounted to USD 466,360,616 as at 31 March 2024 (2023: USD 446,408,213) and it has also a negative equity of USD 49,697,709 as of that date (2023: USD 35,585,059).

The directors have assessed that its investment in associate, stated at cost in these separate financial statements, has a higher fair value based on available quoted price. The fair value of this investment as at 31 March 2024 is more than the cost by USD 197 million. Consequently, the total asset size of the Company is deemed to be USD 390 million which is more than the liabilities of USD 243 million resulting into a comfortable safety margin of USD 147 million. The Company would therefore be able to repay all its liabilities should the need arise.

Furthermore, the directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They, therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

21. EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date which require disclosures or amendments to the financial statements.

22. HOLDING COMPANY

The directors regard Mahindra & Mahindra Ltd, a quoted company on the National Stock Exchange of India, as the Company's holding company.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF Mahindra Automotive Mauritius Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Automotive Mauritius Ltd.**, the "Company", which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of the financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under Corporate Data and Commentary of the Directors sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this Report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 19 April 2024
Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2024	2023	2023
		EUR	**INR (Note 1)**	EUR	INR (Note 1)
INCOME		**–**	**–**	–	–
EXPENDITURE					
Professional fees	10	**28,041**	**2,530,293**	42,076	3,796,749
Audit fees		**4,547**	**410,301**	4,277	385,937
Bank charges		**521**	**47,013**	1,341	121,006
Licence fees		**2,185**	**197,164**	2,160	194,909
Realised loss on foreign exchange		**352**	**31,763**	372	33,568
Other expenses		**60**	**5,414**	105	9,475
		35,706	**3,221,948**	50,331	4,541,644
OPERATING LOSS		**(35,706)**	**(3,221,948)**	(50,331)	(4,541,644)
Impairment of investment	9	**(18,000,000)**	**(1,624,239,000)**	(31,500,000)	(2,842,418,250)
LOSS BEFORE TAX		**(18,035,706)**	**(1,627,460,948)**	(31,550,331)	(2,846,959,894)
Tax expense	8	**–**	**–**	–	–
LOSS FOR THE YEAR		**(18,035,706)**	**(1,627,460,948)**	(31,550,331)	(2,846,959,894)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss		**–**	**–**	–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		**–**	**–**	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(18,035,706)**	**(1,627,460,948)**	(31,550,331)	(2,846,959,894)

These notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024	2024	2023	2023
		EUR	**INR**	EUR	INR
			(Note 1)		(Note 1)
ASSETS					
Non-current asset					
Investments in subsidiary	9	**–**	**–**	–	–
Current					
Prepayments		**2,084**	**188,051**	2,183	196,984
Cash and cash equivalents	12	**54,890**	**4,953,027**	39,697	3,582,079
Current assets		**56,974**	**5,141,078**	41,880	3,779,063
Total assets		**56,974**	**5,141,078**	41,880	3,779,063
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	**237,305,001**	**21,413,335,418**	219,255,001	19,784,584,643
Accumulated losses		**(237,258,227)**	**(21,409,114,742)**	(219,222,521)	(19,781,653,794)
Total equity		**46,774**	**4,220,676**	32,480	2,930,849
Liabilities					
Current liabilities					
Accruals		**10,200**	**920,402**	9,400	848,214
Total equity and liabilities		**56,974**	**5,141,078**	41,880	3,779,063

Approved by the Board of Directors on 19 April 2024 and signed on its behalf by:

Zakir Niamut
Director

Rathee Jugessur
Director

These notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital	Accumulated losses	Total
	EUR	**EUR**	**EUR**
Balance at 01 April 2023	**219,255,001**	**(219,222,521)**	**32,480**
Issue of shares	**18,050,000**	**–**	**18,050,000**
Transactions with shareholder	**18,050,000**	**–**	**18,050,000**
Loss for the year	**–**	**(18,035,706)**	**(18,035,706)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**(18,035,706)**	**(18,035,706)**
At 31 March 2024	**237,305,001**	**(237,258,227)**	**46,774**
Balance at 01 April 2022	187,705,001	(187,672,190)	32,811
Issue of shares	31,550,000	–	31,550,000
Transactions with shareholder	31,550,000	–	31,550,000
Loss for the year	–	(31,550,331)	(31,550,331)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(31,550,331)	(31,550,331)
At 31 March 2023	219,255,001	(219,222,521)	32,480

These notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH

	Stated capital	Accumulated losses	Total
	INR	INR	INR
Balance at 01 April 2023	**19,784,584,643**	**(19,781,653,794)**	**2,930,849**
Issue of shares	**1,628,750,775**	**–**	**1,628,750,775**
Transaction with the shareholder	**1,628,750,775**	**–**	**1,628,750,775**
Loss for the year	**–**	**(1,627,460,948)**	**(1,627,460,948)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**(1,627,460,948)**	**(1,627,460,948)**
At 31 March 2024	**21,413,335,418**	**(21,409,114,742)**	**4,220,676**
Balance at 01 April 2022	16,937,654,618	(16,934,693,900)	2,960,718
Issue of shares	2,846,930,025	–	2,846,930,025
Transaction with the shareholder	2,846,930,025	–	2,846,930,025
Loss for the year	–	(2,846,959,894)	(2,846,959,894)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(2,846,959,894)	(2,846,959,894)
At 31 March 2023	19,784,584,643	(19,781,653,794)	2,930,849

These notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	**2024**	2023	2023
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Operating activities				
Loss before tax	**(18,035,706)**	**(1,627,460,948)**	(31,550,331)	(2,846,959,894)
Adjustment for:				
Impairment of investment	**18,000,000**	**1,624,239,000**	31,500,000	2,842,418,250
	(35,706)	**(3,221,948)**	(50,331)	(4,541,643)
Changes in working capital:				
Change in prepayments	**99**	**8,933**	(276)	(24,904)
Change in accruals	**800**	**72,188**	389	35,102
Net cash used in operations	**(34,807)**	**(3,140,826)**	(50,218)	(4,531,446)
Investing activity				
Investments in subsidiary	**(18,000,000)**	**(1,624,239,000)**	(31,500,000)	(2,842,418,250)
Net cash used in investing activity	**(18,000,000)**	**(1,624,239,000)**	(31,500,000)	(2,842,418,250)
Financing activity				
Proceeds from issue of shares capital	**18,050,000**	**1,628,750,775**	31,550,000	2,846,930,025
Net cash from financing activity	**18,050,000**	**1,628,750,775**	31,550,000	2,846,930,025
Net change in cash and cash equivalents	**15,193**	**1,370,949**	(218)	(19,671)
Cash and cash equivalents at beginning of the year	**39,697**	**3,582,079**	39,915	3,601,750
Cash at bank at end of the year	**54,890**	**4,953,027**	39,697	3,582,079
Cash and cash equivalents made up of:				
Cash at bank	**54,890**	**4,953,027**	39,697	3,582,079

These notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS

Mahindra Automotive Mauritius Ltd. (the 'Company') was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 27 August 2018 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the EUR amounts actually represent or have been or could be converted into INR. As the amounts shown in INR are for convenience only, the rate of EUR 1 = INR 90.24 has been used for the purpose of presentation of the INR amounts in the accompanying financial statements for the year ended 31 March 2024.

2. ADOPTION OF NEW AND STANDARDS

2.1 New and amended Standards that are effective for the current year

The following new and amended Standards and Interpretations are mandatory for the first time for the financial year beginning 01 April 2023:

IFRS 17	Insurance contracts: Amendments to IFRS 17 Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS17	Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments IAS 12)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
IFRS for SMEs	International Tax Reform – Pillar Two Model Rules (Amendments to the IFRS for SMEs Standard)

Management has assessed the impact of these revised amendments and concluded that only IAS 1: Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2) has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below:

IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
IAS 21	Lack of Exchangeability (Amendments to IAS 21)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretation on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarised below.

3.2 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.3 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.4 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the current year, the Company does not have any financial assets categorised as FVOCI and FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.5 Consolidated financial statements

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra & Mahindra Limited.

The financial statements are separate financial statements which contain information about Mahindra Automotive Mauritius Ltd. as an individual company and do not contain consolidated financial information as the parent of a group.

3.6 Investments in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in transit. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Equity

Stated capital is determined using the value of shares that have been issued.

Accumulated losses include all current and prior years' results as disclosed in the statement of comprehensive income.

3.9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.10 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.11 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency. The Company has also presented the financial statements in Indian Rupee ("INR") for the convenience of users of financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.12 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.13 Comparatives

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the investments in subsidiary has been fully impaired at the reporting date.

5. FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial asset and financial liabilities by category are summarised below.

	2024	**2024**	2023	2023
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Financial asset at amortised cost:				
Current				
Cash and cash equivalents	**54,890**	**4,953,027**	39,697	3,582,079
Total financial asset	**54,890**	**4,953,027**	39,697	3,582,079
Financial liabilities at amortised cost:				
Current				
Accruals	**10,200**	**920,402**	9,400	848,214
Total financial liabilities	**10,200**	**920,402**	9,400	848,214

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described as follows:

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency sensitivity

Foreign currency risk arises when the fair value or future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates.

The Company's financial asset and financial liabilities are not exposed to any foreign currency risk as these are principally denominated in the EURO ("EUR").

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have interest bearing financial asset and financial liabilities and it is therefore not exposed to interest rate on its financial instruments.

5.2 Credit risk analysis

Credit risk is the risk that counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial asset recognised at the reporting date, as summarised below:

	2024	**2024**	2023	2023
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
ASSET				
Current asset				
Cash and cash equivalents	**54,890**	**4,953,027**	39,697	3,582,079

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the Company's financial asset is secured by collateral or other credit enhancements.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the Company's financial liabilities:

	2024		2023	
	Less than one year	**Less than one year**	Less than one year	Less than one year
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
Accruals	**10,200**	**920,402**	9,400	848,214
Total	**10,200**	**920,402**	9,400	848,214

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

The Company has financial asset and financial liabilities and they are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investments in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended 31 March 2023 and 2024, the Company was not geared since it did not have any external borrowings.

8. TAXATION

(i) Income tax

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. At 31 March 2024, there are no potential subsequent events, other than those described below, that would have a material impact on unrecognised income tax benefits within the next twelve months.

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to the shareholder or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2024, the Company has accumulated tax losses of EUR 283,192 (2023: EUR 269,860) and is therefore not liable to income tax.

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2024, no deferred tax has been recognised in respect of the accumulated tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2024	2023
	EUR	EUR
Loss for the year	**(18,035,706)**	(31,550,331)
Tax calculated at the rate of 3%	**–**	–
Tax expense	**–**	–

9. INVESTMENTS IN SUBSIDIARY

	2024	**2024**	2023	2023
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
(i) Unquoted and at carrying amount				
At 01 April	**–**	**–**	–	–
Additions during the year (Note 9 (iii))	**18,000,000**	**1,624,239,000**	31,500,000	2,842,418,250
Impairment during the year (Note 9 (iv))	**(18,000,000)**	**(1,624,239,000)**	(31,500,000)	(2,842,418,250)
At 31 March	**–**	**–**	–	–

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	**Type of investments**	**Carrying amount 2024**	**Cost 2024**	Carrying amount 2023	Cost 2023
		EUR	**EUR**	EUR	EUR
Automobili Pininfarina GmbH*	Equity	**–**	**216,400,000**	–	198,400,000
Automobili Pininfarina GmbH*	Capital contribution	**–**	**20,525,000**	–	20,525,000
		–	**236,925,000**	–	218,925,000

* The Company has 100% holding in Automobili Pininfarina GmbH, a company incorporated in Germany.

(iii) During the year under review, the Company acquired additional equity shares amounting to EUR 18,000,000 (2023: EUR 31,500,000) in Automobili Pininfarina GmbH.

(iv) The directors made an assessment on the recoverable amount of the investments in Automobili Pininfarina GmbH and concluded that the carrying amount of these investments were fully impaired at the reporting date.

(v) The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is wholly-owned subsidiary of Mahindra & Mahindra Limited, a company incorporated in the Republic of India.

10. PROFESSIONAL FEES

	2024	2024	2023	2023
	EUR	INR (Note 1)	EUR	INR (Note 1)
Administration fees and disbursements	**19,319**	**1,743,260**	33,302	3,005,023
Directors' fees	**2,461**	**222,070**	2,464	222,340
Fees for tax filings	**1,673**	**150,964**	1,675	151,144
Secretarial fees	**1,477**	**133,278**	1,478	133,368
Royalties/ trademark fee	**1,229**	**110,899**	1,123	101,334
Other expenses	**1,882**	**169,822**	2,034	183,540
	28,041	**2,530,293**	42,076	3,796,749

11. STATED CAPITAL

	2024	2024	2023	2023
	EUR	INR (Note 1)	EUR	INR (Note 1)
Issued and paid:				
At start of the year	**219,255,001**	**19,784,584,643**	187,705,001	16,937,654,618
Issued during the year (Note 11 (i))	**18,050,000**	**1,628,750,775**	31,550,000	2,846,930,025
At end of the year	**237,305,001**	**21,413,335,418**	219,255,001	19,784,584,643

(i) During the year under review, the Company issued 13,893,496,673,915,450,000 shares of no par value amounting EUR 18,050,000 to Mahindra & Mahindra Limited, a listed company incorporated in the Republic of India.

(ii) As at 31 March 2024, the Company had 14,003,999,072,742,443,097 shares of no par value amounting EUR 237,305,001.

(iii) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- and be entitled, on a winding up, to share in the assets of the Company available for distribution.

12. CASH AND CASH EQUIVALENTS

	2024	2024	2023	2023
	EUR	INR (Note 1)	EUR	INR (Note 1)
Cash at bank	**54,890**	**4,953,027**	39,697	3,582,079
	54,890	**4,953,027**	39,697	3,582,079

13. CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2024.

14. RELATED PARTY TRANSACTIONS

The Company's related parties include Mahindra & Mahindra Limited (the "Shareholder"), a listed company incorporated in the Republic of India, Automobili Pininfarina GmbH (the "subsidiary"), a company incorporated in Germany and key management personnel.

During the year under review, the Company had no transactions with the above-mentioned related parties.

The key management personnel are the directors of the Company namely, Zakir Hussein Niamut, Padamnath Somnath Pandit, Shah Ahmud Khalil Peerbocus and Rathee Jugessur. None of the directors of the Company are deemed to have interest in Service Agreement between the Company and Apex Financial Services (Mauritius) Ltd, the Administrator and Secretary.

15. EVENTS AFTER THE REPORTING DATE

There have been no events after the reporting date which requires disclosure or adjustment to the 31 March 2024 financial statements.

16. HOLDING COMPANY

The directors regard Mahindra & Mahindra Limited, a company listed on the National Stock Exchange of India, as the Company's holding company.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA SUSTEN PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Susten Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS/ Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

    g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule

    11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

        iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 40 to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 40 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 24121513BKEPDV2669)

Place: Mumbai
Date: May 09, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of

Mahindra Susten Private Limited (“the Company”) as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note") issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No.117366W/W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 24121513BKEPDV2669)

Place: Mumbai
Date: May 09, 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Mahindra Susten Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in non-current assets held for sale are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for (stock held with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. or stocks held with third parties at the year end, written confirmations has been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) (a) The Company has made investments, provided/ stood guarantee and granted loans, secured or unsecured to companies during the year and the details of which are given below:

Rs. in Lakhs

Particulars	Investments	Loans	Guarantees
A. Aggregate amount granted/ provided during the year:			
- Subsidiaries	160.00	54,153.43	58,853.00
- Others	48,720.00	–	–
B. Balance outstanding as at balance sheet date in respect of above cases:			
- Subsidiaries	160.00	4,280.92	53,923.00
- Others	51,886.80*	–	–

*Represents the fair value of investments classified as fair value through profit or loss as on March 31, 2024.

(b) The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below).

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) The Company has granted loans or advances in the nature of loans to it's subsidiaries, without specifying any terms or period of repayment, details of which are given below:

Particulars	Rs. in Lakhs
Aggregate of loans – Agreement does not specify period of repayment	54,153.43
Percentage of loans to the total loans	100%

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees'

State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of a month in remittance of tax deducted at source.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of Statute	**Nature of dues**	**Forum Pending**	**Period to which the amount relates**	**Amount involved (in Rs. Lakhs)**	**Amount Unpaid (in Rs. Lakhs)**
Rajasthan Entry Tax	Entry Tax	Appelate Authority	2012-2013	722	722
Central Sales Tax Act,1956	Sales Tax	Tribunal	2016-2017 2017-2018	545	362
Central Sales Tax Act,1956	Sales Tax	Commissioner (Appeals)	2014-2015 2016-2017 2017-2018	767	538
Goods and Service Tax Act, 2017	Goods and Service Tax	Commissioner (Appeals)	2017-2018 2018-2019 2019-2020	8,333	7,918
Goods and Service Tax Act, 2017	Goods and Service Tax	High Court	2017-2018 2018-2019	3,116	2,227
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	2020-2021	7,692	7,692

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, the funds raised on short-term basis, *prima facie* not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) We have been informed of an instance of fraud on the Company by its employees involving misappropriation of funds amounting to Rs 50 lakhs to 60 lakhs approximately as described in Note 38 to the standalone financial statements. No fraud by the Company has been noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or its subsidiaries or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one CIC as part of the Group. There were four CICs forming part of the Group as at March 31, 2024.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 24121513BKEPDV2669)

Place: Mumbai
Date: May 09, 2024

MAHINDRA SUSTEN PRIVATE LIMITED

CIN no :U74990MH2010PTC207854

STANDALONE BALANCE SHEET AS AT 31 MARCH 2024

INR (In Lakhs)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	4	**334.49**	1,07,366.03
(b) Right-of-use assets	4 A	**568.67**	725.83
(c) Intangible assets	5	**110.27**	3.53
(d) Intangible assets under development	5 A	**–**	98.13
(e) Financial assets			
(i) Investments	6	**52,048.30**	47,510.85
(ii) Loans	7	**4,273.92**	71,993.59
(iii) Other financial assets	8	**103.39**	10,714.29
(f) Income tax assets (net)	9	**3,418.94**	3,897.07
(g) Other non-current assets	10	**2,029.91**	0.36
SUB-TOTAL		**62,887.89**	2,42,309.68
CURRENT ASSETS			
(a) Inventories	11	**262.38**	67.79
(b) Financial assets			
(i) Investments	6	**42,794.00**	1,007.00
(ii) Trade receivables	12	**3,056.54**	3,682.53
(iii) Cash and cash equivalents	13	**1,316.95**	5,784.28
(iv) Bank balances other than (iii) above	13	**77,509.77**	8,556.77
(v) Loans	7	**7.00**	1,551.00
(vi) Other financial assets	8	**1,047.03**	2,027.55
(c) Other current assets	10	**5,923.41**	7,294.00
SUB-TOTAL		**1,31,917.08**	29,970.92
Non-current assets classified as held for sale	37	**1,145.48**	919.24
TOTAL ASSETS		**1,95,950.45**	2,73,199.84
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14 A	**39,092.34**	39,092.34
(b) Other equity	14 B	**1,42,468.05**	63,622.71
SUB-TOTAL		**1,81,560.39**	1,02,715.05
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	**–**	78,510.06
(ii) Lease liabilities	4 B	**475.50**	641.52
(b) Provisions	16	**3,020.89**	3,055.50
(c) Deferred tax liabilities (net)	9	**1,379.59**	5,081.97
SUB-TOTAL		**4,875.98**	87,289.05
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	17	**–**	68,549.07
(ii) Lease liabilities	4 B	**194.56**	166.32
(iii) Trade payables:	18		
- Total outstanding dues of micro and small enterprises		**5.35**	7.96
- Total outstanding dues of creditors other than micro and small enterprises		**6,595.04**	7,821.85
(iv) Other financial liabilities	19	**–**	4,474.71
(b) Provisions	16	**2,167.10**	1,405.83
(c) Other current liabilities	20	**552.03**	770.00
SUB-TOTAL		**9,514.08**	83,195.74
TOTAL EQUITY AND LIABILITIES		**1,95,950.45**	2,73,199.84
The accompanying notes are an integral part of the Standalone Financial Statements	1-44		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : 9th May, 2024

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Executive Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS: 21351

Place : Mumbai
Date : 17th April, 2024

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Particulars		Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Continuing operations				
I	Revenue from operations	19	**1,857.31**	10,092.64
II	Other Income	20	**17,623.41**	11,246.11
III	**Total Income (I + II)**		**19,480.72**	21,338.75
IV	**Expenses**			
	(a) Cost of materials consumed	23	**974.08**	6,207.95
	(c) Employee benefits expense	22	**3,879.25**	6,003.36
	(d) Finance costs	23	**5,316.52**	4,921.38
	(e) Depreciation and amortisation expense	4, 5	**339.72**	309.88
	(f) Other expenses	24	**4,530.77**	4,994.05
	Total Expenses		**15,040.34**	22,436.62
V	**Profit /(loss) before exceptional items and tax (III-IV)**		**4,440.38**	(1,097.87)
VI	Exceptional Items (Gain) / Loss (Refer note 35)	35	**(93,794.33)**	(2,672.96)
VII	**Profit before tax (V - VI)**		**98,234.71**	1,575.09
VIII	**Tax Expense**	9		
	(a) Current tax		**7,610.62**	–
	(b) Deferred tax		**7,034.42**	1,884.08
	(c) Deferred Tax charge relating to earlier years		**–**	29.09
	Tax Expense		**14,645.04**	1,913.17
IX	**Profit for the year from continuing operations (VII - VIII)**		**83,589.67**	(338.08)
X	**Discontinued Operations**			
	(1) Profit from discontinued operations		**2,197.61**	3,909.92
	(2) Tax Expense of discontinued operations		**553.09**	136.61
XI	**Profit after tax from discontinued operations**	41	**1,644.52**	3,773.31
XII	**Profit for the year (IX + X)**		**85,234.19**	3,435.23
XIII	**Other comprehensive income**		**67.02**	2.34
	Items that will not be reclassified to profit / (Loss) :			
	(i) Remeasurements of the defined benefit liabilities / (asset)		**89.56**	3.60
	(ii) Income tax relating to remeasurement of defined benefit plan		**(22.54)**	(1.26)
XIV	**Total comprehensive income for the year (XII + XIII)**		**85,167.17**	3,432.89
XV	**Earnings per equity share of Rs 10 each: (for continuing operation):**			
	(1) Basic (In Rupees)	25	**21.38**	(0.09)
	(2) Diluted (In Rupees)	25	**21.38**	(0.09)

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Particulars	Note No.	**Year ended 31 March 2024**	Year ended 31 March 2023
XVI Earnings per equity share of Rs 10 each (for discontinued operation):			
(1) Basic (In Rupees)	25	**0.42**	0.97
(2) Diluted (In Rupees)	25	**0.42**	0.97
XVII Earnings per equity share of Rs 10 each (for continuing and discontinued operations):			
(1) Basic (In Rupees)	25	**21.80**	0.88
(2) Diluted (In Rupees)	25	**21.80**	0.88
The accompanying notes are an integral part of the Standalone Financial Statements	1-44		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : 9th May, 2024

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Executive Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 17th April, 2024

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before tax for the year		
Continuing operations	**98,234.71**	1,575.09
Discontinued operations	**2,197.61**	3,909.92
Adjustments for:		
Provision for doubtful debts	**113.98**	–
Bad Debts	**–**	87.30
Finance costs	**5,316.52**	11,833.41
Interest income	**(12,302.90)**	(9,469.84)
Net gain on sale of current investments	**(846.84)**	(25.48)
Net gain arising on financial assets designated as at FVTPL	**(3,166.80)**	(7.00)
Gain on sale of investments	**(93,794.33)**	(2,672.96)
Loss / (Gain) on disposal of property, plant and equipment	**(46.82)**	99.67
Reversal of excess provision	**–**	(2,129.00)
Depreciation and amortisation expense - continued operation	**339.72**	309.88
Depreciation and amortisation expense - discontinued operation	**1,767.12**	4,267.81
Net unrealised foreign exchange loss / (Gain)	**125.31**	(361.45)
Liability no longer required written back	**(1,002.74)**	–
Operating profit before working capital changes	**(3,065.44)**	7,417.35
Movements in working capital:		
Decrease in trade and other receivables	**(130.81)**	18,634.74
Decrease in inventories	**(420.83)**	91.27
Decrease in other assets	**(691.62)**	1,087.38
Decrease in trade and other payables	**5.48**	(6,906.13)
(Decrease)/Increase in provisions	**693.43**	(1,863.17)
(Decrease)/increase in other liabilities	**(217.98)**	(414.90)
Cash generated from operations	**(762.33)**	10,629.19
Income taxes paid (net of refunds)	**(7,132.46)**	(1,278.78)
Net cash (used in)/generated from operating activities	**(10,960.23)**	16,767.77
Cash flows from investing activities		
Fixed Deposit made (Placed)	**(80,241.29)**	(6,449.13)
Payments to acquire mutual funds (net)	**(40,940.16)**	(974.51)
Inter corporate deposit (ICD) given to Subsidiaries	**(54,153.43)**	(3,498.70)
Repayment of ICD from Subsidiaries	**1,41,187.09**	2,688.77
Interest received	**20,699.92**	9,042.40
Payments for purchase of property, plant and equipment	**(1,138.10)**	(1,507.99)
Proceeds from disposal of property, plant and equipment	**759.36**	77.54

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUE)

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Investments in equity Shares of a subsidiary	**(160.00)**	–
Proceed from sale of Units in Infrastructure Trust	**89,780.00**	–
Proceed from sale of equity shares	**2,803.68**	2,682.96
Net cash (used) / generated from investing activities	**78,597.07**	2,061.34
Cash flows from financing activities		
Proceeds from long term borrowings availed from bank	**–**	46,983.59
Repayment of long term borrowings availed from bank	**(904.26)**	(49,763.22)
Proceeds from short term borrowings availed from bank	**64,700.00**	42,767.98
Proceeds from short term borrowings availed from Related party	**11,000.00**	33,000.00
Repayment of short term borrowings availed from bank	**(71,300.00)**	(47,540.40)
Repayment of short term borrowings availed from Related parties	**(68,500.00)**	(33,000.00)
Repayment of lease liabilities	**(225.62)**	(100.13)
Interest paid	**(6,874.29)**	(9,359.74)
Net cash (Used) / generated from financing activities	**(72,104.17)**	(17,011.94)
Net increase/(decrease) in cash and cash equivalents	**(4,467.33)**	1,817.16
Cash and cash equivalents at the beginning of the year	**5,784.28**	3,967.12
Cash and cash equivalents at the end of the year	**1,316.95**	5,784.28

The accompanying notes are an integral part of the Standalone Financial Statements

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

The Company in the current year has received units of Sustainable Energy Infra trust (SEIT) worth Rs. 138,500 lakhs in exchange of Equity shares in its SPVs (namely, MRPL and MSUPL) amounting to Rs. 45,079.77 lakhs.(refer note no. 35)

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : 9th May, 2024

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Executive Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 17th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2024

A. Equity Share Capital

INR (In Lakhs)

Details	No. of shares	For the year ended 31st March 2024	No. of shares	For the year ended 31st March 2023
Balance at the beginning of the Year	39,09,23,456	39,092.34	19,54,61,728	19,546.17
Shares issued (refer note no.14B)	–	–	19,54,61,728	19,546.17
Balance at the end of the the year	**39,09,23,456**	**39,092.34**	**39,09,23,456**	**39,092.34**

B. Other Equity

(1) Current reporting year as at 31st March 24

INR (In Lakhs)

Particulars	Reserves and surplus				
	Capital reserve	Securities premium	Equity settled employee benefits reserve	Retained earnings	Total
Balance at 1 April, 2022	–	52,222.42	485.15	27,513.57	80,221.14
Profit for the year	–	–	–	3,435.23	3,435.23
Other Comprehensive loss for the year	–	–	–	(2.34)	(2.34)
Total comprehensive income for the year	–	–	–	3,432.89	3,432.89
Utilised towards ESOP Settlement (Refer note 24)	–	–	(485.15)	–	(485.15)
Bonus shares issued during the year	–	(19,546.17)	–	–	(19,546.17)
Balance at 31 March, 2023	–	32,676.25	–	30,946.46	63,622.71
Profit for the year	**–**	**–**	**–**	**85,234.19**	**85,234.19**
Other Comprehensive loss for the year	**–**	**–**	**–**	**(67.02)**	**(67.02)**
Total comprehensive income for the year	**–**	**–**	**–**	**85,167.17**	**85,167.17**
Adjustment related to demerger of undertaking (refer note no 41)	**(6,321.83)**	**–**	**–**		**(6,321.83)**
Balance at 31 March, 2024	**(6,321.83)**	**32,676.25**	**–**	**1,16,113.63**	**1,42,468.05**

The accompanying notes are an integral part of the Standalone Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : 9th May, 2024

For and on behalf of the Board of Directors

Ramesh Iyer
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Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 17th April, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Corporate information

Mahindra Susten Private Limited ('the Company') is a company limited by shares, incorporate and domiciled in India. The Company is a joint venture entity between Mahindra Holdings Limited and 2452991 ONTARIO LIMITED, having CIN U74990MH2010PTC207854 and registered office located at Mumbai. The Company is engaged in the business of providing services in the areas of engineering, procurement, and construction of power plants in renewable energy and sale of power.

2. Statement of compliance

The accompanying standalone financial statements of the Company which comprise the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2024, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified, and other accounting principles generally accepted in India.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 17 April 2024.

3. Material Accounting Policies and Accounting Judgments and Estimates

a) Basis of Preparation and presentation of Financial Statements

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies given below which are consistently followed. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, "as amended," as applicable to the Standalone Financial Statements have been followed. The Standalone Financial Statements are presented in Indian Rupees (''INR'') in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / noncurrent classification.

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or

(ii) it is expected to be realised within twelve months from the reporting date; or

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(v) it is expected to be settled in the Company's normal operating cycle; or

(vi) it is due to be settled within twelve months from the reporting date; or

(vii) it is held primarily for the purposes of being traded; or

(viii) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Discontinued operations

The Board of Directors of the Company, at their meeting held on 18 January, 2023 and subsequently on 24 February 2023, has inter alia, approved, the Scheme of Arrangement between Mahindra Susten Private Limited ("Demerged Company") and Emergent Solren Private Limited ("Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme inter alia provides for:

i) The demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company to the Resulting Company on a going concern basis and the consequent issue of equity shares by the Resulting Company to the owners of the Demerged Company.

ii) Reduction and cancellation of the entire paid-up share capital of the Resulting Company on the effective date.

On 27 July 2023, the scheme was approved by the National Company Law Tribunal (NCLT). The appointed date and effective date of the Scheme of Arrangement is 01 September 2023.

Pursuant to the scheme the management of Demerged Company and Resulting Company jointly identified assets, liabilities, income, expenses (including allocation of common expenses) and tax credits of the demerged undertaking. Refer note 41 for details

b) Use of estimates and judgments

In applying the Company's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty for the year ending 31 March 2024:

(i) Evaluation of percentage of completion:

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the year in which such changes are determined.

(ii) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of the company and their ability to utilize tax assets. The Company reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iii) Measurement of defined benefit obligations and other employee benefit obligations:

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Provision for obsolete inventory:

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. Te provision for obsolescence of inventory is based on the ageing and past consumption of the inventory.

(v) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Company uses the previous year impairment loss as allowance on the portfolio of trade receivables. At reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

(vi) Impairment losses on investment:

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

(viii) Provision for product warranty:

The warranty provision represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages. Presently, company creates provision at 1% on Revenue from EPC contracts of current financial year.

Material Accounting policies

c) Revenue Recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

(i) EPC Contracts

Revenue from EPC contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity, hence revenue is recognized over the period. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

(ii) Sales of Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

d) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalized in accordance with the Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Depreciation on other tangible assets is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – Plant	15 -25 Years
Office equipment	5 Years
Computer software	3 Years
Furniture and fixtures	10 Years
Lease hold improvements	5 years or period of lease whichever is lower
Vehicles	8 Years

The Company recognizes right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of assets	Useful life
ROU Vehicles	4 Years
ROU Building	3 to 5 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows,

Type of assets	Useful life
Computer software	3 Years

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors or when the annual impairment testing of the asset is required,. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f) Inventories:

Inventories are stated at lower of cost and net realizable value.

Cost of raw materials includes all costs of purchase, conversion and other direct attributable costs incurred for bringing the items to their present location and condition and is determined using the weighted average cost method.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The cost of contracts work in progress comprises costs directly attributable to the specific contracts and related overheads.

Traded goods costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Foreign Currency:

Foreign currency transactions

Initial Recognition

The company's financial statements are presented in Indian Rupee, which is also the company's functional currency. All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

h) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in Statement of Profit and Loss.

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

j) Employee Benefits:

(i) Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service.

(ii) Post employment employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

a) Defined Contribution schemes

The Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss in the year when the contribution to the respective funds are due.

b) Defined benefits plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

k) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

m) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable, ECL is presented as as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

n) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

p) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

q) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

r) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has not to recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

s) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 4 - Property, Plant and Equipment

INR (In Lakhs)

Description of Assets	Land - Freehold	Buildings - Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Opening Balance as at 1 April 2023	6,204.91	149.11	1,15,249.45	461.08	80.32	24.54	1,22,169.41
Additions	–	–	102.83	16.60	–	–	119.43
Elimination on Demerger (refer note no 41)	(6,204.91)	–	(1,13,647.32)	–	–	–	(1,19,852.23)
Disposals		–	(1,197.01)	(0.13)		(10.55)	(1,207.69)
Closing Balance as at 31 March 2024	**–**	**149.11**	**507.95**	**477.55**	**80.32**	**13.99**	**1,228.92**
II. Accumulated depreciation							
Opening Balance as at 1 April 2023	–	21.27	14,416.73	330.01	11.67	23.70	14,803.38
Depreciation expense for the year	–	28.33	1,836.64	34.72	15.18	0.15	1,915.02
Elimination on Demerger (refer note no 41)	–	**–**	**(15,330.85)**	**–**	**–**	**–**	**(15,330.85)**
Disposals	–	–	(482.44)	(0.13)	–	(10.55)	(493.12)
Closing Balance as at 31 March 2024	**–**	**49.60**	**440.08**	**364.60**	**26.85**	**13.30**	**894.43**
III. Net carrying amount (I-II)	**–**	**99.51**	**67.87**	**112.95**	**53.47**	**0.69**	**334.49**

INR (In Lakhs)

Description of Assets	Land - Freehold	Buildings - Leasehold Improvements	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Opening balance as at 1 April 2022	5,326.56	–	1,15,739.07	604.94	0.70	57.10	1,21,728.37
Additions	878.35	149.11	22.01	47.64	79.62	–	1,176.73
Disposals	–	–	(511.63)	(191.50)	–	(32.56)	(735.69)
Closing balance as at 31 March 2023	**6,204.91**	**149.11**	**1,15,249.45**	**461.08**	**80.32**	**24.54**	**1,22,169.41**
II. Accumulated depreciation							
Opening balance as at 1 April 2022	–	–	10,438.06	476.29	0.24	33.04	10,947.63
Depreciation expense for the year	–	21.27	4,345.61	35.29	11.43	6.22	4,419.82
Disposals	–	–	(366.94)	(181.57)	–	(15.56)	(564.07)
Closing balance as at 31 March 2023	**–**	**21.27**	**14,416.73**	**330.01**	**11.67**	**23.70**	**14,803.38**
III. Net carrying amount (I-II)	**6,204.91**	**127.84**	**1,00,832.72**	**131.07**	**68.65**	**0.84**	**1,07,366.03**

Note:

i) Freehold land and plant and equipment have been against the borrowings (refer note no. 15 non current borrowings)

ii) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

Note No. 4A - Right-of-use assets

INR (In Lakhs)

Right of use of asset	Vehicle	Building	Total
I. Gross Carrying Amount			
Opening Balance as at 1 April 2023	106.11	756.02	862.13
Additions	45.77	–	45.77
Disposals	(25.61)	–	(25.61)
Closing Balance as at 31 March 2024	**126.27**	**756.02**	**882.29**
II. Accumulated depreciation			
Opening Balance as at 1 April 2023	**23.98**	**112.32**	**136.30**
Charge for the year	28.83	157.52	186.35
Disposals	(9.03)	–	(9.03)
Closing Balance as at 31 March 2024	**43.78**	**269.84**	**313.62**
III. Net carrying amount (I-II)	**82.49**	**486.18**	**568.67**

INR (In Lakhs)

Right of use of asset	Vehicle	Building	Total
I. Gross Carrying Amount			
Opening balance as at 1 April 2022	49.63	–	49.63
Additions	56.48	756.02	812.50
Closing balance as at 31 March 2023	**106.11**	**756.02**	**862.13**
II. Accumulated depreciation			
Opening balance as at 1 April 2022	2.52	–	2.52
Charge for the year	21.46	112.32	133.78
Closing balance as at 31 March 2023	**23.98**	**112.32**	**136.30**
III. Net carrying amount (I-II)	**82.13**	**643.70**	**725.83**

Notes :

(i) The lease term of the car is 4 years. The Company does not have an option to purchase the car at the end of lease term.

(ii) The lease tenure for building is from 3 to 5 years.

Note No. 4B - Lease liability

INR (In Lakhs)

Movement in Lease Liabilities	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Balance at the beginning of the year	807.85	50.61
Additions	45.77	812.50
Finance cost for the year	59.21	44.87
Deletions	(17.15)	–
Payment of lease liabilities	(225.62)	(100.13)
	670.06	**807.85**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Amounts recognised in profit and loss	For the year ended 31 March 2024	For the year ended 31 March 2023
– Depreciation expense on right-of-use assets	186.35	133.78
– Interest expense on lease liabilities	59.21	44.87

The total cash outflow for leases amount to Rs. 225.62 (2022-23: Rs. 100.13).

INR (In Lakhs)

Lease liabilities	As at 31 March 2024	As at 31 March 2023
Maturity Analysis		
On or before 31 March 2024	–	166.32
On or before 31 March 2025	194.56	190.99
On or before 31 March 2026	216.04	210.82
On or before 31 March 2027	194.96	182.45
On or before 31 March 2028	64.50	57.26

INR (In Lakhs)

– Analysed as	As at 31 March 2024	As at 31 March 2023
Non Current	475.50	641.52
Current	194.56	166.32

Note No. 5 - Intangible Assets

Description of Assets	INR (In Lakhs) Computer Software
I. Gross Carrying Amount	
Opening Balance as at 1 April 2023	34.32
Additions	112.23
Closing Balance as at 31 March 2024	**146.55**
II. Accumulated depreciation	
Opening Balance as at 1 April 2023	30.79
Amortisation expense for the year	5.49
Closing Balance as at 31 March 2024	**36.28**
III. Net carrying amount (I-II)	**110.27**

Description of Assets	INR (In Lakhs) Computer Software
I. Gross Carrying Amount	
Opening balance as at 1 April 2022	446.01
Additions	1.85
Disposals	(413.54)
Closing balance as at 31 March 2023	**34.32**
II. Accumulated depreciation	
Opening balance as at 1 April 2022	415.53
Amortisation expense for the year	24.10
Disposals	(408.84)
Closing balance as at 31 March 2023	**30.79**
III. Net carrying amount (I-II)	**3.53**

Note No. 5 A - Intangible assets under development (ITUD)

ITUD Aging schedule as at 31 March 2023

INR (In Lakhs)

ITUD	Amount in ITUD for a 31st March 2023				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	18.30	61.68	18.15	–	98.13

ITUD completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan Nil (31 March 2023: Nil) ; ITUD Suspended : Nil (31 March 2023: Rs 17 Lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 6. – Investments

INR (In Lakhs)

Particular	As at 31 March 2024 No. Of Shares	As at 31 March 2024 Amounts Non Current	As at 31 March 2023 No. Of Shares	As at 31 March 2023 Amounts Non Current
A. Investment in Subsidiaries in equity instrument measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**16,10,000**	**161.00**	33,03,01,616	47,387.49
Impairment in the value of investments (MSPL International DMCC fully impaired during the year 2020-21)	–	–	(11,616)	(2,306.72)
Total	**16,10,000**	**161.00**	33,02,90,000	45,080.77
B. Investment in Joint Venture in equity instruments measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	–	–	1,41,86,160	2,429.58
Total	–	–	1,41,86,160	2,429.58
C. Investment in others in equity instruments measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**2,010**	**0.50**	2,010	0.50
	2,010	**0.50**	2,010	0.50
D. Investment in units measured at fair value through profit or loss less impairments, if any				
Quoted Investments (fully paid up) (refer note below)	**4,87,20,000**	**51,886.80**	–	–
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) + (D)	**5,03,32,010**	**52,048.30**	34,44,78,170	47,510.85

INR (In Lakhs)

List of entities	Face Value Per Share	As at 31 March 2024 No. Of Shares	As at 31 March 2024 Amounts	As at 31 March 2023 No. Of Shares	As at 31 March 2023 Amounts
Subsidiaries					
1. Mahindra Renewables Private Limited	₹ 10	–	–	32,16,30,000	36,575.30
2. MSPL International DMCC (Fully impaired during the year 2020-21) (Refer foot note 1)	AED 1000	–	–	11,616	2,306.72
3. Mega Surya Urja Private Limited	₹ 10	–	–	86,50,000	8,504.47
4. Martial Solren Private Limited	₹ 10	**10,000**	**1.00**	10,000	1.00
5. Hazel Hybren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
6. Illuminate Hybren Private Limited (Formerly Known As Icarus Hybren Private Limited)	₹ 10	**2,00,000**	**20.00**	–	–
7. Furies Solren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
8. Gelos Solren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
9. Migos Hybren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
10. Kyros Hybren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
11. Jade Hybren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
12. Layer Hybren Private Limited	₹ 10	**2,00,000**	**20.00**	–	–
Total investment in Subsidiaries - subtotal (a)		**16,10,000**	**161.00**	33,03,01,616	47,387.49
Joint Venture				–	
1. Marvel Solren Private Limited	₹ 10	–	–	1,41,86,160	2,429.58
Total investment in Joint Venture - subtotal (b)		–	–	1,41,86,160	2,429.58
Others					
1. Sustainable Energy Infra Trust (SEIT)	₹ 100	**4,87,20,000**	**51,886.80**	–	–
2. The Zoroastrian Co-operative Bank Limited	₹ 10	**2,010**	**0.50**	2,010	0.50
Total investment in others - subtotal (c)		**4,87,22,010**	**51,887.30**	2,010	0.50
Total investment (a + b + c)		**5,03,32,010**	**52,048.30**	34,44,89,786	49,817.57

1. MSPL International DMCC, a wholly owned subsidary has been liquidated during the year vide order dated 07 August 2023 with effect from 18 january 2023.
2. The Company in the current year has received units of Sustainable Energy Infra trust (SEIT) worth Rs. 138,500 lakhs in exchange of Equity shares in its SPVs (namely, MRPL and MSUPL) amounting to Rs. 45,079.77 lakhs.(refer note no 35)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Particular	As at 31 March 2024 Current	As at 31 March 2023 Current
Quoted Investments at fair value through profit or loss		
In Mutual Funds	**42,794.00**	1,007
TOTAL	**42,794.00**	1,007

INR (In Lakhs)

Particular	As at 31 March 2024	As at 31 March 2023
Quoted Investments		
Aggregate book value	**94,680.80**	1,007.00
Aggregate market value	**94,680.80**	1,007.00
Unquoted Investments		
Aggregate carrying value	**161.50**	47,510.85

Note No. 7. – Loans

INR (In Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
– Loans to related parties (refer note 31)	**7.00**	**4,273.92**	1,551.00	71,993.59
TOTAL	**7.00**	**4,273.92**	1,551.00	71,993.59

Loans to Subsidiaries

INR (In Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	%	Total	%	Total
without specifying terms or period of repayment				
– Loans to Subsidiaries	**99.14%**	**4,243.92**	91.60%	67,367.70
Total Loans to Subsidiaries	**100.00%**	**4,280.92**	100.00%	73,544.59

INR (In Lakhs)

List of entities	Rate of Interest (%)	As at 31 March 2024	As at 31 March 2023
Subsidiaries			
1. Mahindra Renewables Private Limited (Sub-ordinate debt given for ISTS I Project, repayable after servicing of senior secured debts)	11.50	**–**	35,993.50
2. Mega Surya Urja Private Limited (Sub-ordinate debt given for ISTS II Project, repayable after servicing of senior secured debts)	11.50	**–**	31,374.20
3. Bright Solar Private Limited (To repay bank Term loan, repayable at the end of 20 years from date of drawdown of each tranche)	10.20	**–**	2,500.00
4. Neo Solren Private Limited (For general business purpose, repayable at the end of 5 years from date of drawdown of each tranche)	11.00	**–**	3,169.89
5. Martial Solren Private Limited (For general business purpose, repayable at the end of 2 years from date of drawdown of each tranche)	11.00	**7.00**	7.00
6. Martial Solren Private Limited (Sub-ordinate debt given for renewable energy project , repayable after servicing of senior secured debts)	11.50	**4,027.00**	–
7. Furies Solren Private Limited (Sub-ordinate debt given for renewable energy project , repayable after servicing of senior secured debts)	11.50	**10.00**	–
8. Hazel Hybren Private Limited (Sub-ordinate debt given for renewable energy project , repayable after servicing of senior secured debts)	11.50	**30.00**	–
9. Gelos Solren Private Limited (Sub-ordinate debt given for Open Access Project , repayable after servicing of senior secured debts)	11.50	**176.92**	–
10. Illuminate Hybren Private Limited (For general business purpose, repayable at the end of 2 years from date of drawdown of each tranche)	11.00	**30.00**	–
Other Entity			
Mahindra Teqo Private Limited(For general business purpose, repayable at the end of 3 years from date of drawdown of each tranche)	11.00	–	500.00
TOTAL		**4,280.92**	73,544.59

Notes :

a. Details of Investments made or Inter Corporate Deposits/Loans taken from holding for further investment or intercorporate deposits/loans to the ultimate beneficiary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Name of Company	Date of transaction	As at 31 March 2024	As at 31 March 2023
Mahindra & Mahindra Limited	various	–	39,730

b. Details of further Investments made or Inter Corporate Deposits/Loans given by Holding to Ultimate Beneficiary :

INR (In Lakhs)

Name of Company	Date of transaction	As at 31 March 2024	As at 31 March 2023
Mega Suryaurja Private Limited	various	–	37,230.00
Brightsolar Renewable Energy Private Limited	17th Dec, 2021	–	2,500.00
TOTAL		–	39,730.00

Note : These loans are repaid back during the year

c. Details of each Intermediary / Ultimate Beneficiary:

Name of Company	Registered address	Identification number (CIN/Others)
Mega Suryaurja Private Limited	Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, India	U40103MH2012PTC226016
Brightsolar Renewable Energy Private Limited	Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018, India	U40108MH2013PTC250683

Note No. 8. – Other financial assets

INR (In Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Financial assets				
a) Security Deposits	74.46	7.67	71.42	159.51
b) Interest accrued on loans				
– Gross	844.02	95.72	273.19	9,654.78
– Allowance for credit loss	–	–	(48.86)	–
– Net	844.02	95.72	224.33	9,654.78
c) Unbilled Revenue	128.55	–	1,487.64	–
d) Derivative not designated as a hedge instrument	–	–	244.16	–
e) Fixed deposit (earmarked balance against borrowings)	–		–	900.00
TOTAL	1,047.03	103.39	2,027.55	10,714.29

Note No. 9 - Current Tax and Deferred Tax

(i) Income tax recognised in profit or loss

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
In respect of current year		
Current Tax	7,617.55	–
In respect of prior years	(6.93)	–
In respect of current year	7,587.51	1,703.81
Deferred Tax	7,587.51	1,703.81
In respect of prior years	–	29.09
Total income tax expense	15,198.13	1,732.90

(ii) Income tax recognised in other Comprehensive income

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement of defined benefit obligations not reclassified to profit or loss	(22.54)	(1.26)
Total	(22.54)	(1.26)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
i) Profit before tax continuing operations	**98,234.71**	1,575.09
ii) Profit before tax discontinued operations	**2,197.61**	3,909.92
iii) Profit before tax (i) + (ii)	**1,00,432.32**	5,485.01
iv) Corporate tax rate as per Income tax Act, 1961	**25.17%**	34.94%
v) Tax on accounting profit (v) = (iii) X (iv)	**25,276.81**	1,916.70
Effect of expenses that is non-deductible in determining taxable profit	**28.54**	104.00
Income taxable at lower rate	**(14,144.97)**	(316.89)
Tax credits / deferred tax written off on adoption of lower tax regime	**4,044.68**	–
vi) Total effect of Tax adjustment	**15,205.06**	1,703.81
vii) Adjustments recognised in the current year in relation to the tax of prior years	**(6.93)**	29.09
viii) Tax expense recognised during the year (vi+ vii)	**15,198.13**	1,732.91

(iv) The details of Non-current/Current tax assets/(liabilities)

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Non-current tax assets (net of provision for taxation)	**24,269.52**	17,137.04
Current tax liabilities (net of advance tax)	**(20,850.58)**	(13,239.97)
Total	**3,418.94**	3,897.07

(v) Movement in deferred tax balances

INR (In Lakhs)

Particulars	For the Year ended 31 March 2024					
	Opening Balance	**Recognised in profit and Loss**	**Effect of Demerger**	**Change in tax rate**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities						
Property, plant and equipment and intangible assets	25,607.73	661.17	(26,544.73)	291.22	–	15.39
Investment revaluation	–	362.28	–	–	–	362.28
Unrealised gain on Investments unsold	–	3,381.89	–	–	–	3,381.89
Unwinding of Financial liability	163.25	(6.18)		(157.07)		(0.00)
	25,770.98	4,399.16	(26,544.73)	134.15	–	3,759.56
Tax effect of items constituting deferred tax assets						
Employee Benefits	124.48	243.75	–	(34.82)	22.54	355.95
Provisions	2,090.51	939.87	–	(1,032.78)	–	1,997.60
	15,318.09	–	(15,277.38)	(40.71)	–	(0.00)
Unwinding of Financial assets	620.27	(332.31)	–	(286.32)	–	1 .64
Lease Liability		–	–	–	–	–
Other Financial Assets	27.44	5.02	–	(7.68)	–	24.78
Minimum Alternate Tax Credit	2,508.22	–	–	(2,508.22)	–	(0.00)
	20,689.01	856.33	(15,277.38)	(3,910.53)	22.54	2,379.97
Net deferred tax liabilities	(5,081.97)	(3,542.83)	11,267.35	(4,044.68)	22.54	(1,379.59)

Note : During current financials year, The company has decided to opt for the new tax regime announced by the Government of India and availed the benefit of Section 115BAA of the Income Tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019 which provides for concessional tax rate of 22% plus applicable surchage and cess, totalling 25.17% (previous year 34.944%). The resultant impact of this is Rs. 40.45 crores

INR (In Lakhs)

Particulars	For the Year ended 31 March 2023					
	Opening Balance	**Recognised in profit and Loss**	**Effect of Demerger**	**Change in tax rate**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities						
Property, plant and equipment and intangible assets	16,111.30	9,496.43	–	–	–	25,607.73
Unwinding of Financial liability	197.67	(34.42)	–	–	–	163.25
	16,308.97	9,462.01	–	–	–	25,770.98
Tax effect of items constituting deferred tax assets						
Employee Benefits	151.87	(28.65)	–	–	1.26	124.48
Provisions	3,618.93	(1,528.42)	–	–	–	2,090.51
Unabsorbed depreciation in tax books	5,856.24	9,461.85	–	–	–	15,318.09
Unwinding of Financial assets	370.15	250.12	–	–	–	620.27
Lease Liability		27.44	–	–	–	27.44
Other Financial Assets	770.12	(770.12)	–	–	–	–
Minimum Alternate Tax Credit	2,191.33	316.89	–	–	–	2,508.22
	12,958.64	7,729.10	–	–	1.26	20,689.01
Net deferred tax liabilities	(3,350.33)	(1,732.91)	–	–	1.26	(5,081.97)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 10 – Other assets

INR (In Lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
(a) Capital advances	**–**	**–**	–	0.36
(b) Balances with government authorities (Sales tax and Goods & service tax)	**4,852.50**	**2,029.91**	7,098.04	–
(c) Other advances				
- Advances to suppliers	**1,038.04**	**–**	109.98	–
- Advances to employees	**4.39**		15.06	
- Prepaid Expenses	**20.00**	**–**	70.92	–
(d) Other assets	**8.48**	**–**	–	–
Total	**5,923.41**	**2,029.91**	7,294.00	0.36

Note No. 11 – Inventories

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(at lower of cost and net realisable value)		
Stores and pump including spares	**262.38**	67.79
Total Inventories	**262.38**	67.79

Note:

The carrying amount of inventories are provided as a security against working capital facility limits (refer note no 15)

Note No. 12 – Trade receivables

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
– Related Parties	**822.43**	1,817.60
– Others	**2,234.11**	1,864.93
TOTAL	**3,056.54**	3,682.53

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2024 from due date of payment						
	Not Due	**Less than 6 months**	**6 Months - 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Trade receivables							
- Undisputed Trade receivables - considered good	**365.26**	**153.83**	**55.92**	**1,494.68**	**148.09**	**838.76**	**3,056.54**
- Undisputed Trade receivables - Credit Impaired	**5.57**	**0.70**	**0.23**	**11.21**	**1.09**	**192.83**	**211.63**
Less: Allowance for expected credit loss	**(5.57)**	**(0.70)**	**(0.23)**	**(11.21)**	**(1.09)**	**(192.83)**	**(211.63)**
TOTAL	**365.26**	**153.83**	**55.92**	**1,494.68**	**148.09**	**838.76**	**3,056.54**

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2023 from due date of payment						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade receivables							
- Undisputed Trade receivables - considered good	2,183.94	253.87	237.72	366.02	415.59	225.38	3,682.53
- Undisputed Trade receivables - Credit Impaired	7.03	0.85	0.89	1.24	21.55	66.08	97.64
Less: Allowance for expected credit loss	(7.03)	(0.85)	(0.89)	(1.24)	(21.55)	(66.08)	(97.64)
TOTAL	2,183.94	253.87	237.72	366.02	415.59	225.38	3,682.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Movement in allowance for expected credit loss

INR (In Lakhs)

Particulars	For the year ended 31 March 24	For the year ended 31 March 23
At the beginning of year	**97.64**	925.65
Provision during the year	**113.98**	107.98
Less : Provision reversal	**–**	(20.67)
Less : Allowance provided earlier written off	**–**	(915.32)
At the end of the year	**211.62**	97.64

Note: 1

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note: 2

The credit period given to customers range from 30 days to 90 days.

Note: 3

All trade receivables have been pledged in relation to undrawn working capital facility (first charge) to secure the current borrowings of the Company (Refer Note 17). Trade receivables were pledged in previous year which got released in current year and for current year it is pledged against undrawn facility.

Note: 4

Refer Note 28 - Financial Instruments - for disclosures related to credit risk, allowance for trade receivables under expected credit loss model and other disclosure

Note: 5

Trade receivables includes certain receivables amounting to Rs. 390 (in lakhs) for which the risk of collection lies with Mahindra solarize pvt ltd and Mahindra teqo pvt ltd

Note No. 13 - Cash and Bank balance

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with banks	**1,316.95**	5,784.28
Total Cash and cash equivalents	**1,316.95**	5,784.28
Other Bank Balances		
Fixed deposit with original Maturity greater than 3 months but less than 12 months	**77,509.77**	8,556.77
Total Other Bank balances	**77,509.77**	8,556.77

Note No. 14 A - Equity Share Capital

INR (In Lakhs)

Particulars	As at 31 March 2024 No. of Shares	As at 31 March 2024 Value of shares	As at 31 March 2023 No. of Shares	As at 31 March 2023 Value of shares
Authorised:				
Equity shares of Rs 10 each	**50,00,00,000**	**50,000.00**	50,00,00,000	50,000.00
Issued, Subscribed and Fully Paid up:				
Equity shares of Rs. 10 each	**39,09,23,456**	**39,092.34**	39,09,23,456	39,092.34
Total	**39,09,23,456**	**39,092.34**	39,09,23,456	39,092.34

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Shares issued during the year	Closing Balance
Equity Shares			
Year ended 31 March 2024			
No. of Shares	**39,09,23,456**	–	**39,09,23,456**
Amount (In Lakhs)	**39,092.34**	–	**39,092.34**
Year Ended 31 March 2023			
No. of Shares	19,54,61,728	19,54,61,728	39,09,23,456
Amount (In Lakhs)	19,546.17	19,546.17	39,092.34

Note:

During the year ended 31 March 2023, 19,54,61,728 shares of face value of 10 per share were issued as fully paid bonus shares by utilisation from Securities Premium Account.

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Holdings Limited	**23,45,93,167**
2452991 ONTARIO LIMITED	**15,63,30,289**
As at 31 March 2023	
Mahindra Holdings Limited	27,36,46,420
2452991 ONTARIO LIMITED	11,72,77,036

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2024 Number of shares held	As at 31 March 2024 % holding in that class of shares	As at 31 March 2023 Number of shares held	As at 31 March 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra Holdings Limited (Refer note below)	**23,45,93,167**	**60%**	27,36,46,420	70%
2452991 ONTARIO LIMITED	**15,63,30,289**	**40%**	11,72,77,036	30%
Total	**39,09,23,456**	**100%**	39,09,23,456	100%

Note:

(i) The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the annual general meeting.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

(iii) This includes 6 equity shares held as nominee by an individual on behalf of the Mahindra Holdings Limited.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 14 B - Other Equity:

INR (In Lakhs)

(i) Securities Premium	As at 31 March 2024	As at 31 March 2023
Balanceas at beginning of the year	**32,676.25**	52,222.42
Bonus shares issued during the year	–	(19,546.17)
Balanceas at end of the year	**32,676.25**	32,676.25

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013. During previous financial year, 19,54,61,728 shares of face value of 10 per share were issued as fully paid bonus shares by utilisation from Securities Premium Account.

INR (In Lakhs)

(ii) Other Reserves (ESOP)	As at 31 March 2024	As at 31 March 2023
Balances at beginning of the year	**–**	485.15
Utilised during the year	**–**	(485.15)
Balances at end of the year	**–**	–

Note:
Company has settled ESOP during the year 2022-23 (Refer note 24)

INR (In Lakhs)

(iii) Retained earnings	As at 31 March 2024	As at 31 March 2023
Balances as at beginning of the year	**30,946.46**	27,513.57
Profit /(Loss) for the year	**85,234.19**	3,435.23
Other Comprehensive Profit / (loss) for the year	**(67.02)**	(2.34)
Balances as at end of the year	**1,16,113.63**	30,946.46

Note:
Retained earnings comprise Balanceof accumulated (undistributed) profit and loss at each year end

INR (In Lakhs)

(iv) Capital reserve	As at 31 March 2024	As at 31 March 2023
Balances as at beginning of the year	**–**	–
Adjustment relating to demerger of undertaking (Refer note 41 and Refer note below)	**6,321.83**	–
Balances as at end of the year	**6,321.83**	–

During the year, The Company has demerged it's Solar Power Business i.e. two solar projects in MSPL aggregating to ~360 MWp portfolio, was demerged into Emergent Solren Private Limited ("ESPL") by way of a Scheme of Arrangement, sanctioned by the Mumbai Bench of the National Company Law Tribunal ("NCLT"), between MSPL, ESPL, and their respective shareholders and creditors.

Note No. 15 - Non-Current Borrowings

INR (In lakhs)

Particulars	As at 31 March 2024 Amount	As at 31 March 2023 Amount
Measured at amortised cost		
A. Secured Borrowings:		
(a) Term Loan from bank		
For Goyalari Project	–	20,407.10
(Repayable in 64 quarterly instalments, last instalment falling due on Sep 2034)		
For SECI Raj Project	–	42,546.69
(Repayable in 69 quarterly instalments, last instalment falling due on Sep 2040)		
Less : Current maturities of long term borrowings	–	(4,449.07)
(b) Buyers Credit	–	20,005.34
For SECI Raj Project		
Total Secured Borrowings	**–**	78,510.06

Note:

a) Durning the current year, Company has demerged it's SECI and Goylari business to Emergent solren private limited during the year.As a result, All asset and liablities related to business have been demerged to Emergent solren private limited.(Refer note 41)

b) Term loan taken for Goyalari project is secured by creation of charge over the assets of 60 mwp power plant situated in Goyalari (Rajasthan). Term loan taken for SECI Raj project is secured by 200 mwp power plant situated in Bikaner (Rajasthan).The rate of interest for term loans from banks :- Axis SECI 1 Year : MCLR + 60BPS, HDFC goylari : 6 Months MCLR + 0.30 Bps, HDFC seci : 1 Year MCLR + 0.85 Bps.

c) As at March 31, 2023 the Company has availed Buyers' Credit of INR 20,005.34 Lakhs for SECI RAJ Project. The rate of interest for Buyer's credit ranges from 3.92% to 4.70 % per annum. Buyers credit taken for SECI Raj project is secured by 200 mwp power plant situated in Bikaner (Rajasthan). The tenture is 1 year.

d) Term loans were applied for the purpose for which the loans were obtained.

e) There are no defaults in repayment of interest and principal.

Note No. 16 - Provisions

INR (In Lakhs)

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-Current	As at 31 March 2023 Current	As at 31 March 2023 Non-Current
(a) Provision for employee benefits				
(1) Leave Encashment	**47.70**	**168.18**	40.69	101.02
(2) Gratuity (refer note no. 30)	**–**	**195.46**	18.08	196.44
(b) Other Provisions				
(1) Warranty	**2,119.40**	**2,657.25**	1,347.06	2,758.04
Total Provisions	**2,167.10**	**3,020.89**	1,405.83	3,055.50

Details of movement in Other Provisions is as follows:

INR (In Lakhs)

Particulars	Warranty claims
Balance at 1 April 2022	7,860.36
Additional provisions recognised	65.30
Amounts used during the year	(1,759.52)
Unused amounts reversed during the year	(2,284.17)
Discounting of Warranty liability for current year	(16.06)
Unwinding of discount and effect of changes in the discount rate	239.18
Balance at 31 March 2023	**4,105.09**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Particulars	Warranty claims
Balance at 1 April 2023	4,105.09
Additional provisions recognised	1,177.33
Amounts used during the year	(257.24)
Unused amounts reversed during the year	(186.72)
Discounting of Warranty liability for current year	(230.05)
Unwinding of discount and effect of changes in the discount rate	168.24
Balance at 31 March 2024	**4,776.65**

The unused amounts reversed during the year, totalling Rs 7.17 lakhs, pertain to related party transactions and have been duly transferred back to the respective related parties.

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of product provided by Company, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a warranty period up to 5 years. It is expected that most of these costs may be incurred in the next five financial years.

Note No. 17 - Current Borrowings

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured Borrowings		
(1) Short term loan from a bank	–	6,600.00
(2) Current maturities of long term borrowings (Refer Note 15)	–	4,449.07
Unsecured Borrowings		
Loans from related parties (Refer note 31)	–	57,500.00
(Repayable at end of 12 Months from date of borrowings, last Payment falling due from Oct 2023 to Mar 2024) (Rate of interest ranges from 6.75% to 8.23%)		
Total Current Borrowings	–	68,549.07

Note:

a) Bank returns / stock statements filed by the Company with its bankers in relation to undrawn working facility which are in agreement with books of account.

b) The Company has availed short term loan from bank, The said borrowings are secured against the working capital of the Company. The interest rate for the said borrowings ranges from 7.4 % - 8.60% p.a.

Note No. 18 - Trade Payables

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2024 from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at 31 March 2024
(a) Micro and small enterprises (Undisputed)	5.35	–	–	–	–	5.35
(b) Other than Micro and small enterprises (Undisputed)	5,706.84	262.29	15.53	118.56	491.82	6,595.04
Total trade payables	**5,712.19**	**262.29**	**15.53**	**118.56**	**491.82**	**6,600.39**

INR (In Lakhs)

Particulars	Outstanding as at 31st March 2023 from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at 31 March 2023
(a) Micro and small enterprises	7.96	–	–	–	–	7.96
(b) Other than Micro and small enterprises (Undisputed)		990.41	492.60	241.38	695.87	2,420.26
Total trade payables	7.96	990.41	492.60	241.38	695.87	2,428.22

Note

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”) are given below:

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Dues remaining unpaid at the end of each accounting year for micro and small enterprises		
– Principal	**5.35**	7.96
– Interest on the above	–	–
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
– Principal paid beyond the appointed date	–	–
– Interest paid in terms of Section 16 of the MSMED Act	–	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	–	–
(e) Amount of interest accrued and remaining unpaid		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 19 - Other Financial Liabilities

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Creditors for capital goods	–	1,100.76
(b) Interest accrued but not due on borrowings	–	3,373.95
Total Other Financial Liabilities	–	4,474.71

Note No. 20 - Other Liabilities

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
a. Advances received from customers	**550.31**	602.06
b. Statutory dues (Goods & service tax (GST), Tax deducted at Source, Providend Fund, Profession Tax, Labour Welfare Fund.)	**1.72**	167.94
Total Other Liabilities	**552.03**	770.00

Note No. 21 - Revenue from Operations

The following is an analysis of the Company's revenue for the year.

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Revenue from Engineering, Procurement and constructions contracts	**1,063.06**	9,319.39
(b) Sale of power	**128.83**	168.23
(c) Other operating revenue:		
(i) Scrap sales	**151.32**	360.70
(ii) Shared service income	**514.10**	244.32
Total Revenue from Operations	**1,857.31**	10,092.64

A. The Company presently recognises its revenue from contract with customer from Engineering, Procurement and constructions contracts & sale of power over a period of time.

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Engineering, procurement and constructions contracts - over a period of time	**1,063.06**	9,319.39
Sale of power -over a period of time	**128.83**	168.23
Total	**1,191.89**	9,487.62

B. Reconciliation of Contract Assets & Contract Liabilities:

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**1,487.64**	1,822.05
Less: Bill during the year	**(2,550.98)**	(9,822.03)
Add: Revenue recognised during the year	**1,191.89**	9,487.62
At the end of the year	**128.55**	1,487.64

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract Liability		
Advance from customer		
At the beginning of the year	**602.06**	912.84
Addition/(applied) during the year	**(51.75)**	(310.78)
At the end of the year	**550.31**	602.06

C. Reconciliation of revenue as per Ind AS 115:

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted prices	**1,191.89**	9,487.62
Less: Deferment of revenue pertaining to free operation & maintenance	–	
Revenue from contract with customers	**1,191.89**	9,487.62

D. Revenue from discontinued operations:

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from discontinued operations (refer note 41)	**7,940.28**	17,921.52

Note No. 22 - Other income

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) *Interest Income*		
Financial instruments measured at amortised cost:		
(i) Bank deposits	**1,426.92**	8,775.99
(ii) Other financial assets measured at amortised cost	**10,875.98**	308.90
(b) *Gain on sale of current investments (net)*	**846.84**	25.48
(c) Fair valuation gain on financial assets designated as at FVTPL	**3,166.80**	7.00
(d) *Reversal of warranty provision*	**–**	1,890.75
(e) *Reversal of Project provision*	**1,002.74**	**–**
(f) Profit on sale of PPE assets (net of loss on assets sold / scrapped / written off)	**46.24**	**–**
(g) Other income	**257.89**	237.99
Total Other Income	**17,623.41**	11,246.11

Other income from discountinued operations:

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Other income from discontinued operations (refer note 41)	**289.63**	384.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 23 - Cost of materials consumed

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock	**67.79**	315.86
Add: Purchases	**1,640.49**	8,645.34
	1,708.28	8,961.20
Less: Closing stock	**262.38**	67.79
Less: Cost related discontinued operations (refer note 41	**471.82**	2,685.47
Cost of materials consumed	**974.08**	6,207.95

Note No. 24 - Employee Benefits Expense

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Salaries and wages, including bonus	**3,666.19**	4,503.10
(b) Contribution to provident and other funds (refer note 30)	**199.34**	253.65
(c) Share based payment expenses	**–**	1,410.18
(d) Staff welfare expenses	**100.95**	45.81
Total Employee Benefit Expense	**3,966.48**	6,212.74
Amount allocated to discontinued operations (refer note 41)	**87.23**	209.38
Total employee benefit expense related to continued bussiness	**3,879.25**	6,003.36

Note:

During the previous year ended 31 March 2023, Company has settled ESOP amounting to Rs 1895.33 lakhs. The ESOP reserve amounting to Rs 485.15 lakhs was utilised for the same and balance was charge to the standalone statement of profit and loss.

Note No. 25 - Finance costs (net)

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Interest expense on borrowings	**4,831.97**	3,493.30
(b) Interest expense on lease liabilities	**59.21**	44.87
(c) Bank charges	**251.62**	129.29
(d) Unwinding of discount on Financial asset.	**173.72**	1,014.74
(e) Unwinding of discount on provisions	**–**	239.18
Total finance costs	**5,316.52**	4,921.38

Finance cost related to Discontinued operation

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Finance cost (refer note 41)	**3,526.77**	6,912.03

Note No. 26 - Other Expenses

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Warranty expenses (net) [refer Note 16]	**62.48**	65.30
Legal and other professional services	**1,333.65**	2,024.42
Rent including lease rentals	**45.14**	106.14
Rates and taxes	**163.12**	29.03
Insurance	**139.29**	102.81
Repairs and maintenance - others	**152.09**	184.72
Advertisement	**59.86**	14.47
Travelling and conveyance expenses	**201.92**	127.05
Loss on foreign currency transactions	**125.31**	926.11
Auditors remuneration and out-of-pocket expenses (excluding taxes)		
Statutory audit fees	**16.00**	150.00
Certification and other services	**0.35**	15.94
Out of pocket expenses	**1.32**	1.06
Other expenses		
Communication expenses	**31.20**	15.45
CSR expenses [refer CSR note below]	**113.41**	191.11
Printing and stationary	**12.49**	12.11
Software expenses	**38.51**	38.46
Training	**90.57**	46.48
Research and development	**8.97**	6.20
Bad debts written off	**–**	915.32
Provision for expected credit loss	**113.98**	(828.01)
Rebate	**131.22**	375.64
GST reversal	**563.76**	389.20
Stamp Papers/Adhensive Stamps	**595.03**	112.97
Bid processing charges	**268.11**	–
Miscellaneous expenses	**442.35**	293.92
Total Other Expenses	**4,710.13**	5,315.89
Amount allocated to Discontinued operation (Refer note below)	**179.36**	321.84
Total Other Expenses	**4,530.77**	4,994.05

Amount allocated to Discontinued operation

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Insurance	**14.18**	4.54
Repairs and maintenance - others	**1.35**	20.88
Training	**1.19**	2.05
Printing and stationaries	**–**	0.54
Communication expenses	**–**	0.68
Travelling and conveyance expenses	**2.64**	5.62
Advertisement	**1.13**	0.64
Rent including lease rentals	**–**	4.69
Rates and taxes	**0.66**	1.28
Legal and professional expenses	**13.94**	112.55
Rebate	**131.22**	–
Miscellaneous expenses	**13.05**	168.38
Total Other Expenses	**179.36**	321.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note: Details of CSR Expenditure

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Amount required to be spent by Company	**113.41**	191.11
(ii) Amount of expenditure incurred	**113.41**	191.11
(iii) Shortfall at the end of year	**–**	–
(iv) Nature of CSR Activities		
Promoting gender equality, empowering women,	**56.62**	95.56
Rural Development	**15.00**	41.20
Promotion of Education , Special education and Education of the girl child	**34.12**	40.00
Ensuring environmental sustainability, ecological balance, protection of flora and fauna	**–**	4.95
Healthcare including preventive health care	**5.59**	4.88
Sanitation & contribution to Swacch Bharat Kosh	**2.08**	4.16
Administrative Overheads and Indirect Cost	**–**	0.36

Note No. 27 - Earnings per Share

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Basic earnings per share of Rs 10 each - Continuing Operations	**21.38**	(0.09)
Basis earnings per share of Rs 10 each- Discontinued Operations	**0.42**	0.97
Basic Earnings per share of Rs 10 each from continuing & discontinued operations...	**21.80**	0.88

Basic earnings per share - Continuing & discontinued operations

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit / (loss) for the year attributable to owners of the Company (Rupees In Lakhs)	**85,234.19**	3,435.23
Weighted average number of equity shares (In Lakhs)	**3,909.23**	1,954.62
Add : Effect of bonus issue (Refer note 14A)	**–**	1,954.62
Total Weighted average number of equity shares (In Lakhs)	**3,909**	3,909
Basic and diluted earnings per share from continuing & discontinued operations (Rupees)	**21.80**	0.88

Basic earnings per share - Continuing Operations

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit/(Loss) for the year attributable to owners of the company from continuing operations (Rupees in lakhs)	**83,589.67**	(338.08)
Total Weighted average number of equity shares (In Lakhs)	**3,909.23**	**3,909.23**
Basic and diluted earnings per share from continuing operations (Rupees)	**21.38**	(0.09)

Basis earnings per share - Discontinued Operations

INR (In Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit for the year attributable to owners of the company from discontinued operations (Rupees in lakhs)	**1,644.52**	3,773.31
Total Weighted average number of equity shares (In Lakhs)	**3,909.23**	**3,909.23**
Basic and diluted earnings per share from discontinued operations (Rupees)	**0.42**	0.97

Note:

The Company does not have any dilutive / potential dilutive instruments.

Note No. 28 – Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services in commensurate with the level of risk.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a periodic basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

	As at 31 March 2024	As At 31 March 2023
Debt (A) (Rupees in Lakhs)	–	1,47,059.14
Equity (B) (Rupees in Lakhs)	**1,81,560.39**	1,02,715.05
Debt Ratio (A / B)	**0***	1.43

Note :

1) Debt includes long-term debt (including current & non current) and short term debt as described in note 15 & Note 17.

* Not applicable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Categories of financial assets and financial liabilities as at 31 March 2024

INR (In Lakhs)

	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments	**–**	**51,887.30**	**–**	**51,887.30**
Loans	**4,273.92**	**–**	**–**	**4,273.92**
Other Financial Assets				
- Security deposits	**7.67**	**–**	**–**	**7.67**
- Interest accrued on loan	**95.72**	**–**	**–**	**95.72**
Current Assets				
Investments	**–**	**42,794.00**	**–**	**42,794.00**
Trade Receivables	**3,056.54**	**–**	**–**	**3,056.54**
Cash and Cash Equivalents	**1,316.95**	**–**	**–**	**1,316.95**
Other Bank Balances	**77,509.77**	**–**	**–**	**77,509.77**
Loans	**7.00**	**–**	**–**	**7.00**
Other Financial Assets				
- Security deposits	**74.46**	**–**	**–**	**74.46**
- Interest accrued on loan	**844.02**	**–**	**–**	**844.02**
- Unbilled revenue	**128.55**	**–**	**–**	**128.55**
Non-current Liabilities				
Lease liabilities	**475.50**	**–**	**–**	**475.50**
Current Liabilities				
Trade Payables	**6,600.39**	**–**	**–**	**6,600.39**
Lease liabilities	**194.56**	**–**	**–**	**194.56**

Categories of financial assets and financial liabilities as at 31 March 2023

INR (In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	0.50	–	0.50
Loans	71,993.59	–	–	71,993.59
Other Financial Assets				
– Security deposits	159.51	–	–	159.51
– Interest accrued on loan	9,654.78	–	–	9,654.78
– Fixed deposit with earmarked balance	900.00	–	–	900.00
Other Capital advance	0.36	–	–	0.36
Current Assets				
Investments	–	1,007.00	–	1,007.00
Trade Receivables	3,682.53	–	–	3,682.53
Cash and Cash Equivalents	5,784.28	–	–	5,784.28
Other Bank Balances	8,556.77	–	–	8,556.77
Loans	1,551.00	–	–	1,551.00
Other Financial Assets				
– Security deposits	71.42	–	–	71.42
– Interest accrued on loan	224.33	–	–	224.33
– Unbilled revenue	1,487.64	–	–	1,487.64
– Derivative not designated as a hedge instrument	–	244.16	–	244.16
Non-current Liabilities				
Secured Borrowings	78,510.06	–	–	78,510.06
Lease liabilities	641.52	–	–	641.52
Current Liabilities				
Borrowings	68,549.07	–	–	68,549.07
Trade Payables	7,829.81	–	–	7,829.81
Lease liabilities	166.32	–	–	166.32
Other Financial Liabilities				
– Interest accrued but not due	3,373.95	–	–	3,373.95
– Creditors for capital goods	1,100.76	–	–	1,100.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company based on its assessment has created provision of Rs 211.63 lakhs (March 31, 2023 : Rs 97.64 lakhs) in the statement of profit and loss.

LIQUIDITY RISK

(i) Liquidity risk management

The management of the Company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

INR (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non derivative financial instruments					
As at 31 March 2024					
Trade Payables	**6,600.39**	**–**	**–**	**–**	**6,600.39**
Lease liabilities	**194.56**	**411.00**	**64.50**	**–**	**670.06**
Lease liabilities - Interest	**46.12**	**42.76**	**0.89**	**–**	**89.77**
Total	**6,841.07**	**453.76**	**65.39**	**–**	**7,360.22**
As at 31 March 2023					
Trade Payables	7,829.81	–	–	–	7,829.81
Creditors for capital goods	1,100.76	–	–	–	1,100.76
Interest accrued but not due	3,373.95	–	–	–	3,373.95
Lease liabilities	166.32	401.82	239.71	–	807.85
Lease liabilities - Interest	57.96	70.93	12.83	–	141.72
Fixed interest rate instruments - Principal	64,100.00	–	–	20,005.34	84,105.34
Fixed interest rate instruments - Interest	7,259.02	–	–	–	7,259.02
Variable interest rate instruments - Principal	4,449.07	8,765.92	9,396.34	44,791.53	67,402.86
Variable interest rate instruments - Interest	7,059.75	12,733.51	10,883.03	25,411.47	56,087.76
Total	**95,396.64**	**21,972.18**	**20,531.91**	**90,208.34**	**228,109.07**

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period. The Company does not have any outstanding derivative financial instruments as at March 31 2024.

INR (In Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Derivative financial instruments					
As at 31 March 2023					
Net settled:					
– foreign exchange forward contracts	**639.31**	**–**	**–**	**–**	**639.31**
Total	**639.31**	**–**	**–**	**–**	**639.31**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

INR (In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured Bank Overdraft facility		
– Expiring within one year	**37,000.00**	62,000.00
– Expiring beyond one year	**–**	–
	37,000.00	62,000.00

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign currency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

INR (In Lakhs)

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Secured Bank Loans	USD	**–**	20,005.34
Interest on Secured bank Loans	USD	**–**	644.58

The Forward exchange contracts entered into by the Company and outstanding are as under:

INR (In Lakhs)

Particulars	No of Contracts	Type	US$ equivalent Million	INR equivalent	MTM gain/ (loss)
As at 31 March 2024	**–**	–	**–**	**–**	**–**
As At 31 March 2023	28	Buy	25.13	20,649.92	244.16

Company does not have unhedged foreign currency exposures

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax
31 March 2024	INR	+50	–
	INR	-50	–
31 March 2023	INR	+50	(314.77)
	INR	-50	314.77

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 29 - Fair Value Measurement

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) Recognised and measured at fair value.

(b) Measured at amortised cost for which fair values are disclosed in the Standalone Financial Statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

Fair Valuation Techniques and Inputs used - recurring Items

INR (In Lakhs)

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2024	As at 31 March 2023		
Financial assets				
Investments				
1) Investments in Sustanable Energy Infra Trust	**51,887.30**	–	Level 1	Market Value
2) Mutual fund investments	**42,794.00**	1,007.00	Level 2	Market Value
3) Foreign currency forward contracts	**–**	244.16	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
Total financial assets	**94,681.30**	1,251.16		

1 There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

2 The carrying value of financial assets and liabilities not included in the table above and measured at amortised cost approximates to their respective fair value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 30 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 118.08 Lakhs (2023: INR 131.07 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expenses. (Refer note no 24)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	As at 31 March 2024	As at 31 March 2023
Discount rate(s)	**7.20%**	7.30%
Expected rate(s) of salary increase	**14.35%**	8.00%
Attrition rate	**20.75%**	21.50%

Defined benefit plans – as per actuarial valuation on 31st March, 2024

INR (In Lakhs)

Particulars	**Funded Plan**	Funded Plan
	Gratuity	
	31 March 2024	31 March 2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	**42.53**	55.74
Past service cost and (gains)/losses from settlements	**–**	–
Net interest expense	**14.93**	5.66
Components of defined benefit costs recognised in profit or loss	**57.46**	61.40
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(3.74)**	17.47
Actuarial (gains) and loss arising form changes in financial assumptions	**67.30**	(0.49)
Actuarial (gains) and loss arising form experience adjustments	**26.00**	(9.08)
Actuarial (gains) and loss arising from changes in demographics	**0.00**	(4.31)
Components of defined benefit costs recognised in other comprehensive income	**89.56**	3.59
Total	**147.02**	64.99
I. Net Asset/(Liability) recognised in the Balance Sheet as at end of the year		
1. Present value of defined benefit obligation as at end of the year	**369.54**	269.00
2. Fair value of plan assets as at end of the year	**174.09**	54.48
3. Net defined benefit liability / (asset) recognized in balance sheet (refer note 16)	**195.46**	214.52
4. Current portion of the above	**–**	18.08
5. Non current portion of the above	**195.46**	196.44
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**269.00**	350.90
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		
3. Expenses Recognised in Statement of Profit and Loss		
- Current Service Cost	**42.53**	55.74
- Past Service Cost	**–**	–
- Interest Expense (Income)	**16.99**	24.62
4. *Recognised in Other Comprehensive Income*		
Remeasurement (gains) / losses		
- Actuarial (Gain) Loss arising from:		
i. Demographic Assumptions	**0.00**	(4.31)
ii. Financial Assumptions	**67.30**	(0.49)
iii. Experience Adjustments	**26.00**	(9.08)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

INR (In Lakhs)

Particulars	Funded Plan	Funded Plan
	Gratuity	
	31 March 2024	31 March 2023
5. Benefit payments	**(62.95)**	(148.38)
6. Liabilities assumed / (settled)	**10.66**	–
7. Present value of defined benefit obligation at the end of the year	**369.53**	269.00
III. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**54.48**	262.77
2. Employer Contributions	**176.75**	–
3. Interest on plan assets	**2.06**	18.96
Remeasurement due to:		
- Actual return on plan assets	**3.74**	(17.47)
4. Benefits paid	**(62.95)**	(148.38)
5. Asset acquired/ (*settled)	**–**	(61.39)
6. Fair value of plan assets at the end of the year	**174.09**	54.48
IV. The Major categories of plan assets		
- List the plan assets by category here		
Insured Funds	**LIC investments**	LIC investments
V. Actuarial assumptions		
1. Discount rate	**7.20%**	7.30%
2. Attrition rate	**20.75%**	20.75%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

INR (In Lakhs)

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
	31 March 2024	**1.00%**	**354.05**	**386.39**
Discount rate	31 March 2023	1.00%	259.54	279.17
	31 March 2024	**1.00%**	**380.26**	**358.80**
Salary growth rate	31 March 2023	1.00%	277.87	260.46

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	31 March 2024	31 March 2023
Within 1 year	**82.97**	72.56
1 – 2 year	**67.77**	59.70
2 – 3 year	**56.55**	46.21
3 – 4 year	**46.00**	36.23
4 – 5 year	**56.40**	27.37
5 – 10 years	**113.76**	81.04
10 years & above	**111.07**	42.62

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 4.37 years (2023: 3.64 years)

INR (In Lakhs)

VIII. Experience Adjustments :	Period Ended: **31 March 2024**	**31 March 2023**	31 March 2022	31 March 2021	31 March 2020
			Gratuity		
1. Defined Benefit Obligation					
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**–**	–	–	–	–
4. Experience adjustment on plan liabilities [Gain/(Loss)]	**(26.00)**	9.08	(3.35)	89.08	39.85
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 31 - Related Party Transactions

List of related parties where there is transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Company till 21st December 2022) Ontrario Teacher's Pension Plan Board (w.e.f. 22nd December 2022)
Joint Venturer	Mahindra Holdings Limited (Intermediate holding Company till 21st December 2022) 2452991 ONTARIO LIMITED (w.e.f. 22nd December 2022)
Subsidiaries	1. Astra Solren Private Limited (till 9 January 2024) 2. Brightsolar Renewable Energy Private Limited (till 9 January 2024) 3. Neo Solren Private Limited (till 9 January 2024) 4. Mega Surya Urja Private Limited (till 9 January 2024) 5. Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) 6. Martial Solren Private Limited 7. Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (incorporated on 30 May 2023) 8. Hazel Hybren Private Limited (w.e.f 2 June 2023) 9. Furies Solren Private Limited (w.e.f 14 June 2023) 10. Gelos Solren Private Limited (w.e.f 14 June 2023) 11. Jade Hybren Private Limited (w.e.f 30 November 2023) 12. Kyros Hybren Private Limited (w.e.f 30 November 2023) 13. Layer Hybren Private Limited (w.e.f 2 December 2023) 14. Migos Hybren Private Limited (w.e.f 15 December 2023)
Joint venture	1. Marvel Solren Private Limited (till 12 December 2023)
Venture Group Co (Fellow subsidiaries till 22 December 2022)	1. Mahindra Intratrade Private Limited 2. Mahindra Powerol Limited 3. Bristlecone India Private Limited 4. Mahindra Steel Services Centre Limited 5. Mahindra Engineering & Chemical Products Limited 6. Mahindra Integrated Business Solutions Private Limited 7. Mahindra Logistics Limited 8. NBS International Limited 9. Mahindra Holidays & Resorts India Limited 10. Mahindra & Mahindra Financial Services Limited 11. Mahindra Defence System Limited 12. Mahindra Solarize Private Limited (from 12 March'22) 13. Mahindra Teqo Private Limited (Subsidiary till 8th December '2022) 14. Tech Mahindra (Other Related Parties till 22 December 2022) 15. Mahindra world city Jaipur (Other Related Parties till 22 December 2022) 16. Mahindra Marine Private Limited 17. Emergent Solern Private Limited (till 9 January, 2024) 18. Mahindra And Mahindra Synergy divison 19. Mahindra Sustainable Energy Private Limited (Formely known as Mahindra Telecom Energy Management Service Private Limited) 20. Marvel Solren Private Limited (from 13 December 2023)
Associate Related Party (from 10 Jan 2024)	1. Sustainable Energy Infra Trust (from 10 January, 2024) 2. Green Energy Infra Project Managers Private Limited (from 10 January, 2024) 3. Sustainable Energy Infra Investment Managers Private Limited (from 10 January, 2024)
Key Managerial Persons (KMP)	**Managing Director:** 1. Basant Jain (reappointment w.e.f. July 1, 2022 to August 15, 2022) 2. Deepak Thakur appointed (w.e.f. August 16, 2022) **Executive Director/Chief Executive Officer** Deepak Thakur (appointed w.e.f. August 16, 2022) **Chief Financial Officer** Avinash Bapat **Non Executive Director:** 1. Parag Shah (ceased w.e.f. 22 April 2022) 2. Ramesh Iyer (appointed as chairman w.e.f 22 March 2023) 3. Amit Raje (ceased w.e.f. 22 April 2022) 4. Manoj Bhat (appointed w.e.f. 28 July, 2021) 5. Amit Kumar Sinha (appointed w.e.f. 28 July, 2021) 6. Ami Goda(ceased w.e.f. 22 December 2022) 7. Zhooben Bhiwandiwala 22nd March, 2022) 8. Puneet Renjhen (appointed w.e.f. 22 April, 2022) 9. Debapratim Hajara (appointed w.e.f. 22 December 2022) 10. Bruce Ross Crane (appointed w.e.f. 22 December 2022) **Company Secretary** Mandar Joshi **Independent Director** 1. Anup Shah (appointed w.e.f.November 1, 2022) and (ceased w.e.f.24 February 2023) 2. Anjali Gupta (appointed w.e.f.February 25, 2023) 3. Diwakar Gupta

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Details of transaction between the Company and its related parties are disclosed below:

INR (In Lakhs)

Particulars	For the year ended	Ultimate Holding and Parent Company	Ultimate Joint Venturer	Intermediate Joint Venturer	Subsidiaries	Joint Venture Group Co	Joint venture	KMP of the Company	Fellow Subsidiaries	Other related parties	Total
Nature of transactions with Related Parties											
Sale of goods	31-Mar-24	–	79.75	–	865.76	90.80	22.26	–	–	1,153.46	2,212.03
	31-Mar-23	79.37	29.85	–	6,884.32	91.41	–	–	25.98	–	7,110.93
Purchase of goods	31-Mar-24	–	–	–	–	14.24	–	–	–	–	14.24
	31-Mar-23	–	–	–	–	–	–	–	–	–	–
Sale of property and other assets	31-Mar-24	–	–	–	–	–	746.71	–	–	–	746.71
	31-Mar-23	–	–	–	–	–	–	–	–	–	–
Receiving of services	31-Mar-24	–	241.54	–	–	1,084.36	3.03	–	–	–	1,328.93
	31-Mar-23	196.15	84.84	–	666.51	598.16	–	–	80.94	–	1,626.60
Interest expense	31-Mar-24	–	3,271.70	–	–	–	–	–	–	–	3,271.70
	31-Mar-23	1,807.90	633.96	–	–	–	–	–	–	187.52	2,629.38
Loans given	31-Mar-24	–	–	–	54,153.43	–	–	–	–	–	54,153.43
	31-Mar-23	–	–	–	3,498.70	–	–	–	–	–	3,498.70
Loans given refunded	31-Mar-24	–	–	–	11,906.56	500.00	–	–	–	–	12,406.56
	31-Mar-23	–	–	–	3,603.51	100.00	–	–	–	–	3,703.51
Loans Taken	31-Mar-24	–	11,000.00	–	–	–	–	–	–	–	11,000.00
	31-Mar-23	–	28,000.00	–	–	–	–	–	–	5,000.00	33,000.00
Loans Repaid	31-Mar-24	–	68,500.00	–	–	–	–	–	–	–	68,500.00
	31-Mar-23	28,000.00	–	–	–	–	–	–	–	5,000.00	33,000.00
Interest expense	31-Mar-24	–	–	–	8,717.05	32.01	–	–	–	–	8,749.06
	31-Mar-23	–	–	–	8,610.63	13.56	–	–	–	–	8,624.19
Consideration on sale of Investment	31-Mar-24	–	–	–	–	2,803.68	–	–	–	–	2,803.68
	31-Mar-23	–	–	–	–	–	–	–	2,682.96	–	2,682.96
Demerger	31-Mar-24	–	–	–	–	7,410.82	–	–	–	–	7,410.82
	31-Mar-23	–	–	–	–	–	–	–	–	–	–
Equity contribution by the Company	31-Mar-24	–	–	–	160.00	–	–	–	–	–	160.00
	31-Mar-23	–	–	–	–	–	–	–	–	–	–
Guarantee given	31-Mar-24	–	–	–	58,853.00	–	–	–	–	–	58,853.00
	31-Mar-23	–	–	–	–	–	–	–	–	–	–
Commission to non executive director	31-Mar-24	–	–	–	–	–	–	17.03	–	–	17.03
	31-Mar-23	–	–	–	–	–	–	22.62	–	–	22.62
Sitting fees to non executive director	31-Mar-24	–	–	–	–	–	–	12.83	–	–	12.83
	31-Mar-23	–	–	–	–	–	–	10.60	–	–	10.60
Remuneration to KMP	31-Mar-24	–	–	–	–	–	–	323.48	–	–	323.48
	31-Mar-23	–	–	–	–	–	–	582.92	–	–	582.92
Post Employment Benefit (PF) to KMP	31-Mar-24	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–	38.53	–	–	38.53
ESOP's to KMP	31-Mar-24	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–	359.41	–	–	359.41
Sale of equity investment in exchange of units of SEIT	31-Mar-24	–	–	–	–	–	–	–	–	1,38,500.00	1,38,500.00
	31-Mar-23	–	–	–	–	–	–	–	–	–	–
Other transactions	31-Mar-24	–	462.29	–	35.16	11.60	–	–	–	–	509.05
	31-Mar-23	200.36	69.36	20.14	–	–	–	–	–	–	289.86
Reimbursement	31-Mar-24	–	–	–	–	391.24	–	–	–	293.72	684.96
	31-Mar-23	–	–	–	–	–	–	–	–	–	–

INR (In Lakhs)

Nature of Balances with Related Parties	Balance as on	Ultimate Holding and Parent Company	Ultimate Joint Venturer	Intermediate Joint Venturer	Subsidiaries	Joint Venture Group Co	Joint venture	KMP of the Company	Fellow Subsidiaries	Other related parties	Total
Trade Receivable	31-Mar-24	–	0.70	–	–	818.97	–	–	–	2.76	822.43
	31-Mar-23	–	18.03	–	0.53	1,788.37	10.67	–	–		1,817.60
Trade payables	31-Mar-24	–	71.49	–	–	2.61	–	–	–	–	74.10
	31-Mar-23	–	537.15		–	1,158.95	–		–		1,696.10
Loans & advances given	31-Mar-24	–	–	–	4,280.92	–	–	–	–	–	4,280.92
	31-Mar-23	–	–	–	73,044.59	500.00	–	–	–	–	73,544.59
Loans Taken	31-Mar-24	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	57,500.00	–	–	–	–	–	–	–	57,500.00
Guarantee given	31-Mar-24	–	–	–	53,923.00	55.76	–	–	–	–	53,978.76
	31-Mar-23	–	–	–	680.00	859.81	–	–	–	–	1,539.81
Interest Receivable	31-Mar-24	–	–	–	95.72	–	–	–	–	–	95.72
	31-Mar-23	–	–	–	10,976.13	25.25	–	–			11,001.38
Interest Payable	31-Mar-24	–	–	–	–	–	–	–	–	–	–
	31-Mar-23	–	2,387.24	–	–	–	–	–	–	–	2,387.24

Notes :

1) All outstanding balances are unsecured.
2) Above inter corporate deposits and loans have been given for general business purposes (including investment purposes) and guarantees have been given against their borrowing obligation which have been taken for general corporate purpose
3) Investment Made to Subsidiaries are disclosed under note no 6

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 32 - Segment Information:

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. Post demerger of its 2 power plants namely – Goyalri and SECI, the Company operates only in one segment viz. Engineering, Procurement and construction services (EPC).

(b) Information about major customers:

Revenue from customers with more than 10% total revenue from EPC business for FY 2023-24 is as follows –

Neo Solren Private Limited : 334.12 lakhs
Brightsolar Renewable Energy Private Limited: 281.54 lakhs
Megasolis Renewables Private Limited : 237.74 l lakhs
Mega Surya Urja Private Limited : 124.62 lakhs

(c) Geographical Information:

The Company's operations is confined within India. Accordingly there are no reportable geographical segments.

Note No. 33 Key ratios

Financial ratios

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance	Reason for Variance on Change in ratio in excess of 25% compared to preceding year
Current Ratio	Current Asset	Current Liabilities	**13.87**	0.36	3,749%	Increase is due to investment in units of SEIT and reduction of short term debt to nil.(refer note no. 6)
Debt Equity Ratio	Total Debt	Shareholder's Equity	**0.00**	1.43	(100%)	All debt is transfered to operating unit (refer note no. 41)
Debt Service Coverage ratio	Profit before Finance cost, tax and Depreciation ;amortisation	Interest expenses relating to Debt plus Principal repayment (Actual)	**(0.06)**	(0.00)	7,338%	Change is on account of repayment of debt and increase in interest income and sale of units
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	**0.59**	(0.00)	(17,711%)	Increase is on account of gain on sale of units
Inventory turnover ratio	Cost of goods sold	Average inventory	**5.90**	32.36	(82%)	Reduction in COGS as no new project started during current year
Trade receivables turnover ratio	Net Sales	Average Trade Receivable	**0.55**	0.77	(29%)	Change is on account of decrease in Net Sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payable	**0.23**	0.78	(71%)	Reduction in COGS as no new project started during current year
Net Capital turnover ratio	Net Sales	Average Working Capital = avg (Current assets - Current Liabilities)	**0.05**	(0.25)	(121%)	change is on account of repayment of short term debt.
Net Profit ratio	Net Profit	Net Sales	**45.01**	(0.03)	(1,344.54)	Change is on account of gain on sale of units and increase in interest income.
Return on capital employed	Earning before Finance cost and Taxes	Capital Employed = Net worth + Total Debt + Lease liability	**0.57**	0.03	2,092%	Change is on account of repayment of debt and increase in interest income and sale of units

Note :- Current year and previous year ratios are calculated considering continuing operations.

Note No. 34 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

INR (In Lakhs)

	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**11,242.50**	3,550.32
(b) Performance Bank Guarantees	**77,741.78**	23,622.07

INR (In Lakhs)

	As at 31 March 2024	As at 31 March 2023
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**40.00**	3.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 35 - Exceptional items

A. The Company has sold its investment in Marvel Solren Private Limited (a joint venture) amounting to Rs. 2430 lakhs on December 12, 2023, to a related party, Mahindra Sustainable Energy Private Limited (formerly know as Mahindra Telecom Energy Solutions Private Limited) at a consideration of Rs. 2804 lakhs and consequently the gain of Rs. 374 lakhs has been recorded as an exceptional item in Statement of Profit and Loss.

B. The Company has sold its entire investment amounting to Rs. 45,081 lakhs in equity shares of following whole owned subsidiaries pursuant to a share purchase agreement w.e.f. 9th January 2024 with Sustainable Energy Infra Trust (the "Trust) for a share swap of 1385 lakh units of the Trust amounting to Rs. 1,38,500 lakhs.Consequently the gain of Rs. 93,419 lakhs has been recorded as an exceptional item in Statement of Profit and Loss.

(i) Megasolis Renewables Private Limited
(along with its three 100% subsidiaries namely Astra Solren Private Limited, Neo Solren Private Limited and Brightsolar Renewable Energy Private Limited)

(ii) Mega Suryaurja Private Limited
Further, the Company sold 897.80 lakh units of the Trust for a consideration of Rs 89,780 lakhs.

C. During the previous year, the Company has sold the investment in Mahindra Teqo Private Limited (100% subsidiary) on December 5, 2022, to a related party, Mahindra Sustainable Energy Private Limited (formerly know as Mahindra Telecom Energy Solutions Private Limited) at a consideration of Rs. 2,682.96 lakhs and consequently the gain of Rs. 2,672.96 lakhs has been recorded in the Statement of Profit and Loss.

Note No. 36 - Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Transaction during the year ended March 31,2024	Balance outstanding as on March 31, 2024	Relationship
ETAP Automation Pvt. Ltd..	Service work	1,91,400.00	–	Vendor
Sidhu Survey Service.........	Service work	7,69,902.00	99,131.00	Vendor

Note No. 37

The Company had procured land parcel in the Tumkur district in Karnataka admeasuring 66.8 acres in concurrence with ITC Limited for development of 10 Mega Watts Open Access solar Power project in Karnataka. Since the contract for Engineering, Procurement and Services with ITC Limited has been cancelled, the Company proposes to explore the option of sale of the said land parcel.

Note No 38

During the year, the Company investigated a case of breach of ethical practices whereby the Head of Administration department and his colleague were found guilty of committing to certain financial malpractices through collusion with vendors and overstating their expenses. Subsequent to the admission made by the concerned individual and his colleague, certain amounts were recovered from the said individuals. Since the estimated amount involved was less than Rs 1 crore the Statutory Auditors were not required to report the matter to the Central Government. Consequently, some of the internal processes related to vendor due diligence and expenses reimbursement have been strengthened by the Company.

Note No. 39 - Disclosure required under Section 186(4) of the Companies Act, 2013

1) Loans, Gaurantees and Investment given on behalf of subsidary

INR (In Lakhs)

Particulars	Investment	Loans	Guarantee
Aggregate amount granted / provided during the year:...........	160.00	54,153.43	58,853.00
Balance outstanding as at balance sheet date in respect of above cases:.............................	160.00	4,280.92	53,923.00

2) Gaurantees given on behalf of subsidaries

INR (In Lakhs)

	2023-24	2022-23
Mahindra Renewables Pvt. Ltd	**–**	680.00
Mahindra Teqo Private Limited (Refer note 35)	**–**	–
Mega Surya Urja Pvt. Ltd	**–**	–
Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited)	**12,264.00**	–
Furies Solren Private Limited	**10,380.00**	–
Hazel Hybren Private Limited	**10,335.00**	–
Jade Hybren Private Limited	**8,784.00**	–
Kyros Hybren Private Limited	**1,000.00**	–
Layer Hybren Private Limited	**1,160.00**	–
Martial Solren Private Limited	**4,000.00**	–
Migos Hybren Private Limited	**6,000.00**	–
	53,923.00	680.00

3) Investment Made and Securities provided in connection with loan given to Subsidiaries are disclosed under note 6

4) Loans given are disclosed under note 7.

Note No. 40 - Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- The Company is not declared wilful defaulter by and bank or financials institution or lender during the year
- The Company has made investments in, provided guarantee and granted unsecured loans to Subsidiaries during the year(Refer note 39)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 41

The Board of Directors of the Company, at their meeting held on 18th January, 2023 and subsequently on 24th February 2023, has inter alia, approved, the Scheme of Arrangement between Mahindra Susten Private Limited ("Demerged Company") and Emergent Solren Private Limited ("Resulting Company") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme inter alia provides for demerger of two solar power projects namely Goyalri project and SECI RJ project located in Rajasthan, from the Demerged Company into the Resulting Company on a going concern basis and the issue of 1 Equity shares of Rs. 10 each of the Resuting Company for every 40 share held in Demerged Company to the owners of Demerged Company.

The said Scheme was approved by the National Company Law Tribunal vide it's order dated 11 August 2023 and Scheme became effective from 01 September 2023. The appointed date of the Scheme is same as effective date.

(i) The results of the Demerger(discontinued operations), which have been included in the profit for the year, were as follows:

INR (In Lakhs)

Particulars	**2023-24**	2022-23
Income		
Revenue from operations	**7,940.28**	17,921.52
Other income	**289.63**	384.94
Expenses		
Cost of materials consumed	**471.82**	2,685.47
Employee benefits expense	**87.23**	209.38
Finance costs	**3,526.77**	6,912.03
Depreciation and amortisation expense	**1,767.12**	4,267.81
Other Expenses	**179.36**	321.84
Profit before tax	**2,197.61**	3,909.92
Attributable tax expense	**553.09**	136.61
Profit after tax from Discontinued Operations	**1,644.52**	3,773.31
De-recognition of net carrying value of assets	**(6,321.83)**	–
Adjusted against respective reserves	**6,321.83**	–

(ii) Below is sumary of movement in the Balance sheet on execution date as on 1st Septemeber 2023:

Particulars	INR (In Lakhs)
Fixed Asset (Net)	104,521.41
Financial and Other Asset	2,495.32
Cash and Bank	12,093.92
Borrowings	(99,730.56)
Financial and Other Liablity	(1,790.86)
Defferred tax Liablity	(11,267.36)
Net Impact	6,321.83

(iii) Cash flows from Demerged operations

INR (In Lakhs)

Particulars	**2023-24**	2022-23
Net cash inflows / (outflow) from operating activities	**25,137.90**	32,628.97
Net cash inflows / (outflow) from investing activities	**(2,448.66)**	(5,680.09)
Net cash inflows / (outflow) from financing activities	**(22,238.14)**	(26,996.04)

Note No. 42

The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

Note No. 43

Previous year figures have been re-grouped / re-classified, to the extent necessary, to conform to current year's classifications All the numbers have been rounded off to nearest Lakhs.

Note No. 44

The financial statements for the year ended 31st March 2024 were approved by the Board of Directors and authorised for issue on April 17, 2024.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Mehul Parekh
Partner
Membership No. 121513

Place : Mumbai
Date : 9th May, 2024

For and on behalf of the Board of Directors

Ramesh Iyer
Chairman & Non-Executive Director
DIN: 00220759

Deepak Thakur
Managing Director & Chief Executive Officer
DIN: 06939592

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary
ACS- 21351

Place : Mumbai
Date : 17th April, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MIGOS HYBREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Migos Hybren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from December 15, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from December 15, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from December 15, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from December 15, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from December 15, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVH1847

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Migos Hybren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVH1847

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 174.74 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVH1847

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH 2024

CIN : U35106MH2023PTC415521

INR (₹) Thousands

	Particulars	Note No.	As at 31 March 2024
I	**ASSETS**		
	1 CURRENT ASSETS		
	(a) Financial assets		
	(i) Cash and cash equivalents	3	**1,841.56**
	(ii) Other financial assets	4	**42.70**
	SUB-TOTAL		**1,884.26**
	TOTAL ASSETS		**1,884.26**
II	**EQUITY AND LIABILITIES**		
	1 EQUITY		
	(a) Equity share capital	5	**2,000.00**
	(b) Other equity	5A	**(174.74)**
	SUB-TOTAL		**1,825.26**
	2 CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Trade Payables		
	- total outstanding dues to micro & small enterprises	6	**2.50**
	- total outstanding dues to creditors other than micro & small enterprises	6	**–**
	(b) Other Current Liabilities	7	**56.50**
	SUB-TOTAL		**59.00**
	TOTAL EQUITY AND LIABILITIES		**1,884.26**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
Director
DIN: 07041040

Deven Maskara
Director
DIN: 09213702

Place: Mumbai
Date: 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

INR (₹) Thousands

	Particulars	Note No.	For the period from 15 December 2023 to 31 March 2024
I	Revenue from operations		–
	Total income		–
II	**EXPENSES**		
	(a) Other expenses	8	**174.74**
	Total expenses		**174.74**
III	**Loss before tax (I-II)**		**(174.74)**
IV	**Tax expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		–
V	**Loss after tax for the period (III-IV)**		**(174.74)**
VI	**Other comprehensive income**		–
	A (I) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (I) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		–
VII	**Total comprehensive income for the period**		**(174.74)**
VIII	**Earnings per equity share**		
	(a) Basic (not annalised)	9	**(4.26)**
	(b) Diluted (not annualised)	9	**(4.26)**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
Director
DIN: 07041040

Deven Maskara
Director
DIN: 09213702

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars	For the period from 15 December 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	(174.74)
Adjustments for:	
Finance costs	–
Operating loss before working capital changes	**(174.74)**
Movements in working capital:	
(Increase)/decrease in other financial assets	(42.70)
(Increase)/decrease in other current assets	–
Increase/(decrease) in trade and other payables	2.50
Increase/(decrease) in other liabilities	56.50
Cash used in operations	**(158.44)**
Income taxes paid	–
Net cash used in operating activities	**(158.44)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	–
Payments to acquire financial assets (fixed deposits and earmarked balances)	–
Net cash used in investing activities	–
Cash flows from financing activities	
Proceeds from Issue Of Equity Shares of the Company	2,000.00
Finance Cost	–
Net cash generated from financing activities	**2,000.00**
Net increase/(decrease) in cash and cash equivalents	1,841.56
Cash and cash equivalents at the beginning of the reporting period	–
Cash and cash equivalents at the end of the reporting period	**1,841.56**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
Director
DIN: 07041040

Deven Maskara
Director
DIN: 09213702

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

A. Equity Share Capital

As at 31 March 2024

INR (₹) Thousands

Particular

Balance at the beginning of the current reporting period	**Changes in equity share capital during the current reporting period**	**Balance at the end of the current reporting period**
–	2,000	2,000

As at 31 March 2024

INR (₹) Thousands

Particulars	**Reserves and Surplus**			**Total**
	Securities Premium	**Capital Reserve**	**Retained Earnings**	
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(174.74)	(174.74)
Balance at the end of the current reporting period	**–**	**–**	**(174.74)**	**(174.74)**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
Director
DIN: 07041040

Deven Maskara
Director
DIN: 09213702

Place: Mumbai
Date: 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

1. Nature of Operations

Migos Hybren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN-U35106MH2023PTC415521 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ► In the principal market for the asset or liability, or
- ► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

Note No. 3 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	1,841.56
Total	**1,841.56**

Note No. 4 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	42.70
Total	**42.70**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024 No. of shares	 Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Total	**2,00,000**	**2,000.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024 Number of shares held	 % holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	2,00,000	100.00%

Note : Including 6 shares held in jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 5A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	–
Loss for the period	(174.74)
Balances as at end of the period	**(174.74)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small enterprises	2.50
Total outstanding dues of other than micro and small enterprises	–
Total	**2.50**

Outstanding for following periods from due date of payment

INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.50	–	–	–	2.50
(ii) Others	–	–	–	–	–
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	**2.50**	**–**	**–**	**–**	**2.50**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

Note No. 7 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	45.00
Statutory Dues	11.50
Total	**56.50**

Note No. 8 - Other Expenses

Particulars	INR (₹) Thousands For the period from 15 December 2023 to 31 March 2024
Bid Processing Fees	22.50
Auditors remuneration	
(i) Statutory Audit Fees	50.00
Professional Fees	93.98
Miscellaneous Expenses	8.26
Total	**174.74**

Note No. 9 - Earnings per Share

Particulars	INR (₹) Thousands For the period from 15 December 2023 to 31 March 2024
Basic Earnings Per Share (not annualised)	(4.26)
Diluted Earnings Per Share (not annualised)	(4.26)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 15 December 2023 to 31 March 2024
Loss for the year attributable to owners of the company (in INR ₹)	(174.74)
Less: Preference dividend and tax thereon	–
Loss for the year used in the calculation of basic earnings per share	(174.74)
Weighted average number of equity shares (nos.)	40,983.61
Basic and diluted earnings per share (Rupees) - (not annualised)	(4.26)

Note 10- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	–
Equity (B)	1,825.26
Debt Equity Ratio (A/B)	**NA**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	1,841.56	–	–	**1,841.56**
Security Deposit	42.70	–	–	**42.70**
Current Liabilities				
Trade Payables	2.50	–	–	**2.50**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the

Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	1,841.56	–	–	–	**1,841.56**
Security Deposit	42.70	–	–	–	**42.70**

Note : Including 6 shares held jointly with individuals

Maturity of Financial liabilities

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Trade Payables	2.50	–	–	–	**2.50**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 11- Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

Note 12 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	31.94
Debt-Equity Ratio	Borrowings	Shareholder's Equity	NA
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	NA
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	-19.15%
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	-9.57%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

Note No. 13 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited
	2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Gelos Solren Private Limited (Incorporated on 14 June 2023) Hazel Hybren Private Limited (Incorporated on 2 June 2023) Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023) Jade Hybren Private Limited (Incorporated on 30 November 2023) Kyros Hybren Private Limited (Incorporated on 30 November 2023) Layer Hybren Private Limited (Incorporated on 02 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Anita Halbe Deepak Thakur Deven Maskara

Details of transaction between the Company and its related parties are disclosed below:

INR (₹) Thousands

Nature of transactions with Related Parties	**For the period ended**	**Amount**	**Party**
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Receiving of Service	31 March 2024	76.70	Ultimate Joint Venturer

Note No 14 : Contingent liability and commitments

There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 15 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 DECEMBER 2023 TO 31 MARCH 2024

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 16

The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 17

The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 18

This is the first year of incorporate of the company and hence the previous year figures are not applicable..

The accompanying Notes 1 to 18 to are an integral part of the financial statements

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In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
Director
DIN: 07041040

Deven Maskara
Director
DIN: 09213702

Place: Mumbai
Date: 16 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

LAYER HYBREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Layer Hybren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from December 2, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from December 2, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from December 2, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from December 2, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from December 2, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W
Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVG3482

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[**Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]**

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Layer Hybren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVG3482

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 733.98 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVG3482

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024
CIN : U35106MH2023PTC414783

Particulars	Note No.	INR (₹) Thousands As at 31st March, 2024
I ASSETS		
1 CURRENT ASSETS		
(a) Financial assets		
(i) Cash and cash equivalents	3	1,352.52
(ii) Other financial assets	4	42.70
SUB-TOTAL		**1,395.22**
TOTAL ASSETS		**1,395.22**
II EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity share capital	5	2,000.00
(b) Other equity	5A	(733.98)
SUB-TOTAL		**1,266.02**
2 CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		
– total outstanding dues to micro & small enterprises	6	**2.50**
– total outstanding dues to creditors other than micro & small enterprises	6	**70.20**
(b) Other Current Liabilities	7	**56.50**
SUB-TOTAL		**129.20**
TOTAL EQUITY AND LIABILITIES		**1,395.22**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
(DIN: 07041040)
Director

Deven Maskara
(DIN: 09213702)
Director

Place: Mumbai
Date: 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

INR (₹) Thousands

Particulars	Note No.	For the period from 02 December 2023 to 31 March 2024
I Revenue from operations		–
Total income		**–**
II EXPENSES		
(a) Other expenses	8	733.98
Total expenses		**733.98**
III Loss before tax (I-II)		**(733.98)**
IV Tax expense		
(a) Current tax		–
(b) Deferred tax		–
Total tax expense		**–**
V Loss after tax for the period (III-IV)		**(733.98)**
VI Other comprehensive income		
A (i) Items that will not be reclassified to profit or loss		–
(ii) Income tax relating to items that will not be reclassified to profit or loss		–
B (i) Items that may be reclassified to profit or loss		–
(ii) Income tax on items that may be reclassified to profit or loss		–
VII Total comprehensive income for the period		**(733.98)**
VIII Earnings per equity share		
(a) Basic (not annalised)	9	(17.91)
(b) Diluted (not annualised)	9	(17.91)

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
(DIN: 07041040)
Director

Deven Maskara
(DIN: 09213702)
Director

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

Particulars	INR (₹) Thousands For the period from 02 December 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	(733.98)
Operating loss before working capital changes	**(733.98)**
Movements in working capital:	
(Increase)/decrease in other financial assets	(42.70)
(Increase)/decrease in other current assets	–
Increase/(decrease) in trade and other payables	72.70
Increase/(decrease) in other liabilities	56.50
Cash used in operations	**(647.48)**
Income taxes paid	–
Net cash used in operating activities	**(647.48)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	–
Payments to acquire financial assets (fixed deposits and earmarked balances)	–
Net cash used in investing activities	–
Cash flows from financing activities	
Proceeds from Issue Of Equity Shares of the Company	2,000.00
Net cash generated from financing activities	**2,000.00**
Net increase/(decrease) in cash and cash equivalents	1,352.52
Cash and cash equivalents at the beginning of the reporting period	–
Cash and cash equivalents at the end of the reporting period	**1,352.52**
The accompanying Notes 1 to 18 to are an integral part of the financial statements	

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
(DIN: 07041040)
Director

Deven Maskara
(DIN: 09213702)
Director

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

A - Equity Share Capital

As at 31 March 2024

Particular		INR (₹) Thousands
Balance at the beginning of the current reporting period	**Changes in equity share capital during the current reporting period**	**Balance at the end of the current reporting period**
–	**2,000.00**	**2,000.00**

B. Other Equity - Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

Particulars	Reserves and Surplus			Total
	Securities Premium	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(733.98)	(733.98)
Balance at the end of the current reporting period	**–**	**–**	**(733.98)**	**(733.98)**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
(DIN: 07041040)
Director

Deven Maskara
(DIN: 09213702)
Director

Place: Mumbai
Date: 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

1. Nature of Operations

Layer Hybren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN-U35106MH2023PTC414783 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ► In the principal market for the asset or liability, or
- ► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

Note No. 3 - Cash and Cash Equivalent

INR (₹) Thousands

Particulars	As at 31 March 2024
Balances with banks	1,352.52
Total	**1,352.52**

Note No. 4 - Other Financial Assets

INR (₹) Thousands

Particulars	As at 31 March 2024
Security Deposits	**42.70**
Total	**42.70**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31st March, 2024	
	No. of shares	Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	**2,00,000**	**2,000.00**
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	**2,00,000**	**2,000.00**
Total	**2,00,000**	**2,000.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	**–**	**2,00,000**	**2,00,000**

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2024 Number of shares held	% holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	**2,00,000**	**100.0%**

Note : Including 6 shares held jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	**2,00,000**	**100.00%**	**100.00%**

Note No. 5A- Other Equity

(ii) Retained Earnings

INR (₹) Thousands

Particulars	As at 31 March 2024
Balances as at beginning of the period	**–**
Loss for the period	(733.98)
Balances as at end of the period	**(733.98)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Trade Payables

INR (₹) Thousands

Particulars	As at 31 March 2024
Total outstanding dues of micro and small enterprises	**2.50**
Total outstanding dues of other than micro and small enterprises	**70.20**
Total	**72.70**

Outstanding for following periods from due date of payment

INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.50	–	–	–	2.50
(ii) Others	70.20	–	–	–	70.20
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	**72.70**	**–**	**–**	**–**	**72.70**

Note No. 7 - Other Current Liabilities

INR (₹) Thousands

Particulars	As at 31 March 2024
Provision for expenses	**45.00**
Statutory Dues	**11.50**
Total	**56.50**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

Note No. 8 - Other Expenses

INR (₹) Thousands

Particulars	For the period from 02 December 2023 to 31 March 2024
Bid Processing Fees	**590.00**
Auditors remuneration	
(i) Statutory Audit Fees	**50.00**
Professional Fees	**93.98**
Total	**733.98**

Note No. 9 - Earnings per Share

Particulars	For the period from 02 December 2023 to 31 March 2024
Basic Earnings Per Share *(not annualised)*	**(17.91)**
Diluted Earnings Per Share *(not annualised)*	**(17.91)**

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

INR (₹) Thousands

Particulars	For the period from 02 December 2023 to 31 March 2024
Loss for the year attributable to owners of the company (in INR ₹)	**(733.98)**
Less: Preference dividend and tax thereon	**–**
Loss for the year used in the calculation of basic earnings per share	**(733.98)**
Weighted average number of equity shares (nos.)	**40,983.61**
Basic and diluted earnings per share (Rupees) - *(not annualised)*	**(17.91)**

Note No. 10 - Financial Instruments

Capital management The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

INR (₹) Thousands

Particulars	As at 31 March 2024
Debt (A)	**–**
Equity (B)	**1,266.02**
Debt Equity Ratio (A/B)	**NA**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	**1,352.52**	**–**	**–**	**1,352.52**
Security Deposit	**42.70**	**–**	**–**	**42.70**
Current Liabilities				
Trade Payables	**72.70**	**–**	**–**	**72.70**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

Maturity of Financial assets

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	1,352.52	–	–	–	**1,352.52**
Security Deposit	42.70	–	–	–	**42.70**

Maturity of Financial liabilities

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Trade Payables	72.70	–	–	–	**72.70**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 11 - Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

Note 12 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	**10.80**
Debt-Equity Ratio	Borrowings	Shareholder's Equity	**NA**
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	**NA**
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	**-116%**
Inventory Turnover Ratio	Revenue from operations	Average Inventory	**NA**
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	**NA**
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	**NA**
Net Capital Turnover Ratio	Revenue from operations	Working Capital	**NA**
Net Profit Ratio	Net Profit	Revenue from operations	**NA**
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	**-58%**
Return on Investment	Income from Investments	Average Investments	**NA**

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

Note No. 13 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited 2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Gelos Solren Private Limited (Incorporated on 14 June 2023) Hazel Hybren Private Limited (Incorporated on 2 June 2023) Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023) Jade Hybren Private Limited (Incorporated on 30 November 2023) Kyros Hybren Private Limited (Incorporated on 30 November 2023) Migos Hybren Private Limited (Incorporated on 15 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Anita Halbe Deven Maskara Deepak Thakur

Details of transaction between the Company and its related parties are disclosed below:

INR (₹) Thousands

Nature of transactions with Related Parties	**For the period ended**	**Amount**	**Related Party**
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Receiving of Service	31 March 2024	76.70	Ultimate Joint Venturer

INR (₹) Thousands

Nature of Balances with Related Parties	**For the period ended**	**Amount**	**Related Party**
Trade Payables	31 March 2024	70.20	Ultimate Joint Venturer

Note No 14 - Contingent liability and commitments

There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 15 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02ND DECEMBER 2023 TO 31ST MARCH 2024

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 16

The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 17

The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 18

This is the first year of incorporate of the company and hence the previous year figures are not applicable.

The accompanying Notes 1 to 18 to are an integral part of the financial statements.

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Anita Halbe
(DIN: 07041040)
Director

Deven Maskara
(DIN: 09213702)
Director

Place: Mumbai
Date: 16 April 2024

INDEPENDENT AUDITORS' REPORT

To the members of

Kyros Hybren Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Kyros Hybren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from November 30, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from November 30, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (Sas). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sas will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from November 30, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from November 30, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from November 30, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVF5922

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kyros Hybren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVF5922

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 214.78 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVF5922

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH 2024
CIN : U35106MH2023PTC414711

INR (₹) Thousands

Particulars	Note No.	As at 31 March 2024
I ASSETS		
1 CURRENT ASSETS		
(a) Financial assets		
(i) Cash and cash equivalents	3	**1,807.52**
(ii) Other financial assets	4	**42.70**
SUB-TOTAL		**1,850.22**
TOTAL ASSETS		**1,850.22**
II EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity share capital	5	**2,000.00**
(b) Other equity	5A	**(214.78)**
SUB-TOTAL		**1,785.22**
2 CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		
– total outstanding dues to micro & small enterprises	6	**2.50**
– total outstanding dues to creditors other than micro & small enterprises	6	**–**
(b) Other Current Liabilities	7	**62.50**
SUB-TOTAL		**65.00**
TOTAL EQUITY AND LIABILITIES		**1,850.22**

The accompanying Notes 1 to 18 to are an integral part of the financial statements.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN: 09671089

Deven Maskara
Director
DIN: 09213702

Place: Mumbai
Date: 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars	Note No.	For the period from 30 November 2023 to 31 March 2024
I Revenue from operations		–
Total income		–
II **Expenses**		
(a) Other expenses	8	**214.78**
Total Expenses		**214.78**
III **Loss before tax (I-II)**		**(214.78)**
IV **Tax Expense**		
(a) Current tax		–
(b) Deferred tax		–
Total tax expense		–
V **Loss after tax for the period (III-IV)**		**(214.78)**
VI **Other comprehensive income**		–
A (i) Items that will not be reclassified to profit or loss		–
(ii) Income tax relating to items that will not be reclassified to profit or loss		–
B (i) Items that may be reclassified to profit or loss		–
(ii) Income tax on items that may be reclassified to profit or loss		–
VII **Total comprehensive income for the period**		**(214.78)**
VIII **Earnings per equity share**		
(a) Basic (not annalised)	9	**(5.31)**
(b) Diluted (not annualised)	9	**(5.31)**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Deven Maskara
Director
DIN : 09213702

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	**(214.78)**
Adjustments for:	
Finance costs	**–**
Operating loss before working capital changes	**(214.78)**
Movements in working capital:	
(Increase)/decrease in other financial assets	**(42.70)**
(Increase)/decrease in other current assets	**–**
Increase/(decrease) in trade and other payables	**2.50**
Increase/(decrease) in other liabilities	**62.50**
Cash used in operations	**(192.48)**
Income taxes paid	**–**
Net cash used in operating activities	**(192.48)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	**–**
Payments to acquire financial assets (fixed deposits and earmarked balances)	**–**
Net cash used in investing activities	**–**
Cash flows from financing activities:	
Proceeds from Issue Of Equity Shares of the Company	**2,000.00**
Net cash generated from financing activities	**2,000.00**
Net increase/(decrease) in cash and cash equivalents	**1,807.52**
Cash and cash equivalents at the beginning of the reporting period	**–**
Cash and cash equivalents at the end of the reporting period	**1,807.52**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Deven Maskara
Director
DIN : 09213702

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

A. Equity share capital

As at 31 March 2024

INR (₹) Thousands

Particular

Balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
–	2,000.00	2,000.00

B. Other Equity – Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

Particulars	Reserves & Surplus			
	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(214.78)	(214.78)
Balance at the end of the current reporting period	–	–	(214.78)	(214.78)

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Deven Maskara
Director
DIN : 09213702

Place: Mumbai
Date: 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

1. Nature of Operations

Kyros Hybren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN-U35106MH2023PTC414711 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Note No. 3 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	1,807.52
Total	**1,807.52**

Note No. 4 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	42.70
Total	**42.70**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024 No. of shares	 Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Total	**2,00,000**	**2,000.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2024 Number of shares held	 % holding in that class of shares
<u>**Equity shares with voting rights**</u>		
Mahindra Susten Private Limited	2,00,000	100.00%

Note : Including 6 shares held jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 5A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	–
Loss for the period	(214.78)
Balances as at end of the period	**(214.78)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small Enterprises	2.50
Total outstanding dues of other than micro and small enterprises	–
Total	**2.50**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Outstanding for following periods from due date of payment — **INR (₹) Thousands**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.50	–	–	–	2.50
(ii) Others	–	–	–	–	–
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	**2.50**	**–**	**–**	**–**	**2.50**

Note No. 7 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	**45.00**
Statutory Dues	**17.50**
Total	**62.50**

Note No. 8 - Other Expenses

Particulars	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Auditors remuneration	
(i) Audit Fees	**50.00**
Professional Fees	**164.78**
Total	**214.78**

Note No. 9 - Earnings per Share

Particulars	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Basic Earnings Per Share *(not annualised)*	**(5.31)**
Diluted Earnings Per Share *(not annualised)*	**(5.31)**

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Loss for the year attributable to owners of the company (in INR ₹)	**(215)**
Less: Preference dividend and tax thereon	**–**
Loss for the year used in the calculation of basic earnings per share	**(215)**
Weighted average number of equity shares (nos.)	**40,437**
Basic and diluted earnings per share (Rupees) - *(not annualised)*	**(5.31)**

Note 10 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	**–**
Equity (B)	**1,785**
Debt Equity Ratio (A/B)	**NA**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	**1,807.52**	**–**	**–**	**1,807.52**
Security Deposit	**42.70**	**–**	**–**	**42.70**
Current Liabilities				
Trade Payables	**2.50**	**–**	**–**	**2.50**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets — **INR (₹) Thousands**

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	1,807.52	–	–	–	1,807.52
Security Deposit	42.70	–	–	–	42.70

Maturity of Financial liabilities

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Trade Payables	2.50	–	–	–	2.50

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 11 - Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

Note 12 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	28.46
Debt-Equity Ratio	Borrowings	Shareholder's Equity	NA
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	NA
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	-24%
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	-12%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Note No. 13 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited 2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Gelos Solren Private Limited (Incorporated on 14 June 2023) Hazel Hybren Private Limited (Incorporated on 2 June 2023) Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023) Jade Hybren Private Limited (Incorporated on 30 November 2023) Layer Hybren Private Limited (Incorporated on 02 December 2023) Migos Hybren Private Limited (Incorporated on 15 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Anita Halbe Rakesh Khaitan Deven Maskara

Details of transaction between the Company and its related parties are disclosed below:

			INR (₹) Thousands
Nature of transactions with Related Parties	**For the period ended**	**Amount**	**Related Party**
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Receiving of Service	31 March 2024	147.50	Ultimate Joint Venturer

Note No 14 : Contingent liability and commitments

There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 15 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 16
The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 17
The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 18
This is the first year of incorporate of the company and hence the previous year figures are not applicable.

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Rakesh Khaitan
Director
DIN : 09671089

Deven Maskara
Director
DIN : 09213702

Place: Mumbai
Date: 16 April 2024

INDEPENDENT AUDITORS' REPORT

To the members of

Jade Hybren Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Jade Hybren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from November 30, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from November 30, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from November 30, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from November 30, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from November 30, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVE2432

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Jade Hybren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVE2432

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 250.78 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVE2432

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH 2024

CIN : U35106MH2023PTC414663

INR (₹) Thousands

	Particulars	Note No.	As at 31 March 2024
I	**ASSETS**		
	1 CURRENT ASSETS		
	(a) Financial assets		
	(i) Cash and cash equivalents	3	**1,807.03**
	(ii) Other financial assets	4	**43.19**
	SUB-TOTAL		**1,850.22**
	TOTAL ASSETS		**1,850.22**
II	**EQUITY AND LIABILITIES**		
	1 EQUITY		
	(a) Equity share capital	5	**2,000.00**
	(b) Other equity	5A	**(250.78)**
	SUB-TOTAL		**1,749.22**
	2 CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Trade Payables		
	- total outstanding dues to micro & small enterprises	6	**34.90**
	- total outstanding dues to creditors other than micro & small enterprises	6	**–**
	(b) Other Current Liabilities	7	**66.10**
	SUB-TOTAL		**101.00**
	TOTAL EQUITY AND LIABILITIES		**1,850.22**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat (DIN: 09179587)
Director

Rakesh Khaitan (DIN: 09671089)
Director

Place: Mumbai
Date: 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars		Note No.	For the period from 30 November 2023 to 31 March 2024
I	Revenue from operations		–
	Total income		**–**
II	**EXPENSES**		
	(a) Other expenses	8	**250.78**
	Total expenses		**250.78**
III	**Loss before tax (I-II)**		**(250.78)**
IV	**Tax expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		**–**
V	**Loss after tax for the period (III-IV)**		**(250.78)**
VI	**Other comprehensive income**		**–**
	A (I) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (I) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		–
VII	**Total comprehensive income for the period**		**(250.78)**
VIII	**Earnings per equity share**		
	(a) Basic (not annalised)	9	**(6.20)**
	(b) Diluted (not annualised)	9	**(6.20)**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat (DIN: 09179587)
Director

Rakesh Khaitan (DIN: 09671089)
Director

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars	For the period from 30 November 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	(250.78)
Operating loss before working capital changes	**(250.78)**
Movements in working capital:	
(Increase)/decrease in other financial assets	(43.19)
(Increase)/decrease in other current assets	–
Increase/(decrease) in trade and other payables	34.90
Increase/(decrease) in other liabilities	66.10
Cash used in operations	**(192.97)**
Income taxes paid	–
Net cash used in operating activities	**(192.97)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	–
Payments to acquire financial assets (fixed deposits and earmarked balances)	–
Net cash used in investing activities	–
Cash flows from financing activities	
Proceeds from Issue Of Equity Shares of the Company	2,000.00
Proceeds from borrowings from Related Party	–
Net cash generated from financing activities	**2,000.00**
Net increase/(decrease) in cash and cash equivalents	1,807.03
Cash and cash equivalents at the beginning of the reporting period	–
Cash and cash equivalents at the end of the reporting period	**1,807.03**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat (DIN: 09179587)
Director

Rakesh Khaitan (DIN: 09671089)
Director

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

A. Equity Share Capital

As at 31 March 2024

INR (₹) Thousands

Particular

Balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
–	2,000.00	2,000.00

B. Other Equity - Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

Particulars	Reserves and Surplus			Total
	Securities Premium	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(250.78)	(250.78)
Balance at the end of the current reporting period	**–**	**–**	**(250.78)**	**(250.78)**

The accompanying Notes 1 to 18 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat (DIN: 09179587)
Director

Rakesh Khaitan (DIN: 09671089)
Director

Place: Mumbai
Date: 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

1. Nature of Operations

Jade Hybren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN- U35106MH2023PTC414663 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Note No. 3 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	1,807.03
Total	**1,807.03**

Note No. 4 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	43.19
Total	**43.19**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024 No. of shares	 Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Total	**2,00,000**	**2,000.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024 Number of shares held	 % holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	2,00,000	100.00%

Note : Including 6 shares held in jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 5A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	–
Loss for the period	(250.78)
Balances as at end of the period	**(250.78)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small enterprises	34.90
Total outstanding dues of other than micro and small enterprises	–
Total	**34.90**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Outstanding for following periods from due date of payment

INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	34.90	–	–	–	34.90
(ii) Others	–	–	–	–	–
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	**34.90**	**–**	**–**	**–**	**34.90**

Note No. 7 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	45.00
Statutory Dues	21.10
Total	**66.10**

Note No. 8 - Other Expenses

Particulars	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Connectivity Charges	–
Auditors remuneration	
(i) Audit Fees	50.00
Professional Fees	200.78
Total	**250.78**

Note No. 9 - Earnings per Share

Particulars	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Basic Earnings Per Share (not annualised)	(6.20)
Diluted Earnings Per Share (not annualised)	(6.20)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 30 November 2023 to 31 March 2024
Loss for the year attributable to owners of the company (in INR ₹)	(250.78)
Less: Preference dividend and tax thereon	–
Loss for the year used in the calculation of basic earnings per share	(250.78)
Weighted average number of equity shares (nos.)	40,437
Basic and diluted earnings per share (Rupees) - (not annualised)	(6.20)

Note 10- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	–
Equity (B)	1,749
Debt Equity Ratio (A/B)	**NA**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	1,807.03	–	–	**1,807.03**
Security Deposit	43.19	–	–	**43.19**
Current Liabilities				
Trade Payables	34.90	–	–	**34.90**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy ofonly dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults.The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk managementframework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Security Deposit	43.19	–	–	–	**43.19**
Cash and Bank Balances	1,807.03	–	–	–	**1,807.03**

Maturity of Financial liabilities

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Trade Payables	34.90	–	–	–	**34.90**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 11- Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

Note 12 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	18.32
Debt-Equity Ratio	Borrowings	Shareholder's Equity	NA
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	NA
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	-29%
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	-14%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

Note No. 13 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited
	2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Gelos Solren Private Limited (Incorporated on 14 June 2023) Hazel Hybren Private Limited (Incorporated on 2 June 2023) Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023) Kyros Hybren Private Limited (Incorporated on 30 November 2023) Layer Hybren Private Limited (Incorporated on 02 December 2023) Migos Hybren Private Limited (Incorporated on 15 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Deven Maskara Rakesh Khaitan Avinash Bapat

Details of transaction between the Company and its related parties are disclosed below:

INR (₹) Thousands

Nature of transactions with Related Parties	**For the period ended**	**Amount**	**Related Party**
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Receiving of Service	31 March 2024	147.50	Ultimate Joint Venturer

Note No 14 : Contingent liability and commitments

There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 15 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 NOVEMBER 2023 TO 31 MARCH 2024

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 16
The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 17
The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 18
This is the first year of incorporate of the company and hence the previous year figures are not applicable.

The accompanying Notes 1 to 18 to are an integral part of the financial statements

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In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat (DIN: 09179587)
Director

Rakesh Khaitan (DIN: 09671089)
Director

Place: Mumbai
Date: 16 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

FURIES SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Furies Solren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from June 14, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from June 14, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from June 14, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from June 14, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from June 14, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVA4590

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Furies Solren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVA4590

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. a) According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

b) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of ₹ 1,705.16 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVA4590

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH 2024
CIN : U35105MH2023PTC404643

INR (₹) Thousands

Particulars	Note No.	As at 31 March 2024
I ASSETS		
1 CURRENT ASSETS		
(a) Financial assets		
(i) Cash and cash equivalents	3	**1,364.74**
(ii) Other financial assets	4	**29.69**
SUB-TOTAL		**1,394.43**
TOTAL ASSETS		**1,394.43**
II EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity share capital	5	**2,000.00**
(b) Other equity	5A	**(1,705.16)**
SUB-TOTAL		**294.84**
2 NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	6	**1,000.00**
(ii) Other Financial Liabilities	7	**28.84**
SUB-TOTAL		**1,028.84**
3 CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		
– total outstanding dues to micro & small enterprises	8	**7.20**
– total outstanding dues to creditors other than micro & small enterprises	8	**–**
(b) Other Current Liabilities	9	**63.55**
SUB-TOTAL		**70.75**
TOTAL EQUITY AND LIABILITIES		**1,394.43**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN: 09720064

Rakesh Khaitan
Director
DIN: 09671089

Place: Mumbai
Date: 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

	Particulars	Note No.	For the period from 14 June 2023 to 31 March 2024
I	Revenue from operations		–
	Total income		**–**
II	**Expenses**		
	(a) Finance costs	10	**32.05**
	(b) Other expenses	11	**1,673.11**
	Total Expenses		**1,705.16**
III	**Loss before tax (I-II)**		**(1,705.16)**
IV	**Tax Expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		**–**
V	**Loss after tax for the period (III-IV)**		**(1,705.16)**
VI	**Other comprehensive income**		**–**
	A (i) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (i) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		–
VII	**Total comprehensive income for the period**		**(1,705.16)**
VIII	**Earnings per equity share**		
	(a) Basic (not annalised)	12	**(13.11)**
	(b) Diluted (not annualised)	12	**(13.11)**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars	For the period from 14 June 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	**(1,705.16)**
Adjustments for:	
Finance costs	**32.05**
Operating loss before working capital changes	**(1,673.11)**
Movements in working capital:	
(Increase)/decrease in other assets	**(29.69)**
Increase/(decrease) in trade and other payables	**7.20**
Increase/(decrease) in other liabilities	**92.39**
Cash used in operations	**(1,603.21)**
Income taxes paid	**–**
Net cash used in operating activities	**(1,603.21)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	**–**
Payments to acquire financial assets (fixed deposits and earmarked balances)	**–**
Net cash used in investing activities	**–**
Cash flows from financing activities:	
Proceeds from Issue Of Equity Shares of the Company	**2,000.00**
Proceeds from borrowings from Related Party	**1,000.00**
Finance Cost	**(32.05)**
Net cash generated from financing activities	**2,967.95**
Net increase/(decrease) in cash and cash equivalents	**1,364.74**
Cash and cash equivalents at the beginning of the reporting period	**–**
Cash and cash equivalents at the end of the reporting period	**1,364.74**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

A. Equity share capital

As at 31 March 2024

INR (₹) Thousands

Particular

Balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
–	2,000.00	2,000.00

B. Other Equity – Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

Particulars	Reserves & Surplus			
	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(1,705.16)	(1,705.16)
Balance at the end of the current reporting period	–	–	(1,705.16)	(1,705.16)

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

1. Nature of Operations

Furies Solren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN-U35105MH2023PTC404643 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note No. 3 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	**1,364.74**
Total	**1,364.74**

Note No. 4 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	**29.69**
Total	**29.69**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024 No. of shares	 Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	**2,00,000**	**2,000**
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	**2,00,000**	**2,000**
Total	**2,00,000**	**2,000**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	**2,00,000**

(iii) Details of shares held by each shareholder holding more than 5% shares:

Amount in ₹ Lakhs

Class of shares/Name of shareholder	As at 31 March 2024 Number of shares held	 % holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	**2,00,000**	**100.00%**

Note : Including 6 shares held jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 5A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	-
Loss for the period	**(1,705.16)**
Balances as at end of the period	**(1,705.16)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Non-Current Borrowings

Particulars	INR (₹) Thousands As at 31 March 2024
Unsecured Borrowings	
(a) Borrowings from Related Party (Refer note below)	**1,000.00**
Total	**1,000.00**

Note : The Company has availed Subordinated debt from Mahindra Susten Private Limited at 11.50% p.a. with a tenure of 20 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note No. 7 - Other Financial Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Interest accrued but not due on borrowings	**28.84**
Total	**28.84**

Note No. 8 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small enterprises	**7.20**
Total outstanding dues of other than micro and small enterprises	**–**
Total	**7.20**

Outstanding for following periods from due date of payment INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.20	-	-	-	7.20
(ii) Others	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**7.20**	**-**	**-**	**-**	**7.20**

Note No. 9 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	**45.01**
Statutory Dues	**18.54**
Total	**63.55**

Note No. 10 - Finance Cost

Particulars	INR (₹) Thousands For the period from 14 June 2023 to 31 March 2024
Interest on Loan	**32.05**
Total	**32.05**

Note No. 11 - Other Expenses

Particulars	INR (₹) Thousands For the period from 14 June 2023 to 31 March 2024
Application Fees	**1,193.92**
Auditors remuneration	
(i) Audit Fees	**50.00**
Professional Fees	**420.50**
Miscellaneous Expenses	**8.69**
Total	**1,673.11**

Note No. 12 - Earnings per Share

Particulars	INR (₹) Thousands For the period from 14 June 2023 to 31 March 2024
Basic Earnings Per Share (not annualised)	**(13.11)**
Diluted Earnings Per Share (not annualised)	**(13.11)**

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 14 June 2023 to 31 March 2024
Loss for the year attributable to owners of the company	**(1,705.16)**
Less: Preference dividend and tax thereon	**-**
Loss for the year used in the calculation of basic earnings per share	**(1,705.16)**
Weighted average number of equity shares (nos.)	**1,30,055**
Basic and diluted earnings per share (Rupees) - (not annualised)	**(13.11)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note 13- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	**1,000.00**
Equity (B)	**294.84**
Debt Equity Ratio (A/B)	**3.39**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortized Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	**1,364.74**	**-**	**-**	**1,364.74**
Security Deposit	**29.69**	**-**	**-**	**29.69**
Current Liabilities				
Trade Payables	**7.20**	**-**	**-**	**7.20**
Borrowings from related party	**1,000.00**			**1,000.00**
Other Financial Liabilities	**28.84**	**-**	**-**	**28.84**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets — **INR (₹) Thousands**

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	1,364.74	-	-	-	1,364.74
Security Deposit	29.69	-	-	-	29.69

Maturity of Financial liabilities — **INR (₹) Thousands**

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Other Financial Liabilities	-	-	28.84	-	28.84
Borrowings	-	-	-	1,000.00	1,000.00
Trade Payables	7.20	-	-	-	7.20

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and RiskManagement Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 14 - Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note 15- Key Ratios

			INR (₹) Thousands
Particulars	**Numerator**	**Denominator**	**As at 31 March 2024**
Current Ratio	Current Assets	Current Liabilities	19.71
Debt-Equity Ratio	Borrowings	Shareholder's Equity	3.39
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	(52.20)
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	-1157%
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder’s Equity + Borrowings + DTL	-129%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

Note No. 16 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited
	2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024)
	Brightsolar Renewable Energy Private Limited (till 9 January 2024)
	Neo Solren Private Limited (till 9 January 2024)
	Mega Surya Urja Private Limited (till 9 January 2024)
	Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024)
	Gelos Solren Private Limited (Incorporated on 14 June 2023)
	Hazel Hybren Private Limited (Incorporated on 2 June 2023)
	Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023)
	Jade Hybren Private Limited (Incorporated on 30 November 2023)
	Kyros Hybren Private Limited (Incorporated on 30 November 2023)
	Layer Hybren Private Limited (Incorporated on 02 December 2023)
	Migos Hybren Private Limited (Incorporated on 15 December 2023)
	Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors**
	Rakesh Khaitan
	Bharat Goenka
	Deepak Thakur

Details of transaction between the Company and its related parties are disclosed below:

			INR (₹) Thousands
Nature of transactions with Related Parties	**For the period ended**	**Amount**	**Related Party**
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Subordinated debt received	31 March 2024	1,000.00	Parent Company
Interest on Subordinated debt	31 March 2024	32.04	Parent Company
Receiving of Service	31 March 2024	147.50	Ultimate Joint Venturer

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

			INR (₹) Thousands
Nature of Balances with Related Parties	**For the period ended**	**Amount**	**Related Party**
Subordinated Debt Outstanding	31 March 2024	1,000.00	Parent Company
Interest on Subordinated Debt Outstanding	31 March 2024	28.84	Parent Company

Note No 17 : Contingent liability and commitments

There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 18 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 19

The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 20

The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 21

This is the first year of incorporate of the company and hence, the previous year figures are not applicable.

The accompanying Notes 1 to 21 to are an integral part of the financial statements

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In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Rakesh Khaitan
Director
DIN : 09671089

Place : Mumbai
Date : 16 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

GELOS SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Gelos Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from June 14, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from June 14, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from June 14, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from June 14, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from June 14, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVB8566

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Gelos Solren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVB8566

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

  (f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

  (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

  According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

  According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

  (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

  (c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

  (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

  (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 309.68 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVB8566

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH, 2024

CIN- U35105MH2023PTC404642

INR (₹) Thousands

		Particulars	Note No.	As at 31 March 2024
I		**ASSETS**		
	1	**NON-CURRENT ASSETS**		
		(a) Capital Work-in-Progress	3	**16,533.83**
		SUB-TOTAL		**16,533.83**
	2	**CURRENT ASSETS**		
		(a) Financial Assets		
		(i) Cash and cash equivalents	4	**2,942.83**
		(ii) Other financial assets	5	**14.29**
		SUB-TOTAL		**2,957.12**
		TOTAL ASSETS		**19,490.95**
II		**EQUITY AND LIABILITIES**		
	1	**EQUITY**		
		(a) Equity Share Capital	6	**2,000.00**
		(b) Other Equity	6A	**(309.68)**
		SUB-TOTAL		**1,690.32**
	2	**NON-CURRENT LIABILITIES**		
		(a) Financial Liabilities		
		(i) Borrowings	7	**17,691.76**
		(ii) Other Financial Liabilities	8	**30.44**
		SUB-TOTAL		**17,722.20**
	3	**CURRENT LIABILITIES**		
		(a) Financial Liabilities		
		(i) Trade Payables		
		- total outstanding dues to micro & small enterprises	9	**–**
		- total outstanding dues to creditors other than micro & small enterprises	9	**12.54**
		(b) Other Current Liabilities	10	**65.89**
		SUB-TOTAL		**78.43**
		TOTAL EQUITY AND LIABILITIES		**19,490.95**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Avinash Bapat
Director
DIN : 09179587

Place : Mumbai
Date : 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

	Particulars	**Note No.**	**For the period from 14 June 2023 to 31 March 2024**
I	Revenue from operations		–
	Total income		**–**
II	**EXPENSES**		
	(a) Other expenses	11	**309.68**
	Total expenses		**309.68**
III	**Loss before tax (I-II)**		**(309.68)**
IV	**Tax expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		**–**
V	**Loss after tax for the period (III-IV)**		**(309.68)**
VI	**Other comprehensive income**		**–**
	A (i) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (i) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		
VII	**Total comprehensive income for the period**		**(309.68)**
VIII	**Earnings per equity share**		
	(a) Basic (not annalised)	12	**(2.38)**
	(b) Diluted (not annualised)	12	**(2.38)**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Avinash Bapat
Director
DIN : 09179587

Place : Mumbai
Date : 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars	For the period from 14 June 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	(309.68)
Operating loss before working capital changes	(309.68)
Movements in working capital:	
(Increase)/decrease in other assets	(14.29)
Increase/(decrease) in trade and other payables	12.54
Increase/(decrease) in other liabilities	96.33
Cash used in operations	(215.10)
Income taxes paid	–
Net cash used in operating activities	(215.10)
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	(16,533.83)
Payments to acquire financial assets (fixed deposits and earmarked balances)	–
Net cash used in investing activities	(16,533.83)
Cash flows from financing activities	
Proceeds from Issue Of Equity Shares of the Company	2,000.00
Proceeds from borrowings from Related Party	17,691.76
Net cash generated from financing activities	19,691.76
Net increase/(decrease) in cash and cash equivalents	2,942.83
Cash and cash equivalents at the beginning of the reporting period	–
Cash and cash equivalents at the end of the reporting period	2,942.83

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Avinash Bapat
Director
DIN : 09179587

Place : Mumbai
Date : 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

A. Equity Share Capital

As at 31 March 2024

INR (₹) Thousands

Particular		
Balance at the beginning of the current reporting period	**Changes in equity share capital during the current reporting period**	**Balance at the end of the current reporting period**
–	2,000.00	2,000.00

B. Other Equity - Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

Particulars	Reserves and Surplus			
	Securities Premium	Capital Reserve	Retained Earnings	Total
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(309.68)	(309.68)
Balance at the end of the current reporting period	–	–	(309.68)	(309.68)

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Avinash Bapat
Director
DIN : 09179587

Place : Mumbai
Date : 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

1. Nature of Operations

Gelos Solren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN- U35105MH2023PTC404642 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note No. 3 - Capital Work In Progress

Particulars	INR (₹) Thousands As at 31 March 2024
Opening Balance	–
Additions during the reporting period	16,533.83
Transfer to Plant, Property and Equipment	–
Closing Balance	16,533.83

INR (₹) Thousands

Particulars		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Projects in Progress	16,533.83	–	–	–	16,534
(ii)	Projects Temporarily Suspended	–	–	–	–	–
Total		16,533.83	–	–	–	16,534

Note No. 4 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	2,942.83
Total	2,942.83

Note No. 5 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	14.29
Total	14.29

Note No. 6 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024	
	No. of shares	Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	1,00,00,000	1,00,000
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000
Total	2,00,000	2,000.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024 Number of shares held	% holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	2,00,000	100.00%

Note : Including 6 share held jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 6A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	–
Loss for the period	(309.68)
Balances as at end of the period	(309.68)

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note No. 7 - Non-Current Borrowings

Particulars	INR (₹) Thousands As at 31 March 2024
Unsecured Borrowings	
(a) Borrowings from Related Party (Refer note below)	**17,691.76**
Total	**17,691.76**

Note: The Company has availed Subordinated debt from Mahindra Susten Private Limited at 11.50 % p.a. with a tenure of 20 years.

Note No. 8 - Other Financial Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Interest accrued but not due on borrowings	**30.44**
Total	**30.44**

Note No. 9 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small enterprises	**–**
Total outstanding dues of other than micro and small enterprises	**12.54**
Total	**12.54**

Outstanding for following periods from due date of payment

INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	12.54	–	–	–	12.54
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	**12.54**	**–**	**–**	**–**	**12.54**

Note No. 10 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	**45.01**
Statutory Dues	**20.88**
Total	**65.89**

Note No. 11 - Other Expenses

Particulars	INR (₹) Thousands For the period from 14 June 2023 to 31 March 2024
Auditors remuneration	
(i) Audit Fees	**50.00**
Professional Fees	**259.68**
Total	**309.68**

Note No. 12 - Earnings per Share

Particulars	For the period from 14 June 2023 to 31 March 2024
Basic Earnings Per Share *(not annualised)*	**(2.38)**
Diluted Earnings Per Share *(not annualised)*	**(2.38)**

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 14 June 2023 to 31 March 2024
Loss for the year attributable to owners of the company	**(309.68)**
Less: Preference dividend and tax thereon	**–**
Loss for the year used in the calculation of basic earnings per share	**(309.68)**
Weighted average number of equity shares (nos.)	**1,30,055**
Basic and diluted earnings per share (Rupees) - *(not annualised)*	**(2.38)**

Note 13- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	**17,692**
Equity (B)	**1,690**
Debt Equity Ratio (A/B)	**10.47**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	**2,942.83**	**–**	**–**	**2,942.83**
Security Deposit	**14.29**	**–**	**–**	**14.29**
Current Liabilities				
Trade Payables	**12.54**	**–**	**–**	**12.54**
Borrowings from related party	**17,691.76**			**17,691.76**
Other Financial Liabilities	**30.44**	**–**	**–**	**30.44**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	2,942.83	–	–	–	**2,942.83**
Security Deposit	14.29	–	–	–	**14.29**

Maturity of Financial liabilities

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Other Financial Liabilities	–	–	30.44	–	**30.44**
Borrowings	–	–	–	17,691.76	**17,691.76**
Trade Payables	12.54	–	–	–	**12.54**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 14 - Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

Note 15 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	37.71
Debt-Equity Ratio	Borrowings	Shareholder's Equity	10.47
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	(9.15)
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	-36.64%
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	-1.60%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

Note No. 16 - Related Party Transactions

Relationships:	Name:
Ultimate Joint Venturer	Mahindra & Mahindra Limited 2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Hazel Hybren Private Limited (Incorporated on 2 June 2023) Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023) Jade Hybren Private Limited (Incorporated on 30 November 2023) Kyros Hybren Private Limited (Incorporated on 30 November 2023) Layer Hybren Private Limited (Incorporated on 02 December 2023) Migos Hybren Private Limited (Incorporated on 15 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Ashok Bapat Bharat Goenka Deepak Thakur

Details of transaction between the Company and its related parties are disclosed below:

INR (₹) Thousands

Nature of transactions with Related Parties	For the period ended	Amount	Related Party
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Subordinated debt received	31 March 2024	17,691.76	Parent Company
Interest on Subordinated debt	31 March 2024	33.82	Parent Company
Availment of Service	31 March 2024	16,500.00	Parent Company
Availment of Service	31 March 2024	147.50	Ultimate Joint Venturer

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

Nature of Balances with Related Parties	For the period ended	Amount	Related Party
Subordinated Debt Outstanding	31 March 2024	17,691.76	Parent Company
Trade payables	31 March 2024	8.24	Parent Company

Note No 17 : Contingent liability and commitments
There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 18 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 19
The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 20
The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 21
This is the first year of incorporate of the company and hence the previous year figures are not applicable.

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Bharat Goenka
Director
DIN : 09720064

Avinash Bapat
Director
DIN : 09179587

Place : Mumbai
Date : 16 April 2024

INDEPENDENT AUDITORS' REPORT

To the members of

Hazel Hybren Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Hazel Hybren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from June 2, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from June 2, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from June 2, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from June 2, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from June 2, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVC2058

Place : Mumbai
Date: April 16,2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Hazel Hybren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVC2058

Place : Mumbai
Date: April 16,2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 4,907.85 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVC2058

Place : Mumbai
Date: April 16,2024

BALANCE SHEET AS AT 31 MARCH 2024

CIN : U35105MH2023PTC404100

INR (₹) Thousands

Particulars	Note No.	As at 31 March, 2024
I ASSETS		
1 CURRENT ASSETS		
(a) Financial assets		
(i) Cash and cash equivalents	3	292.33
(ii) Other financial assets	4	28.80
SUB-TOTAL		**321.13**
TOTAL ASSETS		**321.13**
II EQUITY AND LIABILITIES		
1 EQUITY		
(a) Equity share capital	5	2,000.00
(b) Other equity	5A	(4,907.85)
SUB-TOTAL		**(2,907.85)**
2 NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	6	3,000.00
(ii) Other Financial Liabilities	7	155.81
SUB-TOTAL		**3,155.81**
2 CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Trade Payables		
- total outstanding dues to micro & small enterprises	8	7.20
- total outstanding dues to creditors other than micro & small enterprises	8	–
(b) Other Current Liabilities	9	65.97
SUB-TOTAL		**73.17**
TOTAL EQUITY AND LIABILITIES		**321.13**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date: April 16,2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN: 09179587

Rakesh Khaitan
Director
DIN: 09671089

Place : Mumbai
Date: April 16,2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

	Particulars	Note No.	For the period from 02 June 2023 to 31 March 2024
I	Revenue from operations		–
	Total income		**–**
II	**Expenses**		
	(a) Finance costs	10	**1,061.67**
	(b) Other expenses	11	**3,846.18**
	Total expenses		**4,907.85**
III	**Loss before tax (I-II)**		**(4,907.85)**
IV	**Tax expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		**–**
V	**Loss after tax for the period (III-IV)**		**(4,907.85)**
VI	**Other comprehensive income**		–
	A (I) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (I) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		–
VII	**Total comprehensive income for the period**		**(4,907.85)**
VIII	**Earnings per equity share**		
	(a) Basic (not annalised)	12	**(32.54)**
	(b) Diluted (not annualised)	12	**(32.54)**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date: April 16,2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN: 09179587

Rakesh Khaitan
Director
DIN: 09671089

Place : Mumbai
Date: April 16,2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particular	For the period from 02 June 2023 to 31 March 2024
Cash flows from operating activities	
Loss before tax	(4,907.85)
Adjustments for:	
Finance costs	1,061.67
Operating loss before working capital changes	**(3,846.18)**
Movements in working capital:	
(Increase)/decrease in other assets	(28.80)
Increase/(decrease) in trade and other payables	7.20
Increase/(decrease) in other liabilities	221.78
Cash used in operations	**(3,646.00)**
Income taxes paid	**–**
Net cash used in operating activities	**(3,646.00)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	**–**
Payments to acquire financial assets (fixed deposits and earmarked balances)	**–**
Net cash used in investing activities	**–**
Cash flows from financing activities	
Proceeds from Issue Of Equity Shares of the Company	2,000.00
Proceeds from borrowings from Related Party	3,000.00
Finance Cost	(1,061.67)
Net cash generated from financing activities	**3,938.33**
Net increase/(decrease) in cash and cash equivalents	292.33
Cash and cash equivalents at the beginning of the reporting period	–
Cash and cash equivalents at the end of the reporting period	**292.33**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date: April 16,2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN: 09179587

Rakesh Khaitan
Director
DIN: 09671089

Place : Mumbai
Date: April 16,2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

A. Equity Share Capital

As at 31 March 2024

INR (₹) Thousands

Particular		
Balance at the beginning of the current reporting period	**Changes in equity share capital during the current reporting period**	**Balance at the end of the current reporting period**
–	2,000.00	2,000.00

B. Other Equity - Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

	Reserves and Surplus			
Particulars	**Securities Premium**	**Capital Reserve**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(4,907.85)	(4,907.85)
Balance at the end of the current reporting period	**–**	**–**	**(4,907.85)**	**(4,907.85)**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date: April 16,2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN: 09179587

Rakesh Khaitan
Director
DIN: 09671089

Place : Mumbai
Date: April 16,2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

1. Nature of Operations

Hazel Hybren Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN- U35105MH2023PTC404100 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

Note No. 3 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	292.33
Total	**292.33**

Note No. 4 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	28.80
Total	**28.80**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024 No. of shares	 Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Total	**2,00,000**	**2,000.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024 Number of shares held	 % holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	2,00,000	100.0%

Note : Including 6 shares held jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	% of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 5A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	–
Loss for the period	(4,907.85)
Balances as at end of the period	**(4,907.85)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Non-Current Borrowings

Particulars	INR (₹) Thousands As at 31 March 2024
Unsecured Borrowings	
(a) Borrowings from Related Party (Refer note below)	3,000.00
Total	**3,000.00**

Note: The Company has taken unsecured loan from Mahindra Susten Private Limited at 11.50 % p.a. with a tenure of 20 years.

Note No. 7 - Other Financial Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Interest accrued but not due on borrowings	155.81
Total	**155.81**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

Note No. 8 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small enterprises	7.20
Total outstanding dues of other than micro and small enterprises	–
Total	**7.20**

Outstanding for following periods from due date of payment

INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.20	–	–	–	7.20
(ii) Others	–	–	–	–	–
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	**7.20**	**–**	**–**	**–**	**7.20**

Note No. 9 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	45.01
Statutory Dues	20.96
Total	**65.97**

Note No. 10 - Finance Cost

Particulars	INR (₹) Thousands For the period from 02 June 2023 to 31 March 2024
Bank Charges	888.54
Interest on Loan	173.13
Total	**1,061.67**

Note No. 11 - Other Expenses

Particulars	INR (₹) Thousands For the period from 02 June 2023 to 31 March 2024
Bid Processing Fees	2,360.00
Application Fees	1,193.92
Auditors remuneration	
(i) Audit Fees	50.00
Professional Fees	241.06
Miscellaneous Expenses	1.20
Total	**3,846.18**

Note No. 12 - Earnings per Share

Particulars	For the period from 02 June 2023 to 31 March 2024
Basic Earnings Per Share *(not annualised)*	(32.54)
Diluted Earnings Per Share *(not annualised)*	(32.54)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 02 June 2023 to 31 March 2024
Loss for the year attributable to owners of the company (in INR ₹)	(4,908)
Less: Preference dividend and tax thereon	–
Loss for the year used in the calculation of basic earnings per share	(4,908)
Weighted average number of equity shares (nos.)	1,50,820
Basic and diluted earnings per share (Rupees)	(32.54)

Note 13- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	3,000.00
Equity (B)	(2,907.85)
Debt Equity Ratio (A/B)	**(1.03)**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	292.33	–	–	**292.33**
Security Deposit	28.80	–	–	**28.80**
Current Liabilities				
Trade Payables	7.20	–	–	**7.20**
Borrowings from related party	3,000.00			**3,000.00**
Other Financial Liabilities	155.81	–	–	**155.81**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	292.33	–	–	–	**292.33**
Security Deposit	28.80	–	–	–	**28.80**

Maturity of Financial liabilities

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Other Financial Liabilities	–	–	155.81	–	**155.81**
Borrowings	–	–	–	3,000.00	**3,000.00**
Trade Payables	7.20	–	–	–	**7.20**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 14- Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

Note 15 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	4.39
Debt-Equity Ratio	Borrowings	Shareholder's Equity	(1.03)
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	(3.62)
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	NA#
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	-4174%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

#This ratio is non determinable due to negative net worth.

Note No. 16 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited 2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Gelos Solren Private Limited (Incorporated on 14 June 2023) Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) (Incorporated on 30 May 2023) Jade Hybren Private Limited (Incorporated on 30 November 2023) Kyros Hybren Private Limited (Incorporated on 30 November 2023) Layer Hybren Private Limited (Incorporated on 02 December 2023) Migos Hybren Private Limited (Incorporated on 15 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Ashok Bapat Bharat Goenka Rakesh Khaitan

Details of transaction between the Company and its related parties are disclosed below:

INR (₹) Thousands

Nature of transactions with Related Parties	For the period ended	Amount	Related Party
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Subordinated debt received	31 March 2024	3,000.00	Parent Company
Receiving of Service	31 March 2024	147.50	Ultimate Joint Venturer
Interest on Subordinated debt	31 March 2024	173.12	Parent Company

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 02 JUNE 2023 TO 31 MARCH 2024

INR (₹) Thousands

Nature of Balances with Related Parties	For the period ended	Amount	Related Party
Subordinated Debt Outstanding	31 March 2024	3,000.00	Parent Company

Note No 17 : Contingent liability and commitments
There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 18 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 19
The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 20
The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 21
This is the first year of incorporate of the company and hence the previous year figures are not applicable.

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date: April 16,2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN: 09179587

Rakesh Khaitan
Director
DIN: 09671089

Place : Mumbai
Date: April 16,2024

INDEPENDENT AUDITORS' REPORT

To the members of

Illuminate Hybren Private Limited (formerly known as Icarus Hybren Private Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Illuminate Hybren Private Limited (formerly known as Icarus Hybren Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period from May 30, 2023 to March 31, 2024, and a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the period from May 30, 2023 to March 31, 2024.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the period from May 30, 2023 to March 31, 2024.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the period from May 30, 2023 to March 31, 2024.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period from May 30, 2023 to March 31, 2024 for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVD7217

Place: Mumbai
Date: April 16,2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Illuminate Hybren Private Limited (formerly known as Icarus Hybren Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVD7217

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 2,661.22 Thousand during the current financial year. This is the first financial year of the Company hence reporting for immediately preceding financial year is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVD7217

Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH 2024

CIN : U35105MH2023PTC403886

INR (₹) Thousands

	Particulars	Note No.	As at 31 March 2024
I	**ASSETS**		
	1 CURRENT ASSETS		
	(a) Financial assets		
	(i) Cash and cash equivalents	3	**2,377.91**
	(ii) Other financial assets	4	**40.20**
	SUB-TOTAL		**2,418.11**
	TOTAL ASSETS		**2,418.11**
II	**EQUITY AND LIABILITIES**		
	1 EQUITY		
	(a) Equity share capital	5	**2,000.00**
	(b) Other equity	5A	**(2,661.22)**
	SUB-TOTAL		**(661.22)**
	2 CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	6	**3,000.00**
	(ii) Trade Payables		
	– total outstanding dues to micro & small enterprises	7	**1.50**
	– total outstanding dues to creditors other than micro & small enterprises	7	**–**
	(iii) Other financial liabilities	8	**13.80**
	(b) Other Current Liabilities	9	**64.03**
	SUB-TOTAL		**3,079.33**
	TOTAL EQUITY AND LIABILITIES		**2,418.11**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place : Mumbai
Date : 16 April 2024

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars		Note No.	For the period from 30 May 2023 to 31 March 2024
I	Revenue from operations		–
	Total income		–
II	**EXPENSES**		
	(a) Finance costs	10	**15.33**
	(b) Other expenses	11	**2,645.89**
	Total expenses		**2,661.22**
III	**Loss before tax (I-II)**		**(2,661.22)**
IV	**Tax expense**		
	(a) Current tax		–
	(b) Deferred tax		–
	Total tax expense		–
V	**Loss after tax for the period (III-IV)**		**(2,661.22)**
VI	**Other comprehensive income**		–
	A (I) Items that will not be reclassified to profit or loss		–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–
	B (I) Items that may be reclassified to profit or loss		–
	(ii) Income tax on items that may be reclassified to profit or loss		–
VII	**Total comprehensive income for the period**		**(2,661.22)**
VIII	**Earnings per equity share**		
	(a) Basic (not annalised)	12	**(18.10)**
	(b) Diluted (not annualised)	12	**(18.10)**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place : Mumbai
Date : 16 April 2024

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

INR (₹) Thousands

Particulars	**For the period from 30 May 2023 to 31 March 2024**
Cash flows from operating activities	
Loss before tax	(2,661.22)
Adjustments for:	
Finance costs	15.33
Operating loss before working capital changes	**(2,645.89)**
Movements in working capital:	
(Increase)/decrease in other financial assets	(40.20)
(Increase)/decrease in other current assets	–
Increase/(decrease) in trade and other payables	1.50
Increase/(decrease) in other liabilities	77.83
Cash used in operations	**(2,606.76)**
Income taxes paid	–
Net cash used in operating activities	**(2,606.76)**
Cash flows from investing activities	
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	–
Payments to acquire financial assets (fixed deposits and earmarked balances)	–
Net cash used in investing activities	–
Cash flows from financing activities	
Proceeds from Issue Of Equity Shares of the Company	2,000.00
Proceeds from borrowings from Related Party	3,000.00
Finance Cost	(15.33)
Net cash generated from financing activities	**4,984.67**
Net increase/(decrease) in cash and cash equivalents	2,377.91
Cash and cash equivalents at the beginning of the reporting period	–
Cash and cash equivalents at the end of the reporting period	**2,377.91**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place : Mumbai
Date : 16 April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

INR (₹) Thousands

A. Equity Share Capital

As at 31 March 2024

INR (₹) Thousands

Particular

Balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
–	2,000.00	2,000.00

B. Other Equity - Reserves & Surplus

As at 31 March 2024

INR (₹) Thousands

Particulars	Reserves and Surplus			Total
	Securities Premium	Capital Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	–	–	–	–
Total Comprehensive Income for the current reporting period	–	–	(2,661.22)	(2,661.22)
Balance at the end of the current reporting period	**–**	**–**	**(2,661.22)**	**(2,661.22)**

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place : Mumbai
Date : 16 April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

1. **Nature of Operations**

Illuminate Hybren Private Limited (Formerly known as Icarus Hybren Private Limited) ('the Company') is a company limited by shares, incorporated, and domiciled in India, having CIN- U35105MH2023PTC403886 and is a wholly owned subsidiary of Mahindra Susten Private Limited.

The registered office of the Company is located at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources. The Company is in the process of bidding for tender to set up Renewable Energy power plant.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16 April 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. **Material Accounting Policy Information and Accounting Judgments and Estimates**

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 are as follows:

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and, Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

Note No. 3 - Cash and Cash Equivalent

Particulars	INR (₹) Thousands As at 31 March 2024
Balances with banks	2,377.91
Total	**2,377.91**

Note No. 4 - Other Financial Assets

Particulars	INR (₹) Thousands As at 31 March 2024
Security Deposits	40.20
Total	**40.20**

Note No. 5 - Equity Share Capital

INR (₹) Thousands

Particulars	As at 31 March 2024 No. of shares	 Value of shares
Authorised:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Issued, subscribed and fully paid up:		
Equity shares of Rs 10 each with voting rights	2,00,000	2,000.00
Total	**2,00,000**	**2,000.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Changes during the period	Closing Balance
Equity Shares with Voting rights			
For the period ended 31 March 2024			
No. of Shares	–	2,00,000	2,00,000

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	
Mahindra Susten Private Limited	2,00,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024 Number of shares held	 % holding in that class of shares
Equity shares with voting rights		
Mahindra Susten Private Limited	2,00,000	100.00%

Note : Including 6 shares held jointly with individuals

Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	%of total shares	% Change during the period 31 March 2024
Mahindra Susten Private Limited	2,00,000	100.00%	100.00%

Note No. 5A- Other Equity

(ii) Retained Earnings

Particulars	INR (₹) Thousands As at 31 March 2024
Balances as at beginning of the period	–
Loss for the period	(2,661.22)
Balances as at end of the period	**(2,661.22)**

Note : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

Note No. 6 - Current Borrowings

Particulars	INR (₹) Thousands As at 31 March 2024
Unsecured Borrowings	
(a) Borrowings from Related Party (Refer note below)	3,000.00
Total	**3,000.00**

Note: The Company has taken unsecured loan from Mahindra Susten Private Limited at 11.00 % p.a. with a tenure of 2 years from the date of drawdown of each tranche.

Note No. 7 - Trade Payables

Particulars	INR (₹) Thousands As at 31 March 2024
Total outstanding dues of micro and small enterprises	1.50
Total outstanding dues of other than micro and small enterprises	–
Total	**1.50**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

Outstanding for following periods from due date of payment

INR (₹) Thousands

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.50	–	–	–	1.50
(ii) Others	–	–	–	–	–
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total	1.50	–	–	–	1.50

Note No. 8 - Other Financial Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Interest accrued but not due on borrowings	13.80
Total	**13.80**

Note No. 9 - Other Current Liabilities

Particulars	INR (₹) Thousands As at 31 March 2024
Provision for expenses	45.00
Statutory Dues	19.03
Total	**64.03**

Note No. 10 - Finance Cost

Particulars	INR (₹) Thousands For the period from 30 May 2023 to 31 March 2024
Interest on Loan	15.33
Total	**15.33**

Note No. 11 - Other Expenses

Particulars	INR (₹) Thousands For the period from 30 May 2023 to 31 March 2024
Bid Processing Fees	2,382.50
Auditors remuneration	
(i) Audit Fees	50.00
Professional Fees	213.39
Total	**2,645.89**

Note No. 12 - Earnings per Share

Particulars	INR (₹) Thousands For the period from 30 May 2023 to 31 March 2024
Basic Earnings Per Share (not annualised)	(18.10)
Diluted Earnings Per Share (not annualised)	(18.10)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	INR (₹) Thousands For the period from 30 May 2023 to 31 March 2024
Loss for the year attributable to owners of the company (in INR ₹)	(2,661)
Less: Preference dividend and tax thereon	–
Loss for the year used in the calculation of basic earnings per share	(2,661)
Weighted average number of equity shares (nos.)	1,46,995
Basic and diluted earnings per share (Rupees) - (not annualised)	(18.10)

Note 13- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements. The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 is as follows:

Particulars	As at 31 March 2024
Debt (A)	3,000.00
Equity (B)	(661.22)
Debt Equity Ratio (A/B)	**(4.54)**

Categories of financial assets and financial liabilities

As at 31 March 2024

INR (₹) Thousands

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank Balances	2,377.91	–	–	**2,377.91**
Security Deposit	40.20	–	–	**40.20**
Current Liabilities				
Trade Payables	1.50	–	–	**1.50**
Borrowings from related party	3,000.00	–	–	**3,000.00**
Other Financial Liabilities	13.80	–	–	**13.80**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the

Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Maturity of Financial assets

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial assets					
Cash and Bank Balances	2,377.91	–	–	–	**2,377.91**
Security Deposit	40.20	–	–	–	**40.20**

Maturity of Financial liabilities

INR (₹) Thousands

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
Other Financial Liabilities	**13.80**	–	–	–	**13.80**
Borrowings	**3,000.00**	–	–	–	**3,000.00**
Trade Payables	1.50	–	–	–	**1.50**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note 14- Segment Information

(a) Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

The Company is yet to commence operations hence no operating or geographic segment are identified by CODM for the period ending 31 March 2024.

Note 15 - Key Ratios

Particulars	Numerator	Denominator	As at 31 March 2024
Current Ratio	Current Assets	Current Liabilities	0.79
Debt-Equity Ratio	Borrowings	Shareholder's Equity	(4.54)
Debt Service Coverage Ratio	Earnings before interest, taxes, depreciation	Interest & Principal Payment	(172.60)
Return on Equity Ratio#	Profit after tax	Average Shareholder's Equity	805%
Inventory Turnover Ratio	Revenue from operations	Average Inventory	NA
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	NA
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	NA
Net Capital Turnover Ratio	Revenue from operations	Working Capital	NA
Net Profit Ratio	Net Profit	Revenue from operations	NA
Return on Capital Employed	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	-113%
Return on Investment	Income from Investments	Average Investments	NA

Note : The Company has been incorporated in the current financial year hence preceeding years figures and variances for movement in ratios are not applicable.

\# This ratio is non determinable due to negative net worth.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

Note No. 16 - Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited
	2452991 Ontario Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Astra Solren Private Limited (till 9 January 2024) Brightsolar Renewable Energy Private Limited (till 9 January 2024) Neo Solren Private Limited (till 9 January 2024) Mega Surya Urja Private Limited (till 9 January 2024) Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited) (till 9 January 2024) Furies Solren Private Limited (Incorporated on 14 June 2023) Gelos Solren Private Limited (Incorporated on 14 June 2023) Hazel Hybren Private Limited (Incorporated on 2 June 2023) Jade Hybren Private Limited (Incorporated on 30 November 2023) Kyros Hybren Private Limited (Incorporated on 30 November 2023) Layer Hybren Private Limited (Incorporated on 02 December 2023) Migos Hybren Private Limited (Incorporated on 15 December 2023) Martial Solren Private Limited
Venturer Group Co	Mahindra Teqo Private Limited
Key Managerial Persons (KMP)	**Directors** Rakesh Khaitan Bharat Goenka Avinash Bapat

Details of transaction between the Company and its related parties are disclosed below:

INR (₹) Thousands

Nature of transactions with Related Parties	**For the period ended**	**Amount**	**Related Party**
Equity Share Capital Subscription	31 March 2024	2,000.00	Parent Company
Intercorporate Deposit received	31 March 2024	3,000.00	Parent Company
Receiving of Service	31 March 2024	147.50	Ultimate Joint Venturer
Interest Accrued On Inter Corporate Deposit	31 March 2024	15.33	Parent Company

Nature of Balances with Related Parties	**For the period ended**	**Amount**	**Related Party**
Intercorporate Deposit Outstanding	31 March 2024	3,000.00	Parent Company
Interest Accrued on Intercorporate Deposit	31 March 2024	13.80	Parent Company

Note No 17 : Contingent liability and commitments
There are no contingent liabilities and commitments as on the balance sheet date.

Note No. 18 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 MAY 2023 TO 31 MARCH 2024

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The company does not have any subsidiaries. Accordingly, provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the period.

(h) The Company does not have any borrowings from banks and financial institutions.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 19
The amount has been rounded off to the nearest INR (₹) in thousands.

Note No. 20
The financial statements have been approved for issue by Company's Board of Directors on 16 April 2024.

Note No. 21
This is the first year of incorporate of the company and hence the previous year figures are not applicable.

The accompanying Notes 1 to 21 to are an integral part of the financial statements

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 16 April 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN :- 09671089

Place : Mumbai
Date : 16 April 2024

INDEPENDENT AUDITORS' REPORT

To the members of Martial Solren Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Martial Solren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVI1722

Place: Mumbai,
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Martial Solren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVI1722

Place: Mumbai,
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

   (f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 68.21 Lakhs during the current financial year and Rs. 3.19 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVI1722

Place: Mumbai,
Date: April 16, 2024

BALANCE SHEET AS AT 31 MARCH 2024
CIN: U40108MH2020PTC344712

(₹ in Lakhs)

	Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Right-of-use asset	4	464.78	–
	(b) Capital work-in-progress	5	660.26	–
	(c) Other Non-current assets	6	3140.82	–
			4265.86	–
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	7	127.63	0.47
	(ii) Other financial assets	8	0.08	–
	SUB-TOTAL		127.71	0.47
	TOTAL ASSETS		4,393.57	0.47
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	9	1.00	1.00
	(b) Other Equity	10	(82.61)	(8.80)
	SUB-TOTAL		(81.61)	(7.80)
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	11	4,027.00	–
	(ii) Lease liabilities	12	291.96	–
	(iii) Other Financial Liabilities	13	93.42	–
			4,412.38	–
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	14	7.00	7.00
	(ii) Lease liabilities	12	15.19	–
	(iii) Trade Payables	15		
	-Dues of micro & small enterprises		0.04	–
	-Dues of other than micro & small enterprises		2.41	0.54
	(iv) Other financial Liabilities	13	15.89	0.62
	(b) Other Current Liabilities	16	22.27	0.11
	SUB-TOTAL		62.80	8.27
	TOTAL EQUITY AND LIABILITIES		4,393.57	0.47

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April, 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in Lakhs)

	Particulars	Note No.	**For year ended 31 March, 2024**	For year ended 31 March, 2023
I	Revenue from operations		**–**	–
II	Other Income		**–**	–
III	**Total Income (I + II)**		**–**	–
IV	**Expenses**			
	(a) Finance costs	**17**	**7.20**	0.53
	(b) Depreciation and amortisation expense	**18**	**1.71**	-
	(c) Other expenses	**19**	**64.90**	2.66
	Total Expenses (IV)		**73.81**	3.19
V	**Loss before tax (IV - III)**		**(73.81)**	(3.19)
VI	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax		**–**	–
	Total tax expense		**–**	–
VII	**Loss after tax (V - VI)**		**(73.81)**	(3.19)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	B (i) Items that may be reclassified to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year**		**(73.81)**	(3.19)
X	**Earnings per equity share**			
	(a) Basic	**20**	**(738.08)**	(31.86)
	(b) Diluted	**20**	**(738.08)**	(31.86)

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April, 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
Cash flows from operating activities		
Loss before tax for the year	**(73.81)**	(3.19)
Finance cost on Borrowings from Related Party	**3.30**	0.53
Interest on lease liability	**3.89**	–
Depreciation and amortisation expense	**1.71**	–
Operating loss before working capital changes	**(64.91)**	(2.66)
Movements in working capital:		
(Increase)/decrease in other assets	**(0.08)**	–
Increase/(decrease) in trade and other payables	**1.91**	(1.40)
Increase/(decrease) in other liabilities	**130.85**	–
Cash generated from / (used in) operations	**67.77**	(4.06)
Income taxes paid	**–**	–
Net cash generated from / (used in) operating activities	**67.77**	(4.06)
Net cash flow from investing activities		
Purchase of property, plant and equipments (including capital work in-progress, capital advances)	**(3,801.08)**	–
Net cash flow used in investing activities	**(3,801.08)**	–
Cash flows from financing activities		
Proceeds from Long term borrowings	**4,027.00**	–
Proceeds from short term borrowings	–	4.50
Payment of lease liability	**(163.23)**	–
Interest Paid	**(3.30)**	(0.05)
Net cash flow from financing activities	**3,860.47**	4.45
Net increase/ (decrease) in cash and cash equivalents	**127.16**	0.39
Cash and cash equivalents at the beginning of the year	**0.47**	0.08
Cash and cash equivalents at the end of the year	**127.63**	0.47

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April, 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

(i) Current reporting year

(₹ in Lakhs)

Balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
1.00	–	–	**1.00**

(ii) Previous reporting year

(₹ in Lakhs)

Balance at the beginning of the previous reporting year	Changes in equity share capital during the current year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
1.00	–	–	**1.00**

B. Other Equity

(i) Current reporting year

(₹ in Lakhs)

	Reserves and Surplus		
Particulars	**Capital Total Reserve**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting year	–	(8.80)	(8.80)
Total Comprehensive Income for the current year	–	(73.81)	(73.81)
Balance at the end of the current reporting Year	**–**	**(82.61)**	**(82.61)**

(ii) Previous reporting year

(₹ in Lakhs)

	Reserves and Surplus		
Particulars	**Capital Total Reserve**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting year	–	(5.61)	(5.61)
Total Comprehensive Income for the current year	–	(3.19)	(3.19)
Balance at the end of the current reporting year	**–**	**(8.80)**	**(8.80)**

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 16 April, 2024

For and on behalf of the Board of Directors

Avinash Bapat
Director
DIN : 09179587

Rakesh Khaitan
Director
DIN : 09671089

Place: Mumbai
Date: 16 April, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Nature of Operations

Martial Solren Private Limited ('the Company') is a Company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited. The CIN of the company is U40108MH2020PTC344712.

The registered office of the Company is located at Mahindra Towers, Pandurang Budhkar Marg, Near Doordarshan Kendra, Worli, Mumbai 400 018 India. The Company is engaged in the business as a producer and distributor of electricity through renewable Energy sources.

The financial statements were authorized for issue in accordance with a resolution of the board of directors on April 16, 2024.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Material Accounting Policy Information and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 are as follows:

(i) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and Martial Solren Private Limited their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Material Accounting Policies:

a) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

(i) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘Finance costs’ line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

e) Leases:

Right-of-use Assets (RoUA)

The Company recognizes right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of assets	Useful life
ROU Land	5-30 years

Lease Liability

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has not to recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-ofuse asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

f) Taxes on Income:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

g) Provisions and Contingent Liabilities :

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

h) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

i) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

j) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

k) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR in Lakhs as per the requirement of Schedule III, unless otherwise stated.

l) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from April 01, 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 4 – Right-Of-Use-asset

(₹ In Lakhs)

	Description of Assets	Land	Total
I.	**Gross Carrying Amount**		
	Opening balance as at April 01, 2023	–	–
	Additions during the period	466.49	466.49
	Closing balance as at March 31, 2024	**466.49**	466.49
II.	**Accmulated Depreciation**		
	Opening balance as at April 01, 2023	–	–
	Charge for the period (Refer note no. 18)	1.71	1.71
	Closing balance as at March 31, 2024	**1.71**	1.71
III.	**Net carrying amount as at March 31, 2024 (I-II)**	**464.78**	464.78

(₹ In Lakhs)

	Description of Assets	Land	Total
I.	**Gross Carrying Amount**		
	Opening balance as at April 01, 2022	–	–
	Additions during the period	–	–
	Closing balance as at March 31, 2023	–	–
II.	**Accmulated Depreciation**		
	Opening balance as at April 01, 2022	–	–
	Charge for the period (Refer note no. 17)	–	–
	Closing balance as at March 31, 2023	–	–
III.	**Net carrying amount as at March 31, 2023 (I-II)**		

Note No. 5 – Capital Work-in-Progress

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
CWIP - RUVNL	**569.46**	–
CWIP - GUVNL	**90.80**	–
Total Capital Work-in-Progress	**660.26**	

Capital Work-in-progress: Ageing Schedule

(₹ In Lakhs)

CWIP	Amount in CWIP as at 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP - RUVNL	569.46	–	–	–	569.46
CWIP - GUVNL	90.80	–	–	–	90.80

Capital Work-in-progress: Ageing Schedule

(₹ In Lakhs)

CWIP	Amount in CWIP as at 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP - RUVNL	–	–	–	–	–
CWIP - GUVNL	–	–	–	–	–

Note No. 6 – Other Non - current assets

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital advances		
RUVNL project	**684.25**	–
GUVNL Project	**2,456.57**	–
Total Other Non - current assets	**3,140.82**	–

Note No. 7 – Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents		
Balances with bank	**127.63**	0.47
Total Cash and Cash Equivalents	**127.63**	0.47

Note No. 8 – Other financial assets

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security Deposits	**0.08**	–
Total Other financial assets	**0.08**	–

Note No. 9 – Equity Share Capital

(₹ In Lakhs)

Particulars	As at March 31, 2024		As at 31 March, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of INR.10 each with voting rights	**1,00,00,000**	**1,000.00**	10,000	1.00
Issued and Subscribed:				
Equity shares of INR 10 each with voting rights	**10,000**	**1.00**	10,000	1.00
Total Equity share capital	**10,000**	**1.00**	10,000	1.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
For as at 31 March 2024			
No. of Shares	**10,000**	**–**	**10,000**
Amount (₹ In Lakhs)	**1.00**	**–**	**1.00**
For as at 31 March 2023			
No. of Shares	**10,000**	**–**	**10,000**
Amount (₹ In Lakhs)	**1.00**	**–**	**1.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(ii) Details of shares held by holding Company:

Particulars	As at March 31, 2024	As at 31 March 2023
Mahindra Susten Private Limited		
- Equity shares with voting Rights (No. of shares)	10,000	10,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2024		As at 31 March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Susten Private Limited *	**10,000**	**100%**	10,000	100%

Note: *Includes six shares held by six individuals (one share held by each of the indiviudal) as nominee shareholders of Mahindra Susten Private Limited

Note 10 – Other Equity

(₹ In Lakhs)

Particulars	As at March 31, 2024	As at 31 March 2023
(i) Securities Premium	–	–
(ii) Retained Earnings	**(82.61)**	(8.80)
Total Other Equity	**(82.61)**	(8.80)

Note No. 11 – Long- Term Borrowings

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured Borrowings		
Loan from Related parties (Refer note below)		
For RUVNL project	**1,302.00**	–
For GUVNL project	**2,725.00**	–
Total Long- Term Borrowings	**4,027.00**	

Note: The Company has availed a Subordinated debt from Mahindra Susten Private Limited (the holding Company), wherein INR 1,302.00 lakhs as part of promoter contribution for Rajasthan Urja Vikas And IT Services Limited (RUVNL project) in Rajasthan, India and INR 2,725.00 lakhs as part of promoter contribution for Gujarat Urja Vikas Nigam Limited (GUVNL project) in Gujarat, India.

Note No. 12 – Lease liabilities

(₹ In Lakhs)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Current	Non current	Current	Non current
Lease Liability	**15.19**	**291.96**	–	–
Total Lease liabilities	**15.19**	**291.96**	**–**	**–**

Movement in Lease Liabilities

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Opening	–	–
Additions During the Year	**466.49**	–
Accreation of Lease Interest	**3.89**	–
Lease Payment	**163.23**	–
Closing	**307.15**	**–**

Amounts recognised in Statement Of Profit and Loss

(₹ In Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
– Amortisation expense on right-of-use assets	**1.71**	–
– Interest expense on lease liabilities	**3.89**	–
– Expense relating to short-term leases	–	–
Total	**5.60**	–

Maturity analysis of lease liabilities

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Less than 1 year	**15.19**	–
1 years - 3 years	**59.76**	–
3 years - 5 years	**83.64**	–
5 years and above	**148.55**	–

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non Current Lease Liabilities	**291.96**	–
Current Lease Liabilities	**15.19**	–
Total	**307.15**	–

Note No. 13 – Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Current	Non current	Current	Non current
Other Financial Liabilities Measured at Amortised Cost				
(a) Interest accrued but not due	–	**93.42**	0.62	–
(b) Creditors for capital goods	**15.89**	–	–	–
Total Other Financial Liabilities	**15.89**	**93.42**	**0.62**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 14 – Short-Term Borrowings

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured Borrowings:		
Loan from related party (Refer note below)	**7.00**	7.00
Total Short-Term Borrowings	**7.00**	7.00

Note: The Company has taken unsecured loan from Mahindra Susten Private Limited at 11.00 % p.a. The amount is to be repayed after 3 years from the date of drawdown of each tranche.

Note No. 15 – Trade Payables

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade payable - Micro and small enterprises		
(a) Micro and small enterprises	**0.04**	–
(b) Other than Micro and small enterprises	**2.41**	0.54
Total Trade Payables	**2.45**	0.54

Notes:

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ In Lakhs)

Particulars	Outstanding as at March 31, 2024 from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Micro and small enterprises	0.04	–	–	–	0.04
(b) Other than micro and small enterprises (Undisputed)	2.41	–	–	–	2.41

(₹ In Lakhs)

Particulars	Outstanding as at March 31, 2023 from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Micro and small enterprises	0.54	–	–	–	0.54
(b) Other than micro and small enterprises (Undisputed)		–	–	–	–

Note No. 16 – Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory dues	**22.27**	0.11
Total Trade Payables	**22.27**	0.11

Note No. 17 – Finance Cost

(₹ In Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
Interest expense	**3.27**	0.53
Interest on lease liability	**3.89**	–
Bank Charges	**0.04**	0.00
Total Finance Cost	**7.20**	0.53

Note No. 18 – Depreciation and Amortisation

(₹ In Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
Depreciation of Right-of-use assets	1.71	–
Total Depreciation and Amortisation	**1.71**	–

Note No. 19 – Other Expenses

(₹ In Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
(a) Rent expenes	**0.18**	**–**
(b) Auditors remuneration and out-of-pocket expenses		
(i) Statutory Audit Fees	**1.18**	0.59
(c) Legal and other professional costs	**6.76**	2.05
(d) Registration and Documentation Charges	**56.79**	0.02
(e) Miscellaneous expenses	**–**	**–**
Total Other Expenses	**64.90**	2.66

Note No. 20 – Earnings per Share

(₹ In Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
Basic Earning per share	**(738.08)**	(31.86)
Diluted earning per share	**(738.08)**	(31.86)

Basic And Diluted Earning per share

The earnings and weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows:

(₹ In Lakhs)

Particulars	For year ended 31 March, 2024	For year ended 31 March, 2023
Loss for the year attributable to the owners of the company (₹ In Lakhs) (i)	**(73.81)**	(3.19)
Less:- Preference dividend and tax thereon (ii)	**–**	**–**
Loss used in the calculation of basic earnings per share (₹ In Lakhs) (i+ii) (iii)	**(73.81)**	(3.19)
Weighted average number of equity shares (iv)	**10,000**	10,000
Earnings per share - Basic and Diluted ((iii)/(iv))	**(738.08)**	(31.86)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 21 – Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to- equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation. Debt-to-equity ratio as of 31 March 2024 and 31 March 2023 is as follows:

	31 March 2024	31 March 2023
Debt in Rupees (₹ In Lakhs) (A)	**4,034.00**	7.00
Equity in Rupees (₹ In Lakhs) (B)	**(81.61)**	(7.80)
Debt Equity Ratio (A / B)	**(49.43)**	(0.90)

Note:

Debt includes Inter coporate deposits (ICD) & Subordinated debt (SD) as described in Note no 11.

Categories of financial assets and financial liabilities

As at 31 March 2024 (₹ In Lakhs)

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets				
Other Financial Assets	–	–	–	–
– Security Deposits	0.08	–	–	**0.08**
Current Assets				
Cash and Bank Balances	127.63	–	–	**127.63**
Non-current Liabilities				
Borrowings from related party	4,027.00	–	–	**4,027.00**
Lease Liabilities	291.96	–	–	**291.96**
Other Financial Liabilities	93.42	–	–	**93.42**
Current Liabilities				
Borrowings from related party	7.00	–	–	**7.00**
Lease Liabilities	15.19	–	–	**15.19**
Trade Payables	2.45	–	–	**2.45**
Other Financial Liabilities	15.89	–	–	**15.89**

As at 31 March 2023 (₹ In Lakhs)

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets	–	–	–	–
Current Assets				
Cash and Bank Balances	0.47	–	–	0.47
Non-current Liabilities				
Borrowings from related party	–	–	–	–
Other Financial Liabilities	–	–	–	–
Current Liabilities				
Borrowings from related party	7.00	–	–	7.00
Other Financial Liabilities	0.62	–	–	0.62
Trade Payables	0.54	–	–	0.54

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management:

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ In Lakhs)

Particulars	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
31 March 2024				
Non-derivative financial liabilities				
Lease Liabilities	15.19	59.76	83.64	148.55
Trade Payable	2.45	–	–	–
Interest accrued but not due	93.43	–	–	–
Creditors for capital supplies Fixed	15.89	–	–	–
interest rate instruments	–	–	–	–
	111.77	**–**	**–**	**–**
31 March 2023				
Non-derivative financial liabilities				
Trade Payable	0.54	–	–	–
Interest accrued but not due Fixed	–	–	–	–
interest rate instruments	–	–	–	–
	0.54	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
31 March 2024				
Non-derivative financial assets				
Variable interest rate instruments	**127.63**	**–**	**–**	**–**
-Security Deposits	**0.08**	**–**	**–**	**–**
	127.63	**–**	**–**	**–**
31 March 2023				
Non-derivative financial assets				
Variable interest rate instruments	0.47	–	–	–
	0.47	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

Not applicable since no variable interest bearing Financial liabilities.

Note No. 22 – Fair Value Measurement

(₹ In Lakhs)

Particulars	31 March 2024 Carrying amount	31 March 2024 Fair value	31 March 2023 Carrying amount	31 March 2023 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and bank balances	**127.63**	**127.63**	0.47	0.47
– Other financial asses	**0.08**	**0.08**	–	–
	127.71	**127.71**	0.47	0.47
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from related parties	**4,034.00**	**4,034.00**	7.00	2.50
– Interest payable	**93.42**	**93.42**	0.62	0.62
– Lease liabilities	**307.15**	**307.15**	–	–
– Trade payables	**2.41**	**2.41**	0.54	0.54
Total	**4,436.98**	**4,436.98**	8.16	3.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Lakhs)

Particulars	Fair value hierarchy as at 31 March 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and bank balances	**–**	**127.63**	**–**	**127.63**
– Others	**–**	**0.08**	**–**	**0.08**
Total	**–**	**127.63**	**–**	**127.63**
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from related parties	**–**	**–**	**4,034.00**	**4,034.00**
– Lease liabilities	**–**	**–**	**307.15**	**307.15**
– Interest payable	**–**	**–**	**93.42**	**93.42**
– Trade payables	**–**	**–**	**2.41**	**2.41**
Total	–	–	**4,436.98**	**4,436.98**

(₹ In Lakhs)

Particulars	Fair value hierarchy as at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and bank balances	–	0.47	–	0.47
Total	–	0.47	–	0.47
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from related parties	–	–	7.00	7.00
– Interest payable	–	–	0.62	0.62
– Trade payables	–	–	0.54	0.54
Total	–	–	8.16	8.16

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of ICD / SD along with Interest at end of tenure

Note No. 23 – Key Ratios

(₹ In Lakhs)

Particulars	**Numerator**	**Denominator**	**2023-24**	**2022-23**	**% Variance**	**Reason for Variance on Change in ratio in excess of 25% compared to preceding year**
Current Ratio	Current Assets	Current Liabilities	2.0	0.1	3451%	Company has raised sub-ordinated Debt during the year due to which there is sustantial increase in Cash/Cash Equivalent.
Debt Equity Ratio	Borrowings	Shareholder's Equity	-49.4	-0.9	5409%	Company has raised sub-ordinated Debt during the year.
Debt Service Coverage ratio*	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	-20.4	-5.0	NA	NA
Return on Equity Ratio*	Profit after taxes	Average Shareholder's Equity	1.7	0.5	NA	NA
Return on capital employed*	Earnings before interest and taxes	Shareholder's Equity + Borrowings + DTL	0.0	3.3	NA	NA

Note : * The Company is yet to commence its operation hence reasons for variances for movement in ratios are not applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note No. 24 – Related Party Transactions

Relationships:	**Name:**
Ultimate Joint Venturer	Mahindra & Mahindra Limited (Ultimate Holding Co till 21 January 2022)
	Ontrario Teacher's Pension Plan Board (w.e.f. 22 January 2022)
Parent Company	Mahindra Susten Private Limited
Key Managerial Persons (KMP)	**Non Executive Directors**
	Sriram Ramachandran
	Rakesh Khaitan
	Avinash Bapat

Details of transaction between the Company and its related parties are disclosed below:

(₹ In Lakhs)

Nature of transactions with Related Parties	**For the year ended**	**Parent Company**	**Ultimate Holding Company**	**Ultimate Joint Venturer**
Subordinated Debt taken	31-Mar-24	4,027.00	–	–
	31-Mar-23	–	–	–
Intercorporate deposit taken	31-Mar-24	–	–	–
	31-Mar-23	4.50	–	–
Interest expense on suboridinated debt	31-Mar-24	102.35	–	–
	31-Mar-24	–	–	–
Interest on Inter Corporate Deposit	31-Mar-24	0.77	–	–
	31-Mar-23	0.53	–	–
Receiving of services	31-Mar-24	–	–	2.25
	31-Mar-23	–	0.70	0.47

(₹ In Lakhs)

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Ultimate Holding Company**	**Ultimate Joint Venturer**
Interest payable on Inter Corporate Deposit	31-Mar-24	1.31	–	–
	31-Mar-23	0.62	–	–
Interest payable on suboridinated debt	31-Mar-24	92.12	–	–
	31-Mar-23	–	–	–
Inter Corporate Deposit outstanding	31-Mar-24	7.00	–	–
	31-Mar-23	–	–	–
Subordinated debt outstanding	31-Mar-24	4,027.00	–	–
	31-Mar-23	–	–	–

Note No. 25 – Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company does not have transactions with any struck off

(i) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(j) The Corporate social responsibility (CSR) u/s 135 of Companies Act, 2013 is not applicable.

Note No. – 26

The amount has been rounded off to nearest INR (₹) in lakhs and previous years amount has been reclassified/regrouped where ever required.

Note No. – 27

The financial statements have been approved for issue by Company's Board of Directors on 16 April, 2024.

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached	**For and on behalf of the Board of Directors**	
For **B. K. Khare & Co** Chartered Accountants Firm Registration No. 105102W		
Shirish Rahalkar Partner Membership No. 111212	**Avinash Bapat** Director DIN : 09179587	**Rakesh Khaitan** Director DIN : 09671089
Place: Mumbai Date: 16 April, 2024	Place: Mumbai Date: 16 April, 2024	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA TEQO PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Teqo Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare and Co.
Chartered Accountants
Firm’s Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVK1170

Place : Mumbai
Date : April 18, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Teqo Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVK1170

Place : Mumbai
Date : April 18, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, there are no immovable properties that are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventory comprising of materials which will be used in the projects have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more was noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets during the year. The stock statements filed by the Company with bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues sincluding Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has made private placement of shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. According to the information and explanations given to us, the Company has not made any preferential allotment of shares and preferential allotment / private placement of convertible debentures (fully, partially or optionally convertible) during the year. In our opinion and according to the information and explanations given to us, the Company has utilised the funds for the purposes for which they were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding or associate company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVK1170

Place : Mumbai
Date : April 18, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

INR In Lakhs

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**1,885.82**	1,504.97
(b) Other Intangible Assets	5	**244.91**	341.52
(c) Intangible Assets under Development	6	**1,246.12**	548.00
(d) Other Non Current Assets	10	**207.04**	28.94
SUB-TOTAL		**3,583.89**	2,423.43
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	7	**4,456.98**	4,242.29
(ii) Cash and Cash Equivalents	8	**1,382.97**	688.27
(iii) Other Financial Assets	9	**79.02**	900.68
(b) Other Current Assets	10	**1,141.89**	210.82
(c) Inventory	11	**2,321.34**	1,669.65
SUB-TOTAL		**9,382.21**	7,711.70
TOTAL ASSETS		**12,966.11**	10,135.13
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	12	**12.50**	10.00
(b) Other Equity		**7,003.16**	2,594.98
SUB-TOTAL		**7,015.66**	2,604.98
2 LIABILITIES			
NON CURRENT LIABILITIES			
(a) Deferred Tax Liabilities (Net)	13	**38.02**	11.25
(b) Provisions	18	**29.14**	78.63
(c) Other Financial Liabilities	16	**829.68**	490.63
SUB-TOTAL		**896.83**	580.51
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	**700.00**	3,000
(ii) Trade Payables			
(A) Trade Payable-MSME	15	**–**	–
(B) Trade Payable-Other than MSME		**3,436.77**	3,036.96
(iii) Other Financial Liabilities	16	**594.42**	657.43
(b) Provisions	18	**153.17**	156.98
(c) Other Current Liabilities	17	**169.26**	98.28
SUB-TOTAL		**5,053.61**	6,949.65
TOTAL EQUITY AND LIABILITIES		**12,966.11**	10,135.14

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 18th April 2024

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
DIN : 06939592

Mr Bharat Goenka
Director
DIN : 09720064

Place : Mumbai
Date : 18th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

INR In Lakhs

	Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I	(a) Revenue from Operations	19	**18,416.26**	15,888.63
	(a) Interest Income		**2.88**	
II	**Total Revenue (I + II)**		**18,419.14**	15,888.63
III	**Expenses**			
	(a) Direct Expenses	20	**9,037.59**	7,973.02
	(b) Employee benefit expense	21	**6,432.54**	5,346.67
	(c) Finance costs	22	**298.28**	239.22
	(d) Depreciation and amortisation expense	23	**636.69**	323.42
	(e) Other expenses	24	**761.53**	938.98
	Total Expenses (IV)		**17,166.63**	14,821.32
IV	**Profit before tax (III-IV)**		**1,252.51**	1,067.31
V	**Tax Expense**			
	(a) Current tax	12	**315.23**	279.75
	(b) Deferred tax	12	**26.72**	1.54
	Total tax expense		**341.95**	281.29
VI	**Profit after tax from continuing operations (V - VI)**		**910.56**	786.03
VII	**Other comprehensive income**			
	A (i) Items that will not be reclassfied to profit or loss		**0.17**	22.22
	(ii) Income tax relating to items that will not be reclassified to profit or loss	12	**(0.04)**	(5.69)
	B (i) Items that will be reclassfied to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
VIII	**Total comprehensive income for the period (VII+VIII)**		**910.69**	802.56
IX	**Earnings per equity share (for continuing operation):**			
	(a) Basic	25	**806.68**	802.56
	(b) Diluted	25	**806.68**	802.56

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 18th April 2024

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
DIN : 06939592

Mr Bharat Goenka
Director
DIN : 09720064

Place : Mumbai
Date : 18th April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

INR in Lakhs

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities			
Profit before tax for the year		**1,252.51**	1,067.31
Adjustments for:			
Depreciation and amortisation expenses		**636.69**	323.42
Finance Cost		**298.28**	239.22
Capital Working in Progess written off		**–**	–
		934.97	562.64
		2,187.48	1,629.95
Movements in working Capital			
(Increase)/decrease in trade and other receivables		**(214.69)**	20.28
(Increase)/decrease in other assets		**(793.60)**	(889.81)
Increase/(decrease) in trade and other payables		**399.81**	1,563.86
Increase/(decrease) in provisions		**(53.17)**	54.66
(Decrease)/increase in other liabilities		**373.78**	(246.14)
Movement in Working Capital during the year		**(287.88)**	502.85
Income taxes paid		**(487.56)**	(448.89)
Net cash (used in)/generated from operating activities		**1,412.04**	1,683.92
Cash flows from investing activities		**–**	–
Purchase of Tangible Assets		**(920.94)**	(796.04)
Purchase of Intangible Assets		**0.01**	(0.01)
Capital Work in Progress		**(698.12)**	(548.00)
Net cash (used in) by investing activities		**(1,619.05)**	(1,344.04)
Cash flows from financing activities			
Proceeds of borrowings			
From Bank		**(1,800.00)**	(200.00)
From Parent company			–
From Related Party		**(500.00)**	(100.00)
Proceeds from Issue of Equity Shares		**3,500.00**	–
Interest paid			
On Borrowing from Bank		**(192.29)**	(169.22)
On Borrowing from Parent company		**–**	–
On Borrowing from Related Party		**(32.01)**	(61.15)
On Leasing		**(73.98)**	(8.85)
Net cash generated from financing activities		**901.72**	(539.22)
Net increase in Cash and Cash Equivalents		**694.71**	(199.34)
Cash and Cash Equivalents at the beginning of the year		**688.28**	887.62
Cash and Cash Equivalents at the end of the year		**1,382.97**	688.28

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 18th April 2024

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
DIN : 06939592

Mr Bharat Goenka
Director
DIN : 09720064

Place : Mumbai
Date : 18th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity Share Capital

(i) Current reporting period

INR in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
12.50	2.50	**15.00**

(ii) Previous reporting period

INR in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
10.00	–	10.00

B. Other Equity

(i) Current reporting period

INR in Lakhs

Particulars	Other item of Other Comprehensive Income	Retained Earnings	General Reserve	Total
Balance at the beginning of the current reporting period	20.77	2,574.20		2,594.97
Security Premium		–	3,497.50	3,497.50
Total Comprehensive Income for the current year	0.13	910.56		910.69
Balance at the end of the current reporting period	**20.90**	**3,484.76**	**3,497.50**	**7,003.16**

(ii) Previous reporting period

INR in Lakhs

Particulars	Other item of Other Comprehensive Income	Retained Earnings	Total
Balance at the beginning of the previous reporting period	4.24	1,788.18	1,792.43
Total Comprehensive Income for the previous year	16.53	786.03	802.56
Balance at the end of the previous reporting period	**20.77**	**2,574.20**	**2,594.97**

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 18th April 2024

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
DIN : 06939592

Mr Bharat Goenka
Director
DIN : 09720064

Place : Mumbai
Date : 18th April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Nature of Operations

Mahindra Teqo Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India, having CIN as U40100MH2016PTC271679 and it is a subsidiary of Mahindra Sustainable Energy Private Limited. Its ultimate holding Company is Mahindra and Mahindra Limited. The Company offers turnkey asset management solutions which helps the Renewable Energy asset owners to maximize returns through Performance enhancement services (Operation & Maintenance, Technical due diligence, Remote monitoring and analysis).

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in the accounting policies below.

The financial statements were approved for issue by the Board of Directors on XXXX.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The classification of debt instrument as amortised cost or FVTOCI is based on the business model and cash flow characteristics of such instrument.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.

Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the standalone statement of profit and loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

Financial liabilities subsequently measured at Fair value

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘Finance costs’ line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/ or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The Company identifies and determines cost of each component part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied . All other repair and maintenance costs are recognized in the statement of profit or loss as and when incurred.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation is recognised so as to depreciate the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. Management reviews the useful lives and residual values of property, plant and equipment and intangible assets, at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating unit's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Intangible assets

i) Technical Knowhow

The expenditure incurred is amortised over the estimated period of benefit, commencing with the year of purchase of the technology.

ii) Development Expenditure

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding 60 months.

iii) Brand license fee

The expenditure incurred is amortised over the period of relevant licence fee or the estimated period of benefit, whichever is lower.

iv) Software Expenditure

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

v) Others

The expenditure incurred is amortised over the estimated period of benefit.

The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

f) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

g) Segment information:

h) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced, stock in trade, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

i) Leases:

As per Ind As 116 at inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

i) Right-of-use assets:

The Company recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company presents right-to-use assets that do not meet the definition of investment property in ‘Property, plant and equipment’.

ii) Lease liabilities:

At the commencement date of the lease, the Company recognized lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company presents lease liabilities under financial liabilities in the Balance Sheet.

iii) Short term leases and leases of low value of assets:

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

j) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax (‘MAT’)

Minimum Alternative Tax (‘MAT’) under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Where deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

k) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. When the Company expects some or all of a provision to be reimbursed for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

l) Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits, other short-term highly liquid investments with original maturities of three months or less with subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts/cash credits from banks as they are considered an integral part of the Company’s cash management

m) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

n) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers,. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

– The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

– The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time

For contracts where control is transferred at a point in time, the Company considers the following indicators of the transfer of control of the asset to the customer

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.
- When the entity transfers significant risks and rewards of ownership of the asset to the customer
- When the customer has accepted the asset

Determination of percentage of completion

The Company uses the proportionate completion method for recognition of revenue, accounting for unbilled revenue/ unearned revenue and contract cost thereon for its turnkey contracts. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the proportionate completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Operation and maintenance income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e. input method on a straight line basis.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

o) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 4 - Property, Plant and Equipment

INR in Lakhs

Description of Assets	Plant and Equipment	Office Equipment	Computers &EDP	Furniture and Fixtures	Vehicles	Sales & Lease Back	Lease-Plant and Equipment	Lease-Computers &EDP	Lease-Vehicles	Lease-Office Building	Total
I. Gross Carrying Amount											
Balance as at 1 April 2023	964.36	6.30	17.38	37.60	55.91	586.88	76.59	46.67	52.56	0.00	1,844.24
Additions during the year	46.51	2.56	9.02	0.26	30.50	278.26	480.45	98.61	13.30	257.82	1,217.30
Transferred to Sales & Lease back	(244.32)	0.00	(3.31)	(28.10)	(2.53)	0.00	0.00	0.00	(18.06)	0.00	(296.32)
Balance as at 31 March 2024	**766.55**	**8.86**	**23.09**	**9.76**	**83.88**	**865.14**	**557.04**	**145.28**	**47.80**	**257.82**	**2,765.22**
II. Accumulated depreciation and impairment											
Balance as at 1 April 2023	174.95	1.55	4.71	4.64	8.19	132.18	2.15	3.39	7.54	0.00	339.29
Depreciation expense for the year	263.81	1.46	27.06	8.81	13.93	161.74	97.67	27.71	13.79	85.87	701.86
Transferred to Sales & Lease back	(127.65)	0.00	(23.16)	(6.96)	(3.97)	0.00	0.00	0.00	0.00	0.00	(161.74)
Balance as at 31 March 2024	**311.11**	**3.01**	**8.61**	**6.49**	**18.15**	**293.92**	**99.82**	**31.10**	**21.32**	**85.87**	**879.40**
III. Net carrying amount (I-II)	**455.44**	**5.85**	**14.49**	**3.28**	**65.73**	**571.22**	**457.22**	**114.18**	**26.48**	**171.95**	**1,885.82**

INR in Lakhs

Description of Assets	Plant and Equipment	Office Equipment	Computers &EDP	Furniture and Fixtures	Vehicles	Sales & Lease Back	Lease-Plant and Equipment	Lease-Computers &EDP	Lease-Vehicles	Lease-Office Building	Total
I. Gross Carrying Amount											
Balance as at 1 April 2022	471.76	2.29	82.40	14.16	23.71	0.00	0.00	0.00	0.00	0.00	594.31
Additions during the year	927.01	4.01	49.00	37.60	56.50	586.88	76.59	46.67	52.56	0.00	1,836.82
Transferred to Sales & Lease back	(434.41)	0.00	(114.02)	(14.16)	(24.30)	0.00	0.00	0.00	0.00	0.00	(586.88)
Balance as at 31 March 2023	**964.36**	**6.30**	**17.38**	**37.60**	**55.91**	**586.88**	**76.59**	**46.67**	**52.56**	**0.00**	**1,844.25**
II. Accumulated depreciation and impairment											
Balance as at 1 April 2022	96.50	0.39	18.39	2.12	3.14	0.00	0.00	0.00	0.00	0.00	120.54
Depreciation expense for the year	161.94	1.16	28.52	6.43	7.63	132.18	2.15	3.39	7.54	0.00	350.92
Transferred to Sales & Lease back	(83.49)	0.00	(42.21)	(3.91)	(2.57)	0.00	0.00	0.00	0.00	0.00	(132.18)
Balance as at 31 March 2023	**174.95**	**1.55**	**4.71**	**4.64**	**8.19**	**132.18**	**2.15**	**3.39**	**7.54**	**0.00**	**339.28**
III. Net carrying amount (I-II)	**789.41**	**4.75**	**12.67**	**32.96**	**47.71**	**454.70**	**74.44**	**43.28**	**45.03**	**0.00**	**1,504.97**

Note No. 5 - Other Intangible Assets

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2023	523.37	523.37
Additions during the year	0.00	0.00
Balance as at 31 March 2024	**523.37**	**523.37**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2023	181.85	181.85
Depreciation expense for the year	96.60	96.60
Balance as at 31 March 2024	**278.46**	**278.46**
III. Net carrying amount (I-II)	**244.91**	**244.91**

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2022	523.37	523.37
Additions during the year	0.00	0.00
Balance as at 31 March 2023	**523.37**	**523.37**

INR in Lakhs

Description of Assets	Software	Total
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022	77.18	77.18
Depreciation expense for the year	104.67	104.67
Balance as at 31 March 2023	**181.85**	**181.85**
III. Net carrying amount (I-II)	**341.52**	**341.52**

Note No. 6 - Intangible Assets under Development

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Capital work in progress	**1,246.12**	548.00
Total	**1,246.12**	548.00

Capital Work in progress schedule

INR in Lakhs

Particulars	Ageing				
As at 31 Dec 2023	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Capital Work in Progress	698.12	548.00	–	–	1,246.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 7 - Trade receivables

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables		
(a) Unsecured, undisputed, considered good	**4625.49**	4347.70
Less: Allowance for Credit Losses	**(168.51)**	(105.41)
Total Trade Receivables	**4,456.98**	4,242.29
Of the above, Trade Receivable from		
Related Parties	**1,000.19**	1,096.12
Others	**3,456.79**	3,146.17
Total	**4,456.98**	4,242.29

Note:
All the Sundry Debtors have been charged agaisnt Working Capital Demand Loan (WCDL) taken from Bank.

Trade Receivables ageing schedule

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2024	Less than 6 months incl Not Due	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good Secured	3,792.47	634.25	118.47	48.97	31.34	4,625.49
Undisputed Trade receivables — considered good Unsecured						
(ii) Undisputed Trade Receivables — which have significant increase in credit risk						
(iii) Undisputed Trade Receivables — credit impaired						

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2023	Less than 6 months incl Not Due	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	3,977.44	235.52	108.05	26.44	0.25	4,347.70

Note No. 8 - Cash and Cash Equivalent

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks	1,380.97	688.27
Investment in FD	2.00	–
Total Cash and cash equivalent	1,382.97	688.27

Note:
All cash and cash equivalents have been charged agaisnt WCDL taken from Bank

Note No. 9 - Other Financial Assets

INR in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
(i) Security Deposits for Rent	**63.39**	**–**	69.32	–
(ii) Security Deposit -Mvat Registration	**0.25**	**–**	0.25	–
Tender Deposit	**1.66**		–	
(iii) Unbilled Revenue				–
(iv) Other advances	**–**	**–**	144.69	–
(v) Employee Gratutiy Trust	**13.73**		13.73	
Total Other Financial Assets	**79.02**	**–**	227.99	–

Note:
All Other Financial Assets have been charged agaisnt WCDL taken from Bank

Note No. 10 - Other Assets

INR in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
(i) Balances with government authorities (other than income taxes)	**125.00**	**–**	135.75	–
(ii) Prepaid Insurance	**–**	**–**	75.07	–
(iii) Provison for Tax (Net)		**201.29**	–	28.94
(iv) Unbilled Revnue	**1,016.90**	**–**	672.69	–
(v) Define Benefit Asset (Gratuity)		**5.75**		
Total Other Assets	**1,141.89**	**207.04**	883.51	**28.94**

Note:
All Other Assets have been charged agaisnt WCDL taken from Bank

Note No. 11 - Inventories

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Consumables and spares	2,321.34	1,669.65
Total	**2,321.34**	1,669.65

Note:
The inventory is valued at cost or net realisable value whichever is lower
All Inventory have been charged agaisnt WCDL taken from Bank

Note No. 12 - Equity Share Capital

INR in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Value of shares	No. of shares	Value of shares
Authorised:				
Equity shares of ₹ INR 10 each with voting rights	**1,25,000**	**12.50**	1,00,000	10.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ INR 10 each with voting rights	**1,25,000**	**12.50**	1,00,000	10.00
Total Equity Share Capital	**1,25,000**	**12.50**	1,00,000	10.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period;

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
Equity Shares with Voting rights						
Period Ended 31 March 2024						
No. of Shares	1,00,000	25,000	–	–	–	1,25,000
Amount in INR Lakhs	10.00	2.50	–	–	–	12.50
Equity Shares with Voting rights						
Period Ended 31 March 2023						
No. of Shares	1,00,000	–	–	–	–	1,00,000
Amount in INR Lakhs	10.00	–	–	–	–	10.00

The private placement was completed on 29th Sep 2023, wherein 25,000 of equity shares were issued to 2726522 Ontario Limited , at an offering price of Rs. 14,000 (at premium of Rs. 13,950). The proceeds from the private placement amounted to Rs. 35,00,00,000, which were utilized for operating activities. The Company confirms compliance with all relevant regulatory requirements pertaining to the private placement. Further details regarding the private placement are provided below for reference.

ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2024			
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited) (Holding Company)	1,00,000	–	–
As at 31 March 2023			
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited) (Holding Company)	1,00,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2024		As at 31 March 2023	
Class of shares / Name of shareholder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited) (Holding Company)	1,00,000	80%	1,00,000	100%
2726522 Ontario Limited	25,000	20%	0	0%

As at 31 March 2023

It includes 1 equity share held as nominee by an individual on behalf of the Holding Company (Mahindra Telecom Energy Management Services Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited) holds 1 Equity share with Mr Jignesh Parikh).

Shares held by promoters as at 31 March 2024

Promoter Name	No. of Shares	% of total shares	% Change during the year 30 September 2023
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited)	**1,00,000**	**80%**	**20%**

Shares held by promoters as at 31 March 2023

Promoter Name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra Sustainable Energy Private Limited (Formerly known as Mahindra Telecom Energy Management Services Private Limited)	1,00,000	100%	100%

Note No. 13 - Current Tax and Deferred Tax

(c) Movement in deferred tax balances

INR in Lakhs

Particulars	Year ended 31 March 2024			
	Opening Balance	Recognised in Other Comprehensive Income	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	**39.23**	**–**	**26.72**	**65.95**
	39.23	**–**	**26.72**	**65.95**
Tax effect of items constituting deferred tax assets				
Other Assets	**27.98**	**(0.04)**	**–**	**27.93**
	27.98	**(0.04)**	**–**	**27.93**
Net Deferred Tax (Asset)/Liabilities	**11.25**	**0.04**	**26.72**	**38.02**

INR in Lakhs

Particulars	Year ended 31 March 2023			
	Opening Balance	Recognised in Other Comprehensive Income	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	36.46	–	2.77	39.23
	36.46	–	2.77	39.23
Tax effect of items constituting deferred tax assets				
Other Assets	32.44	(5.69)	1.23	27.98
	32.44	(5.69)	1.23	27.98
Net Deferred Tax (Asset)/Liabilities	4.02	5.69	1.54	11.25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 14 - Current Borrowings

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Measured at amortised cost		
A. Secured Borrowings:		
(a) Working Capital Demand Loan (WCDL)	**700.00**	2,500.00
Total Secured Borrowings	**700.00**	2,500.00
B. Unsecured Borrowings		
(a) Loans from related parties	**–**	500.00
Total Unsecured Borrowings	**–**	500.00
Total Borrowings	**700.00**	3,000.00

Note

1 The Company has WCDL Limits from Bank

As at March 31, 2024 the Company has availed WCDL of INR 700 Lakhs (as at March 31, 2023 - INR 2,500 Lakhs). The interest rate for borrowings ranges from 8% p.a. to 8.65% p.a.

2 The WCDL amount is Secured by exclusive charge on all present and future Current Assets of the Company including receivables.

3 The Company had availed Inter Corporate Depost (ICD) at 11% from Parent Compnay for a tenor of 3 years with an option to prepay at any time during the tenor. The same has been paid off during the current financial year.

Note No. 15 - Trade Payables

INR in Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Current	As at 31 March 2023 Non Current
Trade payable - MSME	**–**	**–**	–	–
Trade payable - Other than MSME	**3,436.77**	**–**	3,036.96	–
Total Trade payables	**3,436.77**	**–**	3,036.96	–

Notes

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amount due to micro and small enterprises registered the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The identification of suppliers as Micro and small enterprises covered under the "Micro small and Medium enterprises development Act 2006" was done on the basis of the information to the extent provided by the supplier to the Company.

(3) There is no Foregn curreny exposure outstanding as on 31st March 2024

INR in Lakhs
As at 31 March 2024

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - Other than MSME	1,835.76	1,671.03	(38.11)	(31.92)	3,436.76

INR in Lakhs
As at 31 March 2023

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - Other than MSME	2,391.18	645.78	–	–	3,036.96

Note No. 16 - Other Financial Liabilities

INR in Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Current	As at 31 March 2023 Non Current
Accrued Expenses	**198.94**	**–**	514.51	–
Interest Payable - at amortised cost	**(5.00)**	**–**	20.25	–
Lease Liability	**248.03**	**363.18**	35.44	123.95
Sales & Lease Back Liability	**152.45**	**466.50**	87.23	366.68
TOTAL OTHER FINANCIAL LIABILITIES	**594.42**	**829.68**	657.43	490.63

Note No. 17 - Other Liabilities

INR in Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Current	As at 31 March 2023 Non Current
TDS	**18.09**	**–**	35.30	–
Other Statutory Liabilities	**2.52**	**–**	9.41	–
Provision for Tax (Net)	**–**	**–**	–	–
Deferred Revenue	**11.25**	**–**	26.02	–
Other Liabilities	**137.40**	**–**	27.55	–
TOTAL OTHER LIABILITIES	**169.26**	**–**	98.29	–

Note No. 18 - Provisions

INR in Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Current	As at 31 March 2023 Non Current
1. Gratutiy Provision (refer note 30)	**–**	**–**	0.00	48.00
2. Leave Provision	**10.95**	**29.14**	12.30	30.63
3. Provision towards Performance Pay	**142.22**	**–**	144.68	–
Total Provisions	**153.17**	**29.14**	156.97	78.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Movement In Provision

Particulars	Provision towards Performance Pay	Leave Provision
Balance as at 1 April 2023	144.68	42.93
Additions during the year	142.22	40.09
Deletion during the year	(144.68)	(42.93)
Balance as at 31 March 2024	**142.22**	**40.09**

Particulars	Provision towards Performance Pay	Leave Provision
Balance as at 1 April 2022	68.58	53.18
Additions during the year	144.68	10.25
Deletion during the year	(68.58)	(20.50)
Balance as at 31 March 2023	**144.68**	**42.93**

Note No. 19 – Revenue from Operations

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Revenue from rendering of services	**18,416.26**	15,888.63
(b) Other operating revenue		–
Total Revenue from Operations	**18,416.26**	15,888.63

Note:

A. Disaggregated Revenue Information:
The Company's revenue is from only one segment i.e Renewable Asset Management

B. Reconciliation of Contract Assets & Contract Liabilities:

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Contract Assets		
Unbilled Revenue		
At the beginning of the year	**672.69**	371.07
Less: Bill during the year	**(18,072.05)**	(15,587.01)
Add: Revenue recognised during the year	**18,416.26**	15,888.63
At the end of the year	**1,016.90**	672.69

INR in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Contract Liability		–
Deferred Revenue		
At the beginning of the year	**26.02**	115.23
Less: Revenue recognised during the year	**(14.77)**	(89.21)
Add: Bill During the Year	**–**	**–**
At the end of the year	**11.25**	26.02

C. Reconciliation of revenue as per Ind AS 115:

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted prices	**18,416.26**	15,888.63
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**18,416.26**	15,888.63

Note No. 20 - Direct Expense

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Project Expenses for services rendered towards site operations & maintenance	**9,037.59**	7,973.02
Total Direct Expense	**9,037.59**	7,973.02

Note:
The expenses incurred are direct expenses on-site for rendering of site activities as per agreed terms and scope of contract. These services (module cleaning, site security, vegetation treatment, plant maintenance) are sub-contracted to vendors.

Note No. 21- Employee Benefit Expense

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Salaries and wages	**6,238.81**	5,129.02
(b) Contribution to provident and other funds	**107.52**	117.12
(c) Staff welfare expenses	**86.21**	100.53
Total Employee Benefit Expense	**6,432.54**	5,346.66

Note No. 22- Finance Cost

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Interest expense on WCDL	**192.29**	169.22
(b) Interest expense on ICDs	**32.01**	61.15
(c) Interest on Leasing	**73.98**	8.85
Total Finance costs	**298.28**	239.22

Note No. 23- Depreciation and amortisation expenses

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1 Depreciation on property, plant and equipment	**315.08**	205.67
2 Depreciation on Right-of-use asset	**225.01**	13.08
3 Amortisation of intangible asset	**96.60**	104.67
Total Direct Expense	**636.69**	323.42

Note:
The expenses incurred are direct expenses on-site for rendering of site activities as per agreed terms and scope of contract. These services (module cleaning, site security, vegetation treatment, plant maintenance) are sub-contracted to vendors.

Note No. 24 - Other Expenses

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Rent, Rates and taxes	**6.60**	104.20
(b) Corporate social responsibility (CSR) Expenses (refer note below)	**21.91**	16.02
(c) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors- statutory audit fees	**2.50**	2.50
(ii) Others	**–**	0.50
(d) Other expenses		
(1) Professional & Legal Fees	**161.18**	186.81
(2) Travelling & Conveyance expenses	**110.15**	81.24
(3) Provision for Doubtful Debtors	**103.44**	40.00
(4) Insurance exp	**102.18**	111.37
(5) Software Charges	**155.71**	279.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

INR in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(6) Intangible Assets under Development written off	–	–
(7) Miscellaneous expenses	**97.85**	117.27
Total Other Expenses	**761.53**	938.98

Note : Details of CSR Expenditure

INR in Lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
i) Amount required to be spent by the company during the year	**21.91**	7.53
ii) Amount of expenditure incurred	**21.91**	7.53
iii) Nature of CSR activities		
Promoting Girls Education	**10.88**	2.53
Aganwadi Development in Rural Area	**3.81**	1.70
Promoting Healthcare	**1.76**	1.70
Installation solar streetlights where no electricity	**5.46**	1.60
iv) Amount paid to related party from CSR	–	–

Amount recognised as expense in profit or loss is INR 21.91 lakhs (2023: INR 16.02 lakhs). Further, the Company does not wish to carry forward any excess amount spent during the year.

Note No. 25- Earnings per Share

INR in Lakhs

Particulars	For the current year ended 31 March 2024	For the current year ended 31 March 2023
Basic Earnings per share	**806.68**	802.56
Total basic earnings per share	**806.68**	802.56
Diluted Earnings per share	**806.68**	802.56
Total diluted earnings per share	**806.68**	802.56

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

INR in Lakhs

Particulars	For the current year ended 31 March 2024	For the current year ended 31 March 2023
Profit for the year	**910.56**	802.56
Less: Preference dividend and tax thereon	–	–
Profit for the year used in the calculation of basic earnings per share	**910.56**	802.56
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits used in the calculation of basic earnings per share from continuing operations (i)	**910.56**	802.56
Weighted average number of equity shares (ii)	**1,12,877**	1,00,000
Earnings per share from continuing operations - Basic and Diluted	**806.68**	802.56

Note No. 26 - Financial Instruments

Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31 March 2024 and 31 March 2023 is as follows:

	31 March 2024	31 March 2023
Debt (A) in INR in Lakhs	**700**	3,000
Equity (B) in INR in Lakhs	**7,016**	2,605
Debt Equity Ratio (A / B)	**0.10**	1.15

Categories of financial assets and financial liabilities

As at 31 March 2024

INR in Lakhs

	Amortised Costs	FVTPL	FVTOCI	Total
Current Assets				
Trade Receivables	**4,625.49**	–	–	**4,625.49**
Cash and Bank Balances	**1,380.97**	–	–	**1,380.97**
Loans	–	–	–	–
Other Financial Assets	**79.02**	–	–	**79.02**
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	**829.68**	–	–	**829.68**
Current Liabilities				
Borrowings	**700.00**	–	–	**700.00**
Trade Payables	**3,436.77**	–	–	**3,436.77**
Other Financial Liabilities	**594.42**	–	–	**594.42**

As at 31 March 2023

INR in Lakhs

	Amortised Costs	FVTPL	FVTOCI	Total
Current Assets				
Trade Receivables	4,347.70	–	–	4,347.70
Cash and Bank Balances	688.27	–	–	688.27
Loans	–	–	–	–
Other Financial Assets	900.68	–	–	900.68
Current Liabilities				
Borrowings	3,000.00	–	–	3,000.00
Other Financial Liabilities	490.63	–	–	490.63
Trade Payables	3,036.96	–	–	3,036.96
Other Financial Liabilities	657.43	–	–	657.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit period for Trade receivables ranges from 15 days to 45 days.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company based on its assessment has created provision of INR 105.41 Lakhs (as at March 31, 2024 : INR 208.91 Lakhs) has been provided in the statement of profit and loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

INR in Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2024				
Non-interest bearing	3,694	–	–	–
Fixed interest rate instruments	700	–	–	–
Total	4,394	–	–	–
31 March 2023				
Non-interest bearing	3,694	–	–	–
Fixed interest rate instruments	3,000	–	–	–
Total	6,694	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR in Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2024				
Non-interest bearing	4,705	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	4,705	–	–	–
31 March 2023				
Non-interest bearing	5,248	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	5,248	–	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase / decrease in basis points	Effect on profit before tax (INR in Lakhs)
31 March 2024	INR	+100	7.00
	INR	(100)	(7.00)
31 March 2023	INR	+100	30.00
	INR	(100)	(30.00)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 27 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	**4,625.49**	**4,625.49**	4,347.70	4,347.70
– other financial assets	**79.02**	**79.02**	900.68	900.68
Total	**4,704.51**	**4,704.51**	5,248.38	5,248.38
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**3,436.77**	**3,436.77**	3,036.96	3,036.96
– other financial liabilities	**594.42**	**594.42**	657.43	657.43
– Interest accured on borrowings	**(5.00)**	**(5.00)**	20.25	20.25
– other Borrowings	**700.00**	**700.00**	3,000.00	3,000.00
Total	**4,726.19**	**4,726.19**	6,714.65	6,714.65

INR in Lakhs

Fair value hierarchy as at 31 March 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	–	–	4,625.49	4,625.49
– other financial assets	–	–	79.02	79.02
Total	–	–	4,704.51	4,704.51
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables	–	–	3,436.77	3,436.77
– other financial liabilities	–	–	599.42	599.42
– Interest accured on borrowings	–	(5.00)	–	(5.00)
– other Borrowings	–	700.00	–	700.00
Total	–	695.00	4,036.19	4,731.19

INR in Lakhs

Fair value hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	–	–	4,347.70	4,347.70
– other financial assets	–	–	900.68	900.68
Total	–	–	5,248.38	5,248.38
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables	–	–	3,036.96	3,036.96
– other financial liabilities	–	–	637.18	637.18
– Interest accured on borrowings	–	20.25	–	20.25
– other Borrowings	–	3,000.00	–	3,000.00
Total	–	3,020.25	3,674.14	6,694.39

Note No. 28 Key Ratios

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.86	1.11	67%	Increase in inventory and unbilled on absolute terms due to business growth in F24
Debt Equity Ratio	Borrowings	Shareholder's Equity	0.10	1.15	(91%)	Borrowing decreased on account of repyament of ICD & WCDL by ~77% owing to Revenue gowth of 16% and facilitation of corresponding operating cycle.
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	2.19	0.50	335%	Borrowing decreased on account of repyament of ICD & WCDL by ~77%
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	18.9%	36.4%	(18%)	Contribution Margin on new portfolios (F24) is lower than existing portfolio resulting in overall revenue growth but lower corresponding PAT.
Inventory turnover ratio	Cost of goods sold	Average Inventory	3.89	4.78	(18%)	Efficient tracking and monitoring of inventory across portfolio
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	4.13	3.75	10%	Overall Debtors collection is increased in current year and Efficient tracking and monitoring of receivables across portfolio
Trade payables turnover ratio	Purchases	Average Trade Payables	2.85	2.93	(3%)	
Net Captial turnover ratio	Revenue from operations	Total Assets	1.42	1.57	(9%)	
Net Profit ratio	Profit after taxes	Revenue from operations	4.95%	5.05%	0%	
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings	23.28%	23.32%	0%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 29 - Related Party Transactions

Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Intermediate Holding Company	Mahindra Holdings Limited
Name of the Parent Company	Mahindra Sustainable Energy Private Limited
Name of the fellow subsidiary	Astra Solren Pvt Ltd (Related Party till 9th Jan 2024
Name of the fellow subsidiary	Neo Solren Pvt Ltd (Related Party till 9th Jan 2024
Name of the fellow subsidiary	BrightSolar Renewables Energy Pvt. Ltd. (Related Party till 9th Jan 2024
Name of the fellow subsidiary	MEGASOLIS RENEWABLES PRIVATE LIMITED (Related Party till 9th Jan 2024
Name of the fellow subsidiary	Mahindra Integrated Business Solutions
Name of the fellow subsidiary	Mahindra Solarize Pvt Ltd
Name of the Joint Venture	Mahindra Susten Private Limited
Name of the fellow subsidiary	Mega Suryaurja Private Limited (Related Party till 9th Jan 2024
Name of the Joint Venture	Mahindra Financial Services Ltd
Name of the Joint Venture	MARVEL SOLREN PRIVATE LIMITED
Name of the fellow subsidiary	BRISTLECONE INDIA LIMITED
Name of the fellow subsidiary	EMERGENT SOLREN PRIVATE LIMITED (Related Party till 9th Jan 2024
Name of the fellow subsidiary	Mahindra Intertrade Limited

Details of transaction between the Company and its related parties are disclosed below:

INR in Lakhs

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Joint venture	Fellow Subsidiary
Nature of transactions with Related Parties					
ICD Taken	31st Mar 2024	–	–		–
	31st Mar 2023	–	–		–
ICD Repayment	31st Mar 2024	–	–		–
	31st Mar 2023	–		500.00	–
Rendering of services / goods	31st Mar 2024	1.91		877.45	2,333.58
	31st Mar 2023	–		2,954.20	40.84
Receiving of services / goods	31st Mar 2024	170.98	19.63	43.87	211.96
	31st Mar 2023	52.11		145.91	43.33
Interest on ICD	31st Mar 2024	–	32.01		47.59
	31st Mar 2023	–		61.15	–
Payment of Interest on ICD	31st Mar 2024	–	–		–
	31st Mar 2023	–		–	–

INR in Lakhs

Particulars	Balances as on	Ultimate Holding Company	Parent Company	Joint venture	Fellow Subsidiary
Trade Receivables	31st Mar 2024	250.29	19.63	720.60	9.67
	31st Mar 2023	–		1,074.93	21.19
Trade Payable	31st Mar 2024	12.34	–	791.08	2.26
	31st Mar 2023	98.33		1,495.90	8.89
ICD Payable	31st Mar 2024	–	–	–	–
	31st Mar 2023	–		500.00	–
Interest on ICD Payable	31st Mar 2024	–	–	–	–
	31st Mar 2023	–		20.25	–

Note No. 30 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 61.83 Lakhs (Previous Year INR 57.32 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31 March 2024	31 March 2023
Discount rate(s)	**7.20%**	7.30%
Expected rate(s) of salary increase	**8.00%**	8.00%

Defined benefit plans – as per actuarial valuation on 31 March, 2024

INR in Lakhs

Particulars	**Unfunded Plan**	**Unfunded Plan**
	Gratuity	
	2024	2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**19.09**	24.71
Past service cost and (gains)/losses from settlements	**–**	(0.08)
Net interest expense	**2.73**	5.23
Components of defined benefit costs recognised in profit or loss	**21.82**	29.86
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(4.34)**	(0.67)
Actuarial gains and loss arising form changes in financial assumptions	**0.37**	(0.64)
Actuarial gains and loss arising form changes in demographic assumptions	**–**	(12.99)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

INR in Lakhs

Particulars	Unfunded Plan	Unfunded Plan
	Gratuity	
	2024	2023
Actuarial gains and loss arising form experience adjustments	**3.80**	(7.92)
Others (describe)	–	–
Components of defined benefit costs recognised in other comprehensive income	**(0.17)**	(22.22)
Total	**21.65**	7.64
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31 March		
1. Present value of undefined benefit obligation as at 31 March	–	75.72
2. Current portion of the above	–	4.06
3. Non current portion of the above	**48.38**	71.66
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**68.55**	75.72
2. Add/(Less) on account of Scheme of Arrangement/ Business	–	–
Transfer		
3. Expenses Recognised in Profit and Loss Account	–	–
- Current Service Cost	**19.09**	24.71
- Past Service Cost	–	(0.08)
- Interest Expense (Income)	**4.45**	5.23
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	–	(12.99)
ii. Financial Assumptions	**0.37**	(0.64)
iii. Experience Adjustments	**3.80**	(7.92)
5. Benefit payments	**(19.67)**	(15.48)
6. Liabilities assumed / (settled)	**0.24**	–
7. Present value of defined benefit obligation at the end of the year	**76.83**	68.55
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**20.17**	34.98
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	–	–
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	–	–
- Interest on plan assets	**1.72**	
4. Recognised in Other Comprehensive Income	–	–
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	**4.34**	0.67
- Others (specify)	–	–

INR in Lakhs

Particulars	Unfunded Plan	Unfunded Plan
	Gratuity	
	2024	2023
5. Contributions by employer (including benefit payments recoverable)	–	–
6. Benefit payments	**(19.67)**	(15.48)
7. Asset acquired/(settled)	**76.02**	
7. Fair value of plan assets at the end of the year	**82.58**	20.17
IV. The Major categories of plan assets	**NA**	NA
– List the plan assets by category here		
Insured Funds		
V. Actuarial assumptions		
1. Discount rate	**7.20%**	7.30%
2. Expected rate of return on plan assets	**NA**	NA
3. Attrition rate	**8.00%**	8.00%
4. Medical premium inflation	**NA**	NA

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
	2024	1.00%	(4.62%)	5.06%
Discount rate	2023	1.00%	(4.42%)	4.84%
	2024	1.00%	4.92%	(4.62%)
Salary growth rate	2023	1.00%	4.74%	(4.43%)

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2024	2023
Within 1 year	**14.90**	15.17
1 - 2 year	**13.44**	12.04
2 - 3 year	**12.02**	10.60
3 - 4 year	**10.75**	9.45
4 - 5 year	**8.96**	7.83
5 - 10 years	**27.23**	23.66
10 years & above	**29.04**	24.06

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 4.83 years (as at 31 march 2023 - 4.62 years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit orloss of the expense for the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 31- Contingent liabilities and commitments

INR in Lakhs

Contingent liabilities (to the extent not provided for)	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
(a) Bank Guarantees	1,014.42	843.49

Note 32 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 33

COVID-19, a new strain of Coronavirus, has spread globally, including India. The event significantly affects the economic activity worldwide. The impact of the COVID-19 on the Company's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy of the country, among others. The Company will closely monitor any material changes to future economic conditions due to this pandemic.

Note No. 34

The amounts are been mention in INR Lakhs and has been rounded off to the nearest Rupees and previous years amount has been reclassified/regrouped where ever required.

Note No. 35

The financial statements have been approved for issue by Company's Board of Directors on 18 April 2024.

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 18th April 2024

For and on behalf of the Board of Directors

Mr Deepak Thakur
Director
DIN : 06939592

Mr Bharat Goenka
Director
DIN : 09720064

Place : Mumbai
Date : 18th April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARVEL SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Marvel Solren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (h)(vi) below on the reporting under Rule 11(g).

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The company upgraded to such version from November 1, 2023. The feature of recording audit trail (edit log) facility has operated from November 1, 2023 to March 31, 2024 for all relevant transactions recorded in the software during that period. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with post November 1, 2023. Accordingly, we are unable to comment whether audit trail feature of the earlier version of Tally (accounting software) which was active from April 1, 2023 to October 31, 2023.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVJ5642
Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Marvel Solren Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVJ5642
Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERVJ5642
Place: Mumbai
Date: April 16, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

CIN U74120MH2015PTC269074

(₹ In Lakhs)

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4	**11,428.44**	11,345.97
	(b) Financial Assets			
	(i) Other Financial Assets	8	**5.72**	5.72
	(c) Deferred Tax Assets (Net)	5	**20.03**	30.19
	SUB-TOTAL		**11,454.20**	11,381.88
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	6	**219.57**	169.86
	(ii) Cash and Cash Equivalents	7	**209.73**	946.52
	(iii) Other Bank Balances	7 (a)	**537.72**	507.83
	(iv) Other Financial Assets	8	**257.75**	184.47
	(b) Current Tax Assets (Net)		**18.58**	38.95
	(c) Other Current Assets	9	**4.23**	4.04
	SUB-TOTAL		**1,247.57**	1,851.67
	TOTAL ASSETS		**12,701.77**	13,233.55
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	10	**2,781.60**	2,781.60
	(b) Other Equity	10	**2,677.13**	2,607.77
	SUB-TOTAL		**5,458.73**	5,389.37
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	11	**6,472.09**	7,061.89
	SUB-TOTAL		**6,472.09**	7,061.89
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	12	**654.30**	617.60
	(ii) Trade Payables			
	(a) Total outstanding dues to Micro & small enterprises		**–**	–
	(b) Total outstanding dues to creditors other than Micro & small enterprises	13	**45.09**	73.63
	(iii) Other Financial Liabilities	14	**0.07**	10.07
	(b) Other Current Liabilities	15	**22.62**	57.77
	(c) Provisions	16	**48.86**	23.22
	SUB-TOTAL		**770.95**	782.29
	TOTAL EQUITY AND LIABILITIES		**12,701.77**	13,233.55

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Mr. Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 16th April, 2024

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Ms. Manaswini Goel
Director
DIN: 08142619

Mr. Amit Gaikwad
Chief Financial Officer
PAN : ALZPG4283F
Place: Mumbai
Date : 16th April, 2024

Ms. Aarti Kothari
Company Secretary
Membership No. F10747

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

CIN U74120MH2015PTC269074

(₹ In Lakhs)

	Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I	Revenue from operations	17	**2,063.19**	2,115.12
II	Other Income	**18**	**76.90**	70.07
III	**Total Income (I + II)**		**2,140.09**	2,185.19
IV	**Expenses**			
	(a) Employee benefit expense	**19**	**31.48**	24.54
	(b) Finance costs	**20**	**752.25**	664.29
	(c) Depreciation expense	**4**	**857.45**	835.19
	(d) Other expenses	**21**	**401.06**	355.36
	Total Expenses		**2,042.24**	1,879.38
V	**(Loss)/profit before tax (III-IV)**		**97.84**	305.81
VI	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Minimum Alternate Tax		**18.33**	73.03
	(c) Minimum Alternate Tax (Credit)		**(18.33)**	(73.03)
	(d) Deferred tax	5	**28.48**	74.77
	Total tax expense		**28.48**	74.77
VII	**(Loss)/Profit after tax for the year (V - VI)**		**69.36**	231.04
VIII	**Other comprehensive income**		**–**	–
	(a) (i) Items that will not be reclassified to profit or loss			
	(a) Changes in revaluation surplus		**–**	–
	(b) Remeasurements of the defined benefit liabilities / (asset)		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**69.36**	231.04
X	**Earnings per equity share:**			
	(a) Basic	22	**0.25**	0.83
	(b) Diluted	22	**0.25**	0.83

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Mr. Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 16th April, 2024

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

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Director
DIN: 08142619

Mr. Amit Gaikwad
Chief Financial Officer
PAN : ALZPG4283F
Place: Mumbai
Date : 16th April, 2024

Ms. Aarti Kothari
Company Secretary
Membership No. F10747

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

CIN U74120MH2015PTC269074

(₹ In Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Cash flows from operating activities		
(Loss)/Profit before tax for the year	**97.84**	305.81
Adjustments for:		
Finance costs recognised in profit or loss	**752.25**	664.29
Investment income recognised in profit or loss	**(76.90)**	(70.07)
Depreciation expense recognised in profit or loss	**857.45**	835.19
Movements in working capital:		
Increase in trade and other receivables	**(49.71)**	48.95
(Increase)/decrease in financial and other assets	**(101.96)**	(71.42)
Increase/(Decrease) in trade and other payables	**(2.89)**	(41.49)
(Decrease)/increase in other liabilities	**(24.99)**	55.26
Cash generated from operations	**1,451.10**	1,726.52
Income taxes paid	**20.37**	(31.37)
Net cash flow generated from operating activities	**1,471.47**	1,695.15
Cash flows from investing activities		
Additions to Earmarked Balance	**(29.89)**	3.09
Interest received	**76.90**	70.07
Payments to acquire PPE	**(949.92)**	(30.62)
Net cash flow used in investing activities	**(902.91)**	42.54
Cash flows from financing activities		
Proceeds from / (Repayment of) borrowings	**(553.10)**	(583.98)
Interest paid	**(752.25)**	(664.29)
Net cash flow generated from financing activities	**(1,305.35)**	(1,248.27)
Net Increase/(Decrease) in Cash and Cash Equivalents	**(736.79)**	489.42
Cash and Cash Equivalents at the beginning of the year	**946.53**	457.10
Cash and Cash Equivalents at the end of the year	**209.73**	946.53

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Mr. Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 16th April, 2024

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Ms. Manaswini Goel
Director
DIN: 08142619

Mr. Amit Gaikwad
Chief Financial Officer
PAN : ALZPG4283F
Place: Mumbai
Date : 16th April, 2024

Ms. Aarti Kothari
Company Secretary
Membership No. F10747

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

(i) Current reporting period

(₹ In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
2,781.60	–	2,781.60

(ii) Previous reporting period

(₹ In Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during previous year	Balance at the end of the previous reporting period
2,781.60	–	2,781.60

B. Other Equity

(i) Current reporting period

As on 31st March 2024

(₹ In Lakhs)

Particulars	Share application money pending allotment	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period	–	2,521.75	86.02	2,607.78
Total Comprehensive Income for the current year	–	–	69.36	69.36
Balance at the end of the current reporting period............	**–**	**2,521.75**	**155.38**	**2,677.13**

(ii) Previous year reporting period

As on 31st March 2023

(₹ In Lakhs)

Particulars	Share application money pending allotment	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period	–	2,521.75	(145.02)	2,376.73
Total Comprehensive Income for the current year	–	–	231.04	231.04
Balance at the end of the current reporting period............	–	2,521.75	86.01	2,607.77

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Mr. Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
Date : 16th April, 2024

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Ms. Manaswini Goel
Director
DIN: 08142619

Mr. Amit Gaikwad
Chief Financial Officer
PAN : ALZPG4283F
Place : Mumbai
Date : 16th April, 2024

Ms. Aarti Kothari
Company Secretary
Membership No. F10747

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Nature of Operations

Marvel Solren Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The holding company is Mahindra Sustainable Energy Private Limited.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

1. Material Accounting Policies and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2024 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilize any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Material Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re- measurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method.

Estimated useful life of the assets considered is 10 to 25 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss.

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) Segment information:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

g) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30th March, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

h) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

i) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

j) Government Grant:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

k) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

l) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue Towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration an account of various discounts and schemes offered by the Company as part of the Contract.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Verified Carbon Unit (VCU)

The Company accrues carbon emission reduction income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain such carbon emission reduction.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

m) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard of amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from 01 April 2023.

Note No. 4 – Property, Plant and Equipment

(₹ In Lakhs)

Description of Assets	Land-Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2023	721.75	13,507.63	14,229.38
Additions during the year	–	948.49	948.49
Deletions during the year	–	8.58	8.58
As at 31st March, 2024	**721.75**	**14,447.54**	**15,169.29**
II. Accumulated depreciation			
Balance as at 1st April 2023	–	2,883.41	2,883.41
Depreciation expense for the year	–	857.45	857.44
As at 31st March, 2024	**–**	**3,740.86**	**3,740.85**
III. Net carrying amount (I–II)	**721.75**	**10,706.68**	**11,428.44**

Description of Assets	Land-Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2022	721.75	13,507.01	14,228.76
Additions during the year	–	0.62	0.62
As at 31st March, 2023	**721.75**	**13,507.63**	**14,229.38**
II. Accumulated depreciation			
Balance as at 1st April 2022	–	2,048.22	2,048.22
Depreciation expense for the year	–	835.19	835.19
As at 31st March, 2023	**–**	**2,883.41**	**2,883.41**
III. Net carrying amount (I–II)	**721.75**	**10,624.22**	**11,345.97**

Note :-

(1) Plant and Equipment have been charged against the borrowings. (Refer Note No. 11 Non Current Borrowings).

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Current Tax:		
Minimum alternate tax for the year	**18.33**	73.03
Minimum alternate tax credit entitlement	**(18.33)**	(73.03)
Deferred Tax:		
In respect of current period origination	**28.48**	74.77
Total Income Tax Expense	**28.48**	74.77

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
i) Profit before tax for the year	**97.84**	305.81
ii) Corporate tax rate as per Income tax Act, 1961	**26.00%**	26.00%
iii) Tax on accounting profit (iii) = (i) X (ii)	**25.44**	79.51
Effect of income that is exempt from taxation	**–**	14.64
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
iv) Total effect of Tax adjustment	**25.44**	74.77
v) Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	**25.44**	74.77

(a) Movement in deferred tax balances

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	**1,342.42**	**121.03**	**1,463.46**
	1,342.42	**121.03**	**1,463.46**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	**1,299.58**	**96.54**	**1,396.12**
Net Deferred Tax (Asset)/ Liabilities	**(42.84)**	**(24.49)**	**(67.33)**
MAT Credit	**73.03**	**18.33**	**91.36**
Net Deferred Tax (Asset)/ Liabilities	**30.19**	**(6.16)**	**24.03**

(₹ In Lakhs)

Particulars	Year ended 31st March, 2023		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	905.07	437.35	1,342.42
	905.07	437.35	1,342.42
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	937.00	362.58	1,299.58
Net Deferred Tax (Asset)/Liabilities	31.93	(74.77)	(42.84)
MAT Credit	–	73.03	73.03
Net Deferred Tax (Asset)/Liabilities	31.93	(1.74)	30.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 6 – Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
Undisputed Trade receivables - considered good	**219.57**	169.86
Disputed Trade receivables - which has significant increase	**4.24**	–
Disputed Trade receivables - Credit Impaired	**(4.24)**	–
Total Trade Receivables	**219.57**	169.86

Note:

(1) All Trade receivable are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Trade Receivables ageing schdule
As at 31st March, 2024

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				
As at 31st March, 2024	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	**155.53**	**59.55**	**4.49**	**–**	**219.57**

As at 31st March, 2023

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				
As at 31st March, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	169.86	–	–	–	169.86

Note No. 7 – Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and Cash Equivalents		
(a) Balances with banks	**58.95**	182.00
(b) Fixed Deposit with Original Maturity less than or Equal to 3 months	**150.78**	764.52
Total Cash and Cash Equivalents	**209.73**	946.52

Note:

All other Cash and Cash Equivalents are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 7(a) – Other Bank Balances

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other Bank Balances		
Earmarked Balance with Bank - For Debt service Reserve Account	**537.72**	507.83
Total Other Bank Balances	**537.72**	507.83

Note:

All other Bank balances are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 8 – Other Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	**Non–Current**	Current	Non–Current
Financial assets at amortised cost				
a) Unbilled Revenue	**257.75**	**–**	184.47	–
b) Deposit	**–**	**5.72**	–	5.72
Total Other Financial Assets	**257.75**	**5.72**	184.47	5.72

Note No. 9 – Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	**Non–Current**	Current	Non–Current
Prepaid Expenses	**4.23**	**–**	4.04	–
Total Other Current Assets	**4.23**	**–**	4.04	–

Note:

All other Current assets are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 10 – Equity Share Capital

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	**Share Capital**	No. of shares	Share Capital
Authorised:				
Equity shares of INR.10 each with voting rights	**278.16**	**2,781.60**	278.16	2,781.60
Issued, Subscribed and Fully Paid:	**278.16**	**2,781.60**	278.16	2,781.60
Equity shares of INR.10 each with voting rights	**278.16**	**2,781.60**	278.16	2,781.60
Total Equity share capital	**278.16**	**2,781.60**	278.16	2,781.60

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting rights						
Year ended 31st March, 2024						
No. of Shares	**278.16**	**–**	**–**	**–**	**–**	**278.16**
Amount in INR	**2,781.60**	**–**	**–**	**–**	**–**	**2,781.60**
Year ended 31st March, 2023						
No. of Shares	278.16	–	–	–	–	278.16
Amount in INR	2,781.60	–	–	–	–	2,781.60

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
Year ended 31st March, 2024			
Mahindra Sustainable Energy Private Limited	278.16	–	–
Year ended 31st March, 2023			
Mahindra Susten Private Limited	141.86	–	–
Mitsui & Co.	136.30	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2024 Number of shares held	% holding in that class of shares	As at 31st March, 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Sustainable Energy Private Limited	278.16	100%	–	–
Mahindra Susten Private Limited	–	–	141.86	51%
Mitsui & Co.	–	–	136.30	49%

Shareholding of Promoters is as under

Shares held by promoters as at 31st March, 2024

Promoter name	No. of Shares	% of total shares	% Change of during the year 31st March, 2024
Mahindra Sustainable Energy Private Limited	278.16	100%	100%

Shares held by promoters as at 31st March, 2023

Promoter name	No. of Shares	%of total shares	% Change of during the year 31st March, 2023
Mahindra Susten Private Limited	141.86	51%	–
Mitsui & Co.	136.30	49%	–

Note-

It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Sustainable Energy Private Limited jointly holds 1 Equity share with Sumeet Maheshwari, Feroze Hoshang Baria, Anita Anant Halbe, Brijbala Mohanlal Batwal, Jignesh Ashok Parikh, Narayan Shankar).

Other Equity	As at 31st March, 2024	As at 31st March, 2023
(i) Securities Premium	**2,521.75**	2,521.75
(ii) Retained Earnings	**155.38**	86.01
Total Other Equity	**2,677.13**	2,607.77

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 11 – Non–Current Borrowings

(₹ In Lakhs)

Particulars	Rate of Interest	Maturity	As at 31st March, 2024	As at 31st March, 2023
Measured at amortised cost				
Secured Borrowings:				
Term Loans from Banks (MICR-6 M is 8.90% and spread is 0.25%) (Earlier MICR-1 Y is 8.30% and spread is 0.35%)	8.90%	To be repaid by 30/03/2032	**3,791.18**	4,150.52
Term Loans from Banks (MICR-6 M is 8.90% and spread is 0.25%) (Earlier MICR-1 Y is 8.55% and spread is 0.95%)	8.90%	To be repaid by 30/09/2033	**668.08**	713.82
Term Loans from Banks (MICR-6 M is 8.90% and spread is 0.25%) (Earlier MICR-1 Y is 7.30% and spread is 0.95%)	8.90%	To be repaid by 31/12/2032	**2,012.84**	2,197.55
Total Non-Current Borrowings			**6,472.09**	7,061.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Notes:

(1) The Company is engaged in the business of operating Solar Power project; The term loan from Bank is repayable.
   i) Starting from 30 June 2019 and ending on 30 March, 2032.
   ii) Starting from 30 December 2019 and ending on 30 September, 2033.
   iii) Starting from 30 September 2021 and ending on 30 December, 2032.

(2) The loan amount is secured by:
   (a) First charge on all present and future tangible moveable assets, intangible assets, current assets including receivables.
   (b) First charge on all present and future immovable properties, both freehold and leasehold.
   (c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.
   (d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:
      i) Project agreements
      ii) the clearances subject to applicable law
      iii) any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees or warranty provided by any party.
   (e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.
   (f) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.

(3) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within next quarter.

Note No. 12- Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current maturities of long-term debt	654.30	617.60
Total Current Borrowings	**654.30**	617.60

Note No. 13 – Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non–Current	Current	Non–Current
(a) Micro and small enterprises	–	–	–	–
(b) Other than Micro and small enterprises	45.09	–	73.63	–
Total Trade Payables	**45.09**	–	73.63	–

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Trade Payable ageing schedule

(₹ In Lakhs)

As at 31st March, 2024

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	**45.09**	–	–	–	**45.09**

As at 31st March, 2023

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	73.63	–	–	–	73.63

Note No. 14 – Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other Financial Liabilities Measured at Amortised Cost		
(a) Interest accrued on loan	0.07	0.07
(b) Creditors for capital supplies/services	0.00	10.00
Total Other Financial Liabilities	**0.07**	10.07

Note No. 15 – Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory dues payable		
(a) Other than income taxes	4.29	2.91
(b) Employee Recoveries and Employer Contributions	–	1.43
(c) Income Tax Liabilities	18.33	53.43
Total Other Current Liabilities	**22.62**	57.77

Note No. 16 – Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits				
(1) Long-term Employee Benefits	–	–	–	–
(b) Other Provisions				
(1) Other Provisions	48.86	–	23.22	–
Total Provisions	**48.86**	–	23.22	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Movement in Provision

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	**23.22**	46.35
(+) Addition during the year	**77.70**	22.37
(-) Utilization during the year	**52.06**	45.50
Closing Balance	**48.86**	23.22

Note No. 17 – Revenue from Operations

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from sale of solar power	**2,063.19**	2,115.12
Total Revenue from Operations	**2,063.19**	2,115.12

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power.

B. Reconciliation of Contract Assets & Contract Liabilities:

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**184.47**	176.02
Less: Bill during the year	**1,989.91**	2,106.67
Add: Revenue recognised during the year	**2,063.19**	2,115.12
At the end of the year	**257.75**	184.47
Contract Liability	**–**	**–**

C. Reconciliation of revenue as per Ind AS 115:

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue as per contracted prices	**2,063.19**	2,115.12
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	**–**
Revenue from contract with customers	**2,063.19**	**2,115.12**

Note No. 18 – Other Income

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Income	**62.38**	40.51
Other (Sale of i-RECs)	**10.18**	7.65
Other Income - Insurance Claim	**4.34**	17.90
Interest on Refund-Income Tax	**–**	4.01
Total Other Income	**76.90**	70.07

Note No. 19 – Employee Benefit Expense

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries and wages	**31.48**	24.54
Total Employee Benefit Expense	**31.48**	24.54

Note No. 20 – Finance Cost

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense	**749.42**	662.53
Interest on Income Tax	**2.83**	1.76
Total Finance Cost	**752.25**	664.29

Note No. 21 - Other Expenses

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(a) ROC Charges, Registration charges and stamp duty expenses	**–**	0.43
(b) Insurance	**30.09**	26.00
(c) Repairs and maintenance – Machinery	**210.79**	153.95
(d) Rent For Officers	**–**	18.38
(e) Travelling and Conveyance Expenses	**1.43**	7.66
(f) Auditors remuneration and out–of–pocket expenses		
(i) As Auditors– Statutory audit fees	**1.77**	1.50
(g) Other expenses		
(i) Legal and other professional costs	**136.48**	140.31
(ii) Bank Charges	**0.06**	0.04
(iii) Miscellaneous expenses	**20.44**	7.09
Total Other Expenses	**401.06**	**355.36**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 22 - Earnings per Share

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
	Per Share	Per Share
Basic Earnings per share	0.25	0.83
Total basic earnings per share	0.25	0.83
Diluted Earnings per share	0.25	0.83
Total diluted earnings per share	0.25	0.83

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Profit for the year attributable to owners of the Company (INR)	69.36	231.04
Less: Preference dividend and tax thereon	–	–
Profit for the year used in the calculation of basic earnings per share (INR)	69.36	231.04

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Profits used in the calculation of basic and diluted earnings per share from continuing operations(INR) (i)	69.36	231.04
Weighted average number of equity shares (ii)	278.16	278.16
Earnings per share from continuing operations - Basic & diluted (i/ii)	0.25	0.83

Note No. 23 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March, 2024 and 31st March, 2023 is as follows:

	31st March, 2024	31st March, 2023
Debt (A)	7,126	7,679
Equity (B)	5,459	5,389
Debt Equity Ratio (A / B)	1.31	1.42

Categories of financial assets and financial liabilities

As at 31st March, 2024 (₹ In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	219.57	–	–	**219.57**
Cash and Bank Balances	–	209.73	–	–	**209.73**
Other Financial Assets					
- Non Derivative Financial Assets	–	795.47	–	–	**795.47**
Non-current Liabilities					
Borrowings from Banks	–	6,472.09	–	–	**6,472.09**
Current Liabilities					
Borrowings from Banks	–	654.30	–	–	**654.30**
Trade Payables	–	45.09	–	–	**45.09**
Other Financial Liabilities	–	0.07	–	–	**0.07**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

As at 31st March, 2023 **(₹ In Lakhs)**

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	169.86	–	–	**169.86**
Cash and Bank Balances	–	946.52	–	–	**946.52**
Other Financial Assets					
- Non Derivative Financial Assets	–	692.30	–	–	**692.30**
Non-current Liabilities					
Borrowings from Banks	–	7,061.89	–	–	**7,061.89**
Current Liabilities					
Borrowings from Banks	–	617.60	–	–	**617.60**
Trade Payables	–	73.63	–	–	**73.63**
Other Financial Liabilities	–	10.07	–	–	**10.07**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the various companies in various states and it believes that it is a solvent debt and hence the risk is minimal.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the Company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ In Lakhs)

Particulars	Less than 1 Year INR	1 Year-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31st March, 2024				
Non-derivative financial liabilities	45.16	–	–	–
Non-interest bearing	654.30	871.90	858.92	4,546.18
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments				
Derivative financial liabilities				
Non-interest bearing	**–**	**–**	**–**	**–**
Total	**699.46**	**871.90**	**858.92**	**4,546.18**
31st March, 2023				
Non-derivative financial liabilities				
Non-interest bearing	83.70	–	–	–
Variable interest rate instruments	617.60	1,071.90	1,158.92	4,831.18
Fixed interest rate instruments	–	–	–	–
Derivative financial liabilities				
Non-interest bearing	–	–	–	–
Total	**701.30**	**1,071.90**	**1,158.92**	**4,831.18**

Non-derivative financial liabilities

Non-interest bearing	**31st March, 2024**	31st March, 2023
Trade Payables	**45.09**	73.63
Other Financial Liabilities	**0.07**	10.07
	45.16	83.70

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ In Lakhs)

Particulars	Less than 1 Year INR	1 Year-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31st March, 2024				
Non interest beaing	1,015.04	–	–	–
Variable interest rate instruments	209.73	–	–	–
Fixed interest rate instruments	–	–	–	–
	1,224.77	**–**	**–**	**–**
31st March, 2023				
Non interest beaing	862.16	–	–	–
Variable interest rate instruments	946.52	–	–	–
Fixed interest rate instruments	–	–	–	–
	1,808.68	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Non-derivative financial assets

Non interest beaing	**31st March, 2024**	31st March, 2023
Trade Receivables	**219.57**	169.86
Non Derivative Financial Assets	**795.47**	692.30
	1,015.04	862.16

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's/ Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In Lakhs)

	Currency	**Increase / decrease in basis points**	**Effect on profit before tax**
31st March, 2024	INR	+100	77.00
	INR	(-) 100	(76.44)
31st March, 2023	INR	+100	(70.62)
	INR	(-) 100	70.62

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 23 (a) - Fair Value Measurement

(₹ In Lakhs)

	31st March, 2024		**31st March, 2023**	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	**219.57**	**219.57**	169.86	169.86
Cash and Cash Equivalents	**209.73**	**209.73**	946.52	946.52
Other Bank Balances	**537.72**	**537.72**	507.83	507.83
Other Financial Assets	**257.75**	**257.75**	184.47	184.47
Total	**1,224.77**	**1,224.77**	1,808.68	1,808.68
Financial liabilities				
Financial liabilities held at amortised cost				
Non Current Liabilities				
Borrowing from bank	**6,472.09**	**6,472.09**	7,061.89	7,061.89
Current Liabilities				
Borrowing from bank	**654.30**	**654.30**	617.60	617.60
Trade payables	**45.09**	**45.09**	73.63	73.63
Others Financial liabilities	**0.07**	**0.07**	10.07	10.07
Total	**7,171.55**	**7,171.55**	7,763.19	7,763.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ In Lakhs)

	Fair value hierarchy as at 31st March, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	**219.57**	**219.57**
Cash and Cash Equivalents	–	**209.73**	–	**209.73**
Other Bank Balances	–	**537.72**	–	**537.72**
Other Financial Assets	–	–	**257.75**	**257.75**
Total	–	**747.44**	**477.32**	**1,224.77**
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	–	**7,126.39**	–	**7,126.39**
Trade payables	–	–	**45.09**	**45.09**
Other financial liabitilies			**0.07**	**0.07**
Total	–	**7,126.39**	**45.16**	**7,171.55**

(₹ In Lakhs)

	Fair value hierarchy as at 31st March, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	169.86	169.86
Cash and Cash Equivalents	–	946.52	–	946.52
Other Bank Balances	–	507.83	–	507.83
Other Financial Assets	–	–	184.47	184.47
Total	–	1,454.35	354.33	1,808.68
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	–	7,679.49	–	7,679.49
Trade payables	–	–	73.63	73.63
Other financial liabitilies	–	–	10.07	10.07
Total	–	7,679.49	83.70	7,763.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 24 – Key Ratios

Sr. No.	Particular	Numerator	Denominator	2023-24	2022-23	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.62	2.37	Payment of Current Liabilities during the year
2	Debt Equity Ratio	Borrowings	Shareholder's Equity	1.31	1.42	Due to Repayment of Debt.
3	Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and amortisation	Interest & Principal Payment	1.22	1.41	Revenue and profit accrued from all Projects
4	Return on equity ratio	Profit after taxes	Average Shareholder's Equity	1.27%	4.29%	Revenue and profit accrued from all Projects
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–	–
6	Trade receivable turnover ratio	Revenue from operations	Average Trade Receivable	9.40	12.45	Increase in Receivables due to Increase in Revenue
7	Trade payable turnover ratio	Purchases	Average Trade Payables	–	–	–
8	Net capital turnover ratio	Revenue from operations	Shareholder's Equity	0.38	0.39	Increase in Revenue leading to Higher Asset turnover
9	Net profit ratio	Profit after taxes	Revenue from operations	0.05	14%	–
10	Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	0.02	8%	–
11	Return on investment	Income from Investments	Average Investments	–	–	No investment held by the company

Note No. 25 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding Company	Mahindra & Mahindra Limited (Ultimate Joint Venturer till 27th November, 2023)
Parent Company	Mahindra Susten Private Limited (Till 27th November, 2023)
	Mahindra Sustainable Energy Private Limited (w.e.f. 28th November, 2023)
Fellow Subsidiaries	Mahindra Teqo Private Limited
	Mahindra Solarize Private Limited
	Mahindra Integrated Business Solutions Private Limited
	Tech Mahindra Limited
	Mahindra Heavy Engines Limited
	Mahindra EPC Irrigation Limited
	Megasolis Renewables Private Limited (Formerly known as Mahindra Renewables Private Limited)
Joint Venture	Mahindra Susten Private Limited (w.e.f. 28th November, 2023)

Details of transaction between the Company and its related parties are disclosed below:

(₹ In Lakhs)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries	Joint Venture
Nature of transactions with Related Parties					
Sale of goods	**31–Mar–24**	**534.61**	**–**	**858.98**	**–**
	31–Mar–23	578.66	–	768.40	–
Purchase of Plants and Equipments	**31–Mar–24**	**–**	**–**	**91.76**	**848.69**
	31–Mar–23	–	–	–	–
Receiving of services	**31–Mar–24**	**3.54**	**–**	**257.92**	**54.88**
	31–Mar–23	3.38	–	326.84	–

(₹ In Lakhs)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries	Joint Venture
Trade Receivable	**31–Mar–24**	**120.91**	**–**	**16.15**	**–**
	31–Mar–23	–	–	125.12	–
Trade payable	**31–Mar–24**	**0.94**	**–**	**25.30**	**28.41**
	31–Mar–23	–	–	70.64	–
Other Financial Liabilities	**31–Mar–24**	**–**	**–**	**–**	**–**
	31–Mar–23	–	–	10.00	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 26 – Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 27

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31st March, 2023 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 28

The amount has been rounded off to nearest ₹ in Lakhs and previous years amount has been reclassified/regrouped where ever required.

Note No. 29

The financial statements have been approved for issue by Company's Board of Directors on 16th April, 2024.

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Mr. Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
Date : 16th April, 2024

For and on behalf of the Board of Directors

Mr. Deepaksingh Thakur
Director
DIN: 06939592

Ms. Manaswini Goel
Director
DIN: 08142619

Mr. Amit Gaikwad
Chief Financial Officer
PAN : ALZPG4283F
Place : Mumbai
Date : 16th April, 2024

Ms. Aarti Kothari
Company Secretary
Membership No. F10747

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA DEFENCE SYSTEMS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Defence Systems Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 46 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 53 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 53 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 56 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid and payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid and payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
ICAI UDIN:24505725BKFQYA8806

PLACE: Gurugram

DATE: 20 APRIL 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA DEFENCE SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held from	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land located at Prithla	INR 836.42 Lakhs	Mahindra Defence Land Systems Private Limited	No	From 01 January 2017 appointed date as per the approved Scheme of Amalgamation (the Scheme)	The title deeds have been transferred to and vested in the Company, pursuant to The Scheme of Amalgamation of Defence Land Systems India Limited (formerly Mahindra Defence Land Systems Private Limited) with the Company in an earlier year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/shipping bills have been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not provided guarantee or security or granted any advances in nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in other parties and granted unsecured loans to company during the year, details of the loans is stated in sub-clause (a) below. The Company has not made investment in companies, firms and limited liability partnerships during the year and the Company has not granted any loans, secured or unsecured to firms, limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, or stood guarantee to companies as below:

(Rs. in Lakhs)

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries	0.00	2,000.00
Others (fellow subsidiaries)	0.00	0.00
Balance outstanding as at balance sheet date		
Subsidiaries	7,500.00	2,000.00
Others (fellow subsidiaries)	0.00	0.00

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion investments made, and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013, as applicable, (“the Act”) have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income-Tax and Goods and Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax and Local body tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	116.69	Financial year 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	35.78	Financial year 2022-23	Intimation u/s 143(1), Centralised Processing Center, Income Tax Department
Maharashtra Municipal Corporation Act, 1949	Local Body Tax	67.01	Financial year 2013-14, 2014-15 and 2015-16	Pimpri Chinchwad Municipal Corporation, Maharashtra

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has four CIC (which are exempted or not registered with Reserve Bank of India as being Systemically Important CIC). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
ICAI UDIN:24505725BKFQYA8806

PLACE: Gurugram

DATE: 20 APRIL 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA DEFENCE SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Defence Systems Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

FOR **B S R & CO. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
ICAI UDIN:24505725BKFQYA8806

PLACE: Gurugram

DATE: 20 APRIL 2024

BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
1. Non-current assets			
(a) Property, Plant and equipment	5	**10,482.73**	12,298.80
(b) Capital Work- in-Progress	8	**1,973.80**	709.68
(c) Right of use assets	6	**111.51**	–
(d) Intangible assets	9	**2,095.06**	2,671.14
(e) Intangible assets under development	10	**7,131.20**	1,222.13
(f) Financial assets			
(i) Investments	11	**2,290.47**	2,290.47
(ii) Trade receivables	12 & 40	**3,748.67**	4,004.69
(iii) Other financial assets	15	**200.51**	214.16
(g) Deferred tax assets (net)	16	**1,078.78**	956.79
(h) Other Tax Assets (net)	16A	**212.98**	313.97
(i) Other non-current assets	17	**9,172.80**	13,564.79
Total Non-current Assets		**38,498.51**	38,246.62
2 Current assets			
(a) Inventories	18	**29,245.27**	21,696.38
(b) Financial assets			
(i) Trade receivables	12 & 40	**20,249.57**	19,456.84
(ii) Cash and cash equivalents	19	**5,070.96**	6,483.85
(iii) Bank balances other than (ii) above	20	**86.03**	980.14
(iv) Investments	13	**5,006.62**	–
(v) Loans	14	**2,000.00**	500.00
(vi) Other financial assets	15	**892.18**	3,940.96
(c) Other current assets	17	**13,846.05**	9,757.54
Total Current Assets		**76,396.68**	62,815.71
Assets held-for-sale	7	**2,154.59**	–
Total Assets		**1,17,049.78**	1,01,062.33
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	21	**1,672.37**	1,672.37
(b) Other equity		**46,729.62**	44,360.71
Total Equity		**48,401.99**	46,033.08
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	49	**72.83**	–
(ii) Other Financial Liabilities	24	**36.77**	26.76
(b) Provisions	22	**1,311.81**	981.82
(c) Other non current Liabilities	26	**27,518.95**	29,906.19
Total Non-current Liabilities		**28,940.36**	30,914.77
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**8,000.00**	–
(ii) Lease Liabilities	49	**46.31**	–
(iii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises;	25 & 40	**1,794.89**	947.29
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**12,191.74**	12,983.52
(iv) Other financial liabilities	24	**2,309.89**	1,088.76
(b) Other current liabilities	26	**13,552.87**	8,360.80
(c) Provisions	22	**711.73**	416.88
(d) Current tax liabilities (net)	16B	**–**	317.23
Total Current Liabilities		**38,607.43**	24,114.48
Liabilities classified as held for sale	7	**1,100.00**	–
Total Liabilities		**68,647.79**	55,029.25
Total Equity and Liabilities		**1,17,049.78**	1,01,062.33
The accompanying notes forming part of the financial statements	1 to 57		

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Deepesh Sharma
Partner
Membership No.: 505725

Place : Gurugram
Date : April 20, 2024

For and on behalf of **Board of Directors**
Mahinda Defence Systems Limited

Vinod Kumar Sahay
Managing Director
DIN: 07884268

Sukhvindar Hayer
Director
DIN: 07272511

Mukul Verma
Chief Financial Officer
PAN : AAXPV0241R

Ashvin Patni
Company Secretary
ACS: 68031

Place : Mumbai
Date : April 20, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Revenue from operations	27	**62,432.19**	36,023.82
Other income	28	**1,797.08**	1,978.68
Total Income		**64,229.27**	38,002.50
Expenses			
Cost of materials consumed	29	**30,563.03**	10,816.07
Purchases of stock-in-trade	30	**–**	431.49
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	**4,237.46**	(5,796.32)
Employee benefits expense	32	**8,163.73**	6,709.61
Finance costs	33	**327.70**	119.79
Depreciation and amortisation expense	34	**1,833.59**	2,273.98
Subcontracting and service charges		**6,301.26**	8,825.16
Other expenses	35	**7,974.14**	6,523.51
Total expenses		**59,400.91**	29,903.29
Profit before tax		**4,828.36**	8,099.21
Tax expense			
Current tax	36	**1,295.51**	2,508.19
Deferred tax credit	36	**(114.02)**	(252.94)
Total tax expense		**1,181.49**	2,255.25
Profit for the year		**3,646.87**	5,843.96
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements gain/(loss) of the defined benefit plans	39	**(31.66)**	110.42
Income tax relating to these items	36	**7.97**	(27.79)
Total other comprehensive income/(expense) for the year		**(23.69)**	82.63
Total comprehensive income for the year		**3,623.18**	5,926.59
Earnings per share (Face value of Rs 10 per share) (in Rs.)			
– Basic earnings per share (in Rs.)	38	**21.81**	34.94
– Diluted earnings per share (in Rs.)	38	**21.81**	34.94
The accompanying notes forming part of the financial statements	1 to 57		

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Deepesh Sharma
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Membership No.: 505725

Place : Gurugram
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For and on behalf of **Board of Directors**
Mahinda Defence Systems Limited

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Chief Financial Officer
PAN : AAXPV0241R

Ashvin Patni
Company Secretary
ACS: 68031

Place : Mumbai
Date : April 20, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit after tax	**3,646.87**	5,843.96
Adjustments for:		
Tax expense	**1,181.49**	2,255.25
Interest income under the effective interest method on bank deposits	**(135.74)**	(446.76)
Interest on loans to related parties	**(57.58)**	(36.96)
Loss on sale of property, plant and equipment (net)	**10.54**	48.45
Net gain on disposal/fair valuation of investments carried at fair value through profit or loss	**(56.74)**	(590.87)
Dividend income	**(497.74)**	–
Depreciation and amortisation expense	**1,833.59**	2,273.98
Excess provision/liabilities, no longer required written back	**(579.45)**	(152.69)
Provision for loss allowance on trade receivables	**36.10**	566.54
Unrealised (gain)/loss on foreign currency transaction and translation	**99.84**	(180.63)
Finance costs	**320.37**	3.32
Interest on delay in payments of income tax	**–**	27.35
Intangible assets under development written off	**0.42**	166.71
Capital work-in-progress expensed off	**3.00**	–
Loss allowance on capital advance	**–**	110.00
	5,804.97	9,887.65
Movements in working capital:		
(Increase) in trade receivables	**(535.18)**	(282.85)
(Increase) in inventories	**(7,548.89)**	(15,973.32)
Decrease/(Increase) in other assets	**90.02**	(7,728.74)
(Increase)/Decrease in other financial assets	**(342.23)**	1,813.86
Increase in trade and other payables	**65.97**	5,414.74
Increase/(Decrease) in provisions	**593.18**	(25.28)
Increase in other liabilities	**3,837.02**	1,678.07
Cash (used)/generated from operating activities	**1,964.86**	(5,215.87)
Income taxes paid (Net of refund)	**(1,511.75)**	(2,224.15)
Net cash (used)/generated from operating activities (A)	**453.11**	(7,440.02)
Cash flows from investing activities		
Acquisition of property, plant and equipment, intangible assets, capital work-in-progress and capital advances	**(6,904.23)**	(8,928.78)
Proceeds from sale of property, plant and equipment	**42.42**	57.66
Dividend Income	**497.74**	–
Interest income	**292.43**	477.80
Bank deposits placed during the year	**(474.30)**	(3,048.31)
Bank deposits matured during the year	**4,673.96**	5,123.22
Acquisition of subsidiary	**–**	(2,290.47)
Proceed from current investment	**13,518.11**	35,367.93
Acquisition of current investment	**(18,468.00)**	(22,930.62)
Inter corporate deposit given	**(2,000.00)**	(1,500.00)
Inter corporate deposit refunded	**500.00**	3,500.00
Net cash generated from/ (used in) by investing activities (B)	**(8,321.87)**	5,828.43
Cash flows from financing activities		
Proceeds from Borrowings	**8,750.00**	–
Repayment of Borrowings	**(750.00)**	–
Interest paid (Refer Note (b))	**(266.33)**	(3.32)
Dividends paid (Refer Note No. 56)	**(1,254.27)**	(1,254.27)
Principal payment of lease liabilities	**(23.53)**	(143.83)
Net cash (used in) from financing activities (C)	**6,455.87**	(1,401.42)
Net (decrease) in cash and cash equivalents (A+B+C)	**(1,412.89)**	(3,013.01)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024 (CONT...)

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents at the beginning of the year	**6,483.85**	9,496.86
Cash and cash equivalents at the end of the year (Refer Note No: 19)	**5,070.96**	6,483.85

Explanatory notes to the Statement of Cash Flows:

a) The cash flows from operating activities section in standalone statement of cash flows from operating activities has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

b) Interest paid includes the interest portion of the lease liabilities.

c) Figures in bracket indicate cash outflow.

d) The Company has used profit or loss after tax as the starting point for presenting operating cash flows, the statement can also be prepared with profit or loss before tax as the starting point.

e) The following is the movement in lease liabilities:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	**–**	143.83
Additions	**142.67**	–
Finance costs accrued during the year	**8.92**	1.84
Payment of lease liabilities and finance cost accrued during the year	**(32.45)**	(145.67)
Balance at the end of the year	**119.14**	–

e) The following is the movement in Borrowings taken:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	**–**	–
Additions	**8,750.00**	–
Finance costs accrued during the year	**–**	–
Payment of borrowings and finance cost accrued during the year	**(750.00)**	–
Balance at the end of the year	**8,000.00**	–

f) The Company has also undrawn credit facility of Rs. 7,500 lakhs (March 31, 2023: Rs. 7,500 lakhs) for its future operating activities.

The accompanying notes forming part of the financial statements 1 to 57

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Deepesh Sharma
Partner
Membership No.: 505725

Place : Gurugram
Date : April 20, 2024

For and on behalf of **Board of Directors**
Mahinda Defence Systems Limited

Vinod Kumar Sahay
Managing Director
DIN: 07884268

Sukhvindar Hayer
Director
DIN: 07272511

Mukul Verma
Chief Financial Officer
PAN : AAXPV0241R

Ashvin Patni
Company Secretary
ACS: 68031

Place : Mumbai
Date : April 20, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a. Equity share capital

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	
Balance as at April 1, 2023	1,672.37
Changes in equity share capital during the year	–
As at March 31, 2024	**1,672.37**
Balance as at April 1, 2022	1,672.37
Changes in equity share capital during the year	–
As at March 31, 2023	**1,672.37**

b. Other Equity

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities premium	Retained earnings	
Balance as on April 1, 2023	**2,412.24**	**27,622.68**	**14,325.79**	**44,360.71**
Profit for the year	–	–	3,646.87	3,646.87
Other comprehensive income/(expense) for the year	–	–	(23.69)	(23.69)
Total Comprehensive Income for the year	–	–	3,623.18	3,623.18
Transactions with owners of the Company				
Contributions and distributions				
Dividends	**–**	**–**	**(1,254.27)**	**(1,254.27)**
Total transactions with owners of the Company	**–**	**–**	**(1,254.27)**	**(1,254.27)**
Balance at March 31 , 2024	**2,412.24**	**27,622.68**	**16,694.70**	**46,729.62**

Previous year

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities premium	Retained earnings	
Balance as on April 1, 2022	**2,412.24**	**27,622.68**	**9,653.47**	**39,688.39**
Profit for the year	–	–	5,843.96	5,843.96
Other comprehensive income for the year	–	–	82.63	82.63
Total Comprehensive Income for the year	–	–	5,926.59	5,926.59
Transactions with owners of the Company				
Contributions and distributions				
Dividends	**–**	**–**	**(1,254.27)**	**(1,254.27)**
Total transactions with owners of the Company	**–**	**–**	**(1,254.27)**	**(1,254.27)**
Balance at March 31 , 2023	**2,412.24**	**27,622.68**	**14,325.79**	**44,360.71**

Capital reserve: This reserve represents reserve recognised on amalgamation of the erstwhile Defence Land Systems India Limited with the Company being the difference between Company's investment value and share capital of the transferor Company.

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilised or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

The accompanying notes forming part of the financial statements 1 to 57

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Deepesh Sharma
Partner
Membership No.: 505725

Place : Gurugram
Date : April 20, 2024

For and on behalf of **Board of Directors**
Mahinda Defence Systems Limited

Vinod Kumar Sahay
Managing Director
DIN: 07884268

Sukhvindar Hayer
Director
DIN: 07272511

Mukul Verma
Chief Financial Officer
PAN : AAXPV0241R

Ashvin Patni
Company Secretary
ACS: 68031

Place : Mumbai
Date : April 20, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. **Company overview**

Mahindra Defence Systems Limited is a public limited company incorporated on July 30, 2012 under the Companies Act, 1956 ("the Act"). The Company is a subsidiary of Mahindra & Mahindra Limited. The Company is engaged in design, development, manufacture, supply, dealing, operating, trading, overhaul, repair, maintenance and service of all kinds of defence vehicle and other defence equipment including training to armed forces people through specific equipments. The Company is also engaged in business of consultancy, training, implementation, management, maintenance and audit in the areas of information security, physical security, homeland security, critical infrastructure security, IT systems & network security, applications security, web & software security, change management & training, business continuity, disaster recovery, governance, loss prevention, fraud risk management, forensics, third party assessment and other allied areas with the objective of derisking the business and mitigation of loss arising from such security risks. The address of company's registered office is Mahindra Towers, P.K. Kurne Chowk, Dr. G.M. Bhosale Marg, Worli, Mumbai-400018 and the address of its corporate office is Mahindra Towers, 1st Floor, 2-A, Bhikaji Cama Place, New Delhi- 110066.

2. **Basis of preparation and presentation**

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies ('Indian Accounting Standards') Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements were approved for issue by the Board of Directors of the Company on 20 April 2024.

Details of the Company's material accounting policies are included in Note 3.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), and are rounded to two decimal places of lakhs, which is also the functional and presentation currency of the Company.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liabilities that are measured at fair value or at amortized cost. Refer Note 40.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

. <u>Judgments</u>

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following Note:

– Note 3.12 - Judgement required to whether an arrangement contains a lease or to ascertain lease classification

<u>Assumption and estimation uncertainties</u>

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

– Note 3.2 - Measurements of defined benefit obligations: Key actuarial assumptions;

– Note 3.6 and 3.7 - Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets

– Note 2.5 and 3.8 - Fair value measurement of financial instruments

– Note 3.10 and 3.11 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

– Note 3.9 - Impairment of financial and non-financial assets

– Note 3.1 - Expected cost of completion of contracts

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Company's Chief Financial Officer.

The management of the Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability, or

– In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

– Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 38.

2.6 Current/non-current classification

Based on time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

3. **Material Accounting Policies**

3.1 Revenue recognition

i. Revenue from sale of goods

Revenue from sale of goods is recognised when control of the goods being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms agreed with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term.

ii. Revenue from rendering of services

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

(a) the customer simultaneously consumes the benefit of the Company's performance or

(b) the customer controls the asset as it is being created/ enhanced by the Company's performance or

(c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligation is considered as satisfied at a point in time.

iii. Revenue from turnkey project related activity is recognised as follows

Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Contract assets". For contracts where progress billing exceeds the aggregate of contract costs incurred to date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Deferred revenue". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed and unbilled on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

iv. Transaction price

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in statement of profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

Revenue includes adjustments made towards liquidated damages wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

v. Significant financing component

Advances received towards execution of defence related projects are not considered for determining significant financing component since the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the Company. The objective is to provide the contracting parties with protection from the other party failing to adequately complete some or all of its obligations under the contract. In respect of other contracts, the existence of significant financing component is reviewed on a case to case basis.

vi. Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by nature of goods and service. Refer Note 50.

3.2 Employee benefits

i. Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the Statement of Profit and Loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income ('OCI'). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits - compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the Balance Sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

vi. Share based payments

The employees of the Company covered under Mahindra & Mahindra Limited (Holding company) Employee Stock Option Scheme ('M&M ESOS') are granted an option to purchase shares of Mahindra & Mahindra Limited in accordance with the terms and conditions of the scheme as approved by Mahindra & Mahindra Limited from time to time.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as cash settled share-based payment scheme in accordance with Ind AS 102 - Share Based Payment. The fair value of options granted is recognized as employee benefits expense, net of reimbursements, if any.

3.3 Dividend, interest income, interest expenses and duty drawback

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Duty Drawback and export incentive has been recognized when the grant becomes receivable in the of Statement of Profit and Loss as other operating income.

3.4 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of transaction a) affects neither accounting nor taxable profit or loss and b) does not give rise to equal taxable and deductible temporary difference;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished goods are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished goods shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower.

3.6 Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is recognized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below:

Asset category	Management's estimate of useful life considered by (Years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Buildings	3-30	30
Plant and equipment	2-15	15
Furniture and Fixtures	2-10	10
Office Equipment	2-5	5
Vehicles	5	8
Computers	2-6	3

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Residual value of an asset is not more than five percent of the original cost of the asset.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

iv. Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

v. Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

vi. De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

vii. Transition to Ind AS

The cost property, plant and equipment at April 1, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

3.7 Intangible Assets

i. Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any.

ii. Subsequent expenditure

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognized in the Statement of Profit and Loss, as incurred.

iii. Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

iv. Derecognition of intangible assets

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

v. Transition to Ind AS

The cost of Intangible assets at April 1, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

vi. Amortization and useful lives of intangible assets

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of Profit and Loss. Residual value of software is nil and for product design and prototypes residual values is value committed by a third party to purchase the asset at the end of its useful life.

The estimated useful lives are as follows:

Asset category	Management's estimate of useful life considered by (Years)
Computer software	5
Product design and prototypes	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

vii. Derecognition

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

viii. Transition to Ind AS

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its intangible assets and use that as its deemed cost.

ix. Intangible asset under development

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

3.8 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets other than trade receivables includes investment in mutual funds, bank deposits, security deposits, interest receivables, loans to related parties and other receivables.

The Company's financial liabilities include borrowings, trade and other payables, security deposits received, capital creditors, interest payables, accrued salaries and benefit and other deposits.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

– amortised cost;

– Fair value through Other Comprehensive Income ('FVOCI') – debt investment;

– FVOCI – equity investment; or

– Fair value through Profit and Loss ('FVTPL')

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all investments in mutual funds (Refer Note 40).

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when:

– the contractual rights to the cash flows from the financial asset expire; or

– it transfers the rights to receive the contractual cash flows in a transaction in which either:

  • substantially all of the risks and rewards of ownership of the financial asset are transferred; or

  • the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Impairment of financial and non-financial assets

i. Financial instruments and contract assets

The Company recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost;

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and loans are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

– the financial asset is more than 365 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the debtor;

– a breach of contract such as a default or being more than 365 days past due;

– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). Corporate assets are allocated to CGUs being tested considering a reasonable basis of allocation.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Carrying amounts of the assets in the CGU are reduced on a pro rata basis.

The Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Provisions (other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency, average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. Provision for warranty is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.11 Contingent liabilities and assets

i. Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

ii. Contingent assets

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.12 Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the Balance Sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease as part of 'other income'. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the companies expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

The Company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

3.13 Earnings per share

i. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit (or loss) attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

ii. Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

3.14 Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.16 Investment in subsidiaries

Investment in subsidiaries (under Ind AS 27) are carried at cost, less any impairment in the value of investment, in these financial statements.

3.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Chairman and Managing Director who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

4.1. Standard issued but not yet effective

As on date of release of these financial statements, MCA has not issued any standards/amendments to accounting standards which are effective from 1 April 2024.

Note No: 5 - Property, plant and equipment

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	Land- Free Hold #	Buildings*	Plant and equipment	Office equipment	Computers	Furniture and Fixtures	Vehicles	Total
I. Cost or deemed cost								
Balance as at April 1, 2023	7,407.17	2,742.62	4,087.97	253.45	661.09	281.49	1,066.77	16,500.56
Additions	–	51.22	944.98	65.00	116.16	33.54	213.47	1,424.37
Disposal/write off /transfer to assets held for sale	(2,154.59)	(0.36)	(70.67)	(8.38)	(13.06)	(1.03)	(153.14)	(2,401.23)
Balance as at March 31, 2024	**5,252.58**	**2,793.48**	**4,962.28**	**310.07**	**764.19**	**314.00**	**1,127.10**	**15,523.70**
II. Accumulated depreciation								
Balance as at April 1, 2023	–	1,029.61	1,865.99	158.02	489.02	210.38	448.79	4,201.76
Depreciation expense for the year	–	91.65	622.91	30.36	84.95	11.66	191.36	1,032.89
Eliminated on disposal/write off	–	(0.28)	(61.40)	(7.87)	(12.40)	(0.86)	(110.87)	(193.68)
Balance as at March 31, 2024	**–**	**1,120.98**	**2,427.50**	**180.51**	**561.57**	**221.18**	**529.28**	**5,040.97**
III. Net carrying amount (I-II)	**5,252.58**	**1,672.50**	**2,534.78**	**129.56**	**202.62**	**92.82**	**597.82**	**10,482.73**

* Part of building measuring 42,488 Sq Ft out of total area of 2,61,274 Sq Ft is leased out.

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	Land- Free Hold #	Buildings*	Plant and equipment	Office equipment	Computers	Furniture and Fixtures	Vehicles	Total
I. Cost or deemed cost								
Balance as at April 1, 2022	3,177.92	2,712.44	2,584.01	225.78	566.74	335.73	1,037.27	10,639.89
Additions	4,231.97	59.76	1,635.50	50.07	131.65	34.72	335.48	6,479.15
Disposal/write off	(2.72)	(29.58)	(131.54)	(22.40)	(37.30)	(88.96)	(305.98)	(618.48)
Balance as at March 31, 2023	7,407.17	2,742.62	4,087.97	253.45	661.09	281.49	1,066.77	16,500.56
II. Accumulated depreciation								
Balance as at April 1, 2022	–	940.62	1,551.40	156.65	469.92	275.31	511.62	3,905.52
Depreciation expense for the year #	–	100.32	433.26	22.61	54.54	12.92	180.65	804.31
Eliminated on disposal/write off	–	(11.33)	(118.68)	(21.25)	(35.44)	(77.84)	(243.48)	(508.07)
Balance as at March 31, 2023	–	1,029.61	1,865.99	158.02	489.02	210.38	448.79	4,201.76
III. Net carrying amount (I-II)	7,407.17	1,713.01	2,221.98	95.43	172.07	71.11	617.98	12,298.80

* Part of building measuring 42,488 Sq Ft out of total area of 2,61,274 Sq Ft is leased out.

The details of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company is given below:

Description of property	As at the balance sheet date		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director/ employee of promoter/ director	Property held since which date	Reason for not being held in name of Company
	Gross carrying value (Rs. lakhs)	Carrying value in the financial statements (Rs. lakhs)				
Freehold land located at Prithla	836.42	836.42	Mahindra Defence Land Systems Private Limited	No	From January 01, 2017 appointed date as per the approved scheme of Amalgamation (the Scheme)	The title deed have been transferred to and vested in the Company, pursuant to the Scheme of Amalgamation of Defence Land Systems India Limited (formerly Mahindra Defence Land Systems Private Limited) with the Company in an earlier year.

Note No: 6 - Right of use assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	**Amount**	**Description of Assets**	**Amount**
Balance as at April 1, 2023	**–**	Balance as at April 1, 2022	826.78
Additions	**148.68**	Additions	–
Balance as at March 31, 2024	**148.68**	**Balance as at March 31, 2022**	**826.78**
II. Accumulated amortisation		II. Accumulated amortisation	
Balance as at April 1, 2023	**–**	Balance as at April 1, 2021	708.66
Amortisation expense for the year	**37.17**	Amortisation expense for the year	118.12
Balance as at March 31, 2024	**37.17**	**Balance as at March 31, 2023**	**826.78**
III. Net carrying amount (I-II)	**111.51**	**III. Net carrying amount (I-II)**	**–**

Note No: 7 - Assets & Liabilities classified as held for sale

The Company has executed memorandum of understanding on October 20, 2023 with potential buyer for sale of Land at Chimbali, Pune, Maharastra and advance payment of Rs. 1,100 Lakhs has been received. The management is expecting that sales will be completed in the next year

Note No: 8 - Capital work- in-progress

(All amounts in Rs. Lakhs, unless otherwise stated)

Description of Assets	**Total**	**Description of Assets**	**Total**
Balance as at April 1, 2023	**709.68**	Balance as at April 1, 2022	383.64
Additions	**2,689.18**	Additions	7,942.47
Capitalised	**(1,422.06)**	Capitalised	(7,012.09)
Expensed off	**(3.00)**	Expensed off	(604.34)
Balance as at March 31, 2024	**1,973.80**	**Balance as at March 31, 2023**	**709.68**

(a) Capital work-in-progress Ageing Schedule

As at March 31, 2024	**Amount in Capital work-in-progress for a period of**				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	1,389.38	583.09	1.33	–	1,973.80

As at March 31, 2023	**Amount in Capital work-in-progress for a period of**				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	640.08	69.60	–	–	709.68

(b) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				
As at March 31, 2024	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress					
Project 1	1,670.31	–	–	–	1,670.31
(ii) Projects temporarily suspended	–	–	–	–	–

As at March 31, 2023	**To be completed in**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress					
Project 1	64.13	–	–	–	64.13
(ii) Projects temporarily suspended	–	–	–	–	–

There were no projects in respect of which the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023.

Note No: 9 - Intangible assets

Description of assets	Software	Product design and prototypes (Note 1 Below)	Total
I. Cost			
Balance as at April 1, 2023	133.80	6,228.14	**6,361.94**
Additions	27.49	159.97	**187.46**
Disposal/Write -offs	–	–	**–**
Balance as at March 31, 2024	**161.29**	**6,388.11**	**6,549.40**
II. Accumulated amortisation			
Balance as at April 1, 2023	133.14	3,557.67	**3,690.81**
Amortisation expense for the year	1.45	762.08	**763.53**
Eliminated on disposal of assets	–	–	**–**
Balance as at March 31, 2024	**134.59**	**4,319.75**	**4,454.34**
III. Net carrying amount (I-II)	**26.70**	**2,068.36**	**2,095.06**

(Previous year) **(All amounts in Rs. Lakhs, unless otherwise stated)**

Description of assets	Software	Product design and prototypes (Note 1 Below)	Total
I. Cost or deemed cost			
Balance as at April 1, 2022	194.14	6,073.55	**6,267.69**
Additions	–	539.98	**539.98**
Disposal/Write - offs	(60.34)	(385.39)	**(445.73)**
Balance as at March 31, 2023	**133.80**	**6,228.14**	**6,361.94**
II. Accumulated amortisation			
Balance as at April 1, 2022	192.16	2,592.83	**2,784.99**
Amortisation expense for the year	1.32	1,350.23	**1,351.55**
Eliminated on disposal of assets	(60.34)	(385.39)	**(445.74)**
Balance as at March 31, 2023	**133.14**	**3,557.67**	**3,690.80**
III. Net carrying amount (I-II)	**0.66**	**2,670.47**	**2,671.14**

Note 1 : Product design and prototypes includes specified projects with net carrying amount as at March 31 2024 Rs 0.65 Lakhs with a remaining amortisation period of less than 1 year and Rs 1,908.24 Lakhs with a remaining amortisation period of more than 1 year but less than 3 years and Rs. 158.81 with a remaining amortisation period of more than 3 years (Previous year Product design and prototypes includes specified projects with net carrying amount as at March 31, 2023 Rs. 1.46 lakhs with a remaining amortisation period of 1 year and Rs 90.02 Lakhs with a remaining amortisation period of less than 1 year and Rs 2,578.98 Lakhs with a remaining amortisation period of more than 3 years)

Note No : 10 - Intangible assets under development **(All amounts in Rs. Lakhs, unless otherwise stated)**

Description of Assets	Total	Description of Assets	Total
Balance as at April 1, 2023 #	**1,222.13**	**Balance as at April 1, 2022 #**	**297.11**
Additions	6,096.95	Additions	1,672.71
Capitalised**	(187.46)	Capitalised**	(580.98)
Expensed off	(0.42)	Expensed off	(166.71)
Balance as at March 31, 2024 #	**7,131.20**	**Balance as at March 31, 2023 #**	**1,222.13**

The above includes eligible design and prototype related development expenditure with respect to specified projects. On capitalisation, the same would be amortised over 3 to 5 years based on economic benefits expected from its use.

** During the year Rs 159.97 Lakhs (Previous Year Rs. 539.98 Lakhs) capitalised in Product design and prototypes and Rs 27.49 Lakhs in Software (Previous Year Rs 41.00 Lakhs capitalised in computers).

(a) Intangible assets under development ageing schedule **(All amounts in Rs. Lakhs, unless otherwise stated)**

As at March 31, 2024	**Amount in Intangible under development for a period of**				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	6,069.46	1,061.74	–	–	7,131.20
Projects temporarily suspended	–	–	–	–	–

As at March 31, 2023	Amount in Intangible under development for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,061.74	0.42	107.86	52.11	1,222.13
Projects temporarily suspended	–	–	–	–	–

(b) Intangible assets under development completion schedule of overdue projects

As at March 31, 2024	**To be Completed In**				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress					
Project 1 - Defence related	–	–	–	–	–
(ii) Projects temporarily suspended	–	–	–	–	–

As at March 31, 2023	To be Completed In				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress					
Project 1 - Defence related	159.98	–	–	–	159.98
(ii) Projects temporarily suspended	–	–	–	–	–

There were no projects in respect of which the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023.

Note No : 11 Non Current Investments **(All amounts in Rs. Lakhs, unless otherwise stated)**

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Number of Shares**	**Amounts**	Number of Shares	Amounts
Investments measured at cost - unquoted				
Investments in subsidiary companies				
Mahindra Telephonics Integration Systems Limited [50,784,313 shares at par value of ₹ 10 per share (March 31, 2023: 50,784,313 shares at par value of ₹ 10 per share)]	**50,784,313**	**2,590.00**	50,784,313	2,590.00
Less : Aggregate amount of impairment in value of investment		**(2,590.00)**		(2,590.00)
Mahindra Emirates Vehicle Armouring FZ-LLC [8,800 shares at par value of AED 1,000 per share (March 31, 2023: 8,800 shares at par value AED 1,000 per share)]	**8,800**	**2,290.47**	8,800	2,290.47
Aggregate Carrying Value of Unquoted Non-Current Investment in Subsidiary	**50,793,113**	**2,290.47**	50,793,113	2,290

Note No : 12 Trade receivables **(All amounts in Rs. Lakhs, unless otherwise stated)**

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Current**	**Non–Current**	Current	Non–current
Trade receivables				
Trade receivable considered good- unsecured	**20,249.57**	**3,748.67**	19,456.84	4,004.69
Trade receivables - credit impaired	**736.39**	**–**	954.28	–
Total trade receivables	**20,985.96**	**3,748.67**	20,411.12	4,004.69
Less : Loss allowance	**736.39**	**–**	954.28	–
	20,249.57	**3,748.67**	19,456.84	4,004.69
Of the above, trade receivables from related parties are as below:				
– Trade receivables due from related parties (Refer Note No. 41)	**243.70**	**–**	678.39	–
	243.70	**–**	678.39	–

(i) The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	**954.28**	387.74
Add: Remeasurement of loss allowance/created during the year	**36.10**	566.54
Less: Amounts written off	**(253.99)**	–
Balance at end of the year	**736.39**	954.28

Refer Note No: 40 - Financial Instruments for disclosures related to ageing, credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 13 Current Investments

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments mandatorily at fair value through profit and loss - Quoted		
ABSL Liquid Fund Direct Plan Growth- 1,284,801.23 units (previous year NIL units) of Rs. 10 each	**5,006.62**	–
	5,006.62	–
Aggregate market value of unquoted investments	**5,006.62**	–

Refer Note No: 40 - Financial Instruments for disclosures related to ageing, credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 14 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
	Current	Current
Unsecured considered good unless otherwise stated (at amortised cost)		
Loans to related parties (Refer Note No. 41)	**2,000.00**	500.00
	2,000.00	500.00

Loans to related parties (for working capital purpose) are bearing interest of 9.25% (previous year 5.85% to 9.25%) and are for short term durations ranging from 3 months to 9 months (previous year 3 months to 6 months). No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person.

Refer Note No: 40 - Financial Instruments for disclosures related to ageing, credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 15 Other financial assets

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2024		As at March 31, 2023	
Particulars	Current	Non-current	Current	Non-current
Unsecured, considered good, unless otherwise stated				
Security deposits	**61.06**	**200.51**	21.58	214.16
Interest accrued on bank deposits	**1.04**	**–**	135.05	–
Bank deposits with original maturity more than 12 months	**–**	**–**	3,305.55	–
Interest accrued on loan to related party (Refer Note No 41)	**36.17**	**–**	1.27	–
Other receivables (Refer Note No 41)	**793.91**	**–**	477.51	–
	892.18	**200.51**	3,940.96	214.16

Refer Note No: 40 - Financial Instruments for information about the Company’s exposure to credit and market risks, and fair value measurement.

Note No : 16 Deferred tax assets (Net) **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Property, plant and equipment and intangible assets (net)	**255.85**	46.27
Employee related provisions and liabilities	**256.40**	228.37
Provision for loss allowance on trade receivables	**185.33**	495.85
Provision for warranty and provision for inventory	**333.03**	186.30
Assets held for sale	**48.17**	–
Total deferred tax assets (A)	**1,078.78**	956.79
Deferred tax liabilities		
Property, plant and equipment	**–**	–
Total deferred tax liabilities (B)	**–**	–
Net deferred tax assets (A - B)	**1,078.78**	956.79

Note No : 16A Other tax assets (net) **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good, unless otherwise stated		
Advance tax (net of provision of tax Rs. 4,618.95 lakhs) (previous year Rs. 3,238.54 Lakhs)	**212.98**	313.97
	212.98	313.97

Note No: 16B - Current tax liabilities (net) **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (previous year net of advance tax Rs. 4,481.05 Lakhs)	**–**	317.23
	–	317.23

Note No : 17 Other assets **(All amounts in Rs. Lakhs, unless otherwise stated)**

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Current**	**Non-Current**	Current	Non-current
Unsecured, considered good, unless otherwise stated				
Balances with government authorities	**10,477.95**	**–**	5,800.33	–
Advances to employees	**–**	**–**	21.11	–
Contract fulfillment Costs	**–**	**37.54**		
Prepaid expenses	**392.02**	**43.95**	763.49	93.59
Advances to suppliers	**2,967.17**	**9,036.68**	3,168.82	13,350.72
Capital advances	**–**	**54.63**	–	230.48
Less:- Allowance for capital advance	**–**	**–**	–	(110.00)
Capital advances (net of allowance)	**–**	**54.63**	–	120.48
Others	**8.91**	**–**	3.79	–
	13,846.05	**9,172.80**	9,757.54	13,564.79

Note No : 18 Inventories **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials {includes stock in transit of Rs. 1016.05 Lakhs (previous year Rs. 4,167.99 Lakhs)}*	**26,459.27**	14,836.51
Traded goods	**–**	683.89
Work in progress #	**1,335.82**	1,746.30
Finished Goods {includes stock in transit of Rs. NIL Lakhs (previous year Rs 50.51 Lakhs)} @	**1,232.91**	4,376.00
Stores and spares	**6.33**	41.32
Loose Tools	**210.94**	12.36
	29,245.27	21,696.38

* Net of provision for inventory Rs. 239.44 lakhs (previous year Rs. 201.78 lakhs)

Net of provision for inventory Rs. 4.85 lakhs (previous year Rs. 2.63 lakhs)

@ Net of provision for inventory Rs. 0.18 lakhs (previous year Rs. 0.71 lakhs)

Note No : 19 Cash and cash equivalents **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with bank		
– On current account	**3,070.96**	2,670.12
– Deposits with original maturity of less than three months	**2,000.00**	3,692.60
Cheque on hand	**–**	121.13
Cash on hand*	**–**	–
Cash and cash equivalents in the balance sheet	**5,070.96**	6,483.85

* Cash on hand as at March 31, 2024 in absolute number is Rs. 100 (previous year Rs. 110).

Note No : 20 Other bank balances

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
Deposits with banks with original maturity of more than three months but less than twelve months*	**86.03**	980.14
	86.03	980.14

* Deposits with original maturity of more than three months but less than twelve months of Rs. 86.03 lakhs (31 March 2023: Rs. 80.61 lakhs) is restricted in nature which is security for bids submitted.

Note No : 21 Equity share capital **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars		As at March 31, 2024		As at March 31, 2023	
		Number of Shares	Amount	Number of Shares	Amount
a)	**Authorised**				
	Equity shares of Rs. 10 each	**315,000,000**	**31,500.00**	315,000,000	31,500.00
b)	**Issued, subscribed and fully paid up**				
	Equity shares of Rs. 10 each fully paid up	**16,723,655**	**1,672.37**	16,723,655	1,672.37

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024 Number of Shares	As at March 31, 2024 Amount	As at March 31, 2023 Number of Shares	As at March 31, 2023 Amount
Shares outstanding at the beginning of the year	**16,723,655**	**1,672.37**	16,723,655	1,672.37
Add: Fresh issue of equity shares during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**16,723,655**	**1,672.37**	16,723,655	1,672.37

Shareholders holding more than 5% of the Equity Shares in the Company

Particulars	**As at March 31, 2024**		As at March 31, 2023	
Mahindra & Mahindra Limited (Holding company) jointly with its nominees	16,723,655	100%	16,723,655	100%

Disclosure of change in equity shareholding of promoters

Particulars	As at March 31, 2024 Number of Shares	As at March 31, 2024 % of total shares	% change during the year
Mahindra & Mahindra Limited (Holding company) jointly with its nominees^	16,723,655	100%	–

Particulars	As at March 31, 2023 Number of Shares	As at March 31, 2023 % of total shares	% change during the year
Mahindra & Mahindra Limited (Holding company) jointly with its nominees^	16,723,655	100%	–

^ The Holding Company is the beneficial owner of one equity share held by Jignesh Ashok Parikh.

Note No : 22 Provisions

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non–current	As at March 31, 2023 Current	As at March 31, 2023 Non–current
(i) Provision for employee benefits				
– Net defined benefit liability- Gratuity (Refer Note No. 39)	**69.84**	**594.03**	43.83	482.35
– Liability for compensated absences (Refer Note No. 39)	**35.28**	**253.24**	90.28	246.73
Total provisions for employee benefits (A)	**105.12**	**847.27**	134.11	729.08
(ii) Other provisions				
– Provision for warranties (Refer footnote (i) below)	**606.61**	**464.54**	202.24	252.74
– Other provisions (provision with respect to performance bank gurantee issued to the customer) (Refer footnote (ii) below)	**–**	**–**	80.53	–
Total other provisions (B)	**606.61**	**464.54**	282.77	252.74
Total Provisions(A+B)	**711.73**	**1,311.81**	416.88	981.82

(i) Details of movement in warranty

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	**454.98**	390.81
– Provisions made during the year	**645.22**	74.03
– Provisions used during the year	**(29.05)**	(9.86)
– Unwind of discount	**–**	–
Balance at end of the year	**1,071.15**	454.98

Provision for warranty represent the present value of managements best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within three years after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the three-year warranty period for all products sold. Further, specific warranty related cases identified are also covered.

(ii) Details of movement in other provisions **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**80.53**	100.00
– Additional provisions recognised	**–**	–
– Provision utilised/reversed during the year	**80.53**	19.47
Balance at the end of the year	**–**	80.53

Note No: 23 - Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings from Holding Company (Refer Note No. 41)	**8,000.00**	–
Total	**8,000.00**	–

Borrowings from related parties (for working capital purpose) are bearing interest of 7.89% to 8.03 % and are for short term durations of six months. No borrowings are taken from directors or other officers of the Company or any of them either severally or jointly with any other person.

Refer Note No: 40 - Financial Instruments for disclosures related to ageing, credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 24 Other financial liabilities **(All amounts in Rs. Lakhs, unless otherwise stated)**

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Current**	**Non-current**	Current	Non-current
Capital creditors	**904.90**	**–**	180.54	–
Interest accrued but not due on borrowings	**54.04**	**–**	–	–
Security deposits received	**3.50**	**36.77**	17.50	26.76
Employee related payable	**1,180.80**	**–**	864.98	–
Other Deposits	**166.65**	**–**	25.74	–
	2,309.89	**36.77**	1,088.76	26.76

Information about the Company's exposure to liquidity risks and market risk is included in Note 40.

Note No: 25 - Trade payables **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at March 31, 2024	As at March 31 , 2023
Total outstanding dues of micro enterprise and small enterprises (Refer Note No. 42)	**1,794.89**	947.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	**12,191.74**	12,983.52
	13,986.63	13,930.81

Information about the Company's exposure to liquidity risks and market risk is included in Note 40.

Note No: 26 - Other current liabilities **(All amounts in Rs. Lakhs, unless otherwise stated)**

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Current**	**Non-current**	Current	Non-current
Advances received from customers (Refer Note No. 50)	**13,245.04**	**27,518.95**	7,873.56	29,906.19
Others				
Statutory liabilities	**307.82**	**–**	487.24	–
	13,552.86	**27,518.95**	8,360.80	29,906.19

Note No: 27 Revenue from operations

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Revenue from contracts with customers		
Sale of goods	**43,764.78**	11,609.33
Sale of services		
Operation and maintence, training and support services	**13,105.40**	22,145.71
Turnkey contracts revenue	**5,467.32**	2,062.25
Other operating Revenue		
Sale of scrap	**69.45**	87.49
Duty drawback and other export incentives	**12.20**	119.04
Others	**13.04**	–
	62,432.19	36,023.82

Refer Note No 50: Disclosures as per Ind AS 115 for information about disaggregation of revenue by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

Note No: 28 - Other income

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Interest income under the effective interest method on:		
Bank deposits	**135.74**	446.76
Loans to related parties (Refer Note No. 41)	**57.58**	36.96
Dividend income	**497.74**	–
Service charges recovered	**277.13**	297.78
Net gain on foreign currency transactions	**–**	287.72
Other Income	**1.35**	–
Other non-operating income		
Rental income (Refer Note No. 49)	**166.08**	158.63
Net gain on disposal/fair valuation of investments carried at fair value through profit or loss	**56.74**	590.87
Net gain on sale of property, plant and equipment	**–**	7.27
Excess provision for liabilities, no longer required written back	**579.45**	152.69
Miscellaneous income	**25.27**	–
Total	**1,797.08**	1,978.68

Note No: 29 Cost of materials consumed

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Inventory of materials at the beginning of the year	**14,836.51**	4,680.88
Add: Purchases (net of returns)	**42,185.79**	20,971.70
Less: Inventory of materials at the end of the year	**26,459.27**	14,836.51
Total	**30,563.03**	10,816.07

Note No:30 Purchases of stock-in-trade

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Stock-in-trade - Spares Parts and other allied products	**–**	431.49
	–	431.49

Note No: 31 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Inventories at the end of the year:		
Finished goods	**1,232.91**	4,376.00
Work-in-progress	**1,335.82**	1,746.30
Traded Goods	**–**	683.89
	2,568.73	6,806.19
Inventories at the beginning of the year:		
Finished goods	**4,376.00**	120.73
Work-in-progress	**1,746.30**	467.89
Traded Goods	**683.89**	421.24
	6,806.19	1,009.87
(Increase)/ decrease in inventory	**4,237.46**	(5,796.32)

Note No:32 Employee benefits expense

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Salaries, wages and bonus	**7,349.34**	6,061.43
Contributions to provident and other funds	**354.65**	312.34
Expenses related to provision for gratuity	**176.09**	122.10
Expense on Employee Stock Option (ESOP) Scheme *	**–**	0.17
Staff welfare expenses	**283.65**	213.57
	8,163.73	6,709.61

* represents reimbursement of cost to holding company, towards ESOP's granted by the Holding company to employees of the Company. For detail Refer Note No. 43

Refer Note No. 39 - Employee benefits for more details.

Note No: 33 Finance costs

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	**64.12**	–
Interest on delay of payments to micro enterprises and small enterprises	**65.83**	89.12
Interest on delay in payments of statutory dues	**181.50**	1.48
Interest on delay in payments of income tax	**–**	27.35
Interest Other	**7.33**	–
Interest expense on lease liabilities (Refer Note No 49)	**8.92**	1.84
	327.70	119.79

Note No: 34 Depreciation and amortisation expense

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note No. 5)	**1,032.89**	804.31
Amortisation on right-of-use assets (Refer Note No. 6)	**37.17**	118.12
Amortisation on other intangible assets (Refer Note No. 9)	**763.53**	1,351.55
	1,833.59	2,273.98

Note No: 35 Other expenses

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	**174.64**	211.44
Tools consumed	**16.05**	18.26
Power and fuel	**242.15**	204.55
Rent (Refer Note No. 49)	**550.10**	333.04
Rates and taxes	**106.61**	46.47
Repairs and maintenance		
– building	**81.47**	45.23
– plant and equipment	**2,019.34**	1,629.26
– others	**54.88**	56.51
Insurance	**274.82**	265.15
Legal and professional fees*	**1,057.33**	468.46
Business support charges	**–**	280.49
Travelling and conveyance	**507.39**	512.36
Printing and stationery	**29.57**	30.09
Communication expenses	**36.13**	33.71
Software charges	**64.72**	38.30
Advertising and sales promotion	**155.80**	185.66
Loss on sale of property, plant and equipment (net)	**10.54**	55.72
Freight outward	**501.85**	192.88
Intangible assets under development written off	**–**	166.71
Provision for loss allowance on trade receivables	**36.10**	566.54
Loss allowance on capital advances	**–**	110.00
Warranty expenses	**645.22**	74.03
Net loss on foreign currency transaction and translation	**136.91**	–
Bank charges	**123.95**	110.54
Development and testing charges	**793.26**	399.48
Expenditure on corporate social responsibility (Refer Note No 48)	**182.51**	150.70
Miscellaneous	**172.80**	337.93
	7,974.14	6,523.51

* Legal and professional fees include payment to auditors :-

As auditor:		
Stautory Audit	58.00	55.00
Other services	10.00	8.00
Reimbursement of expenses	7.29	0.63
	75.29	63.63

Note No. 36 - Income Tax

Amounts recognised in statement of profit or loss:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense		
Current year	**1,295.51**	2,508.19
Current tax (A)	**1,295.51**	2,508.19
Deferred tax credit		
Attributable to-		
Origination and reversal of temporary differences	**(114.02)**	(252.94)
Deferred tax credit (B)	**(114.02)**	(252.94)
Total (A + B)	**1,181.49**	2,255.25

Amounts recognised in other comprehensive income

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Remeasurement of defined benefits obligations	**7.97**	(27.79)

Movement in deferred tax assets/(liabilities) balances

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Net balance April 1, 2023**	**Deferred tax not recognised**	**Recognised in profit or loss**	**Recognised in OCI**	**Net balance March 31, 2024**
Property, plant and equipment and intangible assets (net)	**46.27**	**–**	**209.58**	**–**	**255.85**
Employee related provisions and liabilities	**228.37**	**–**	**20.06**	**7.97**	**256.40**
Provision for loss allowance on trade receivables	**495.85**	**–**	**(310.52)**	**–**	**185.33**
Provision for warranty and provision for inventory	**186.30**	**–**	**146.73**	**–**	**333.03**
Assets held for sale	**–**	**–**	**48.17**	**–**	**48.17**
Deferred tax assets / (liabilities) (net)	**956.79**	**–**	**114.02**	**7.97**	**1,078.78**
Deferred tax liabilities					**–**
Deferred tax assets					**1,078.78**
Deferred tax asset recognised					**1,078.78**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Net balance April 1, 2022	Deferred tax not recognised	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Property, plant and equipment and intangible assets (net)	125.16	–	(78.89)	–	46.27
Employee related provisions and liabilities	240.29	–	15.87	(27.79)	228.37
Provision for loss allowance on trade receivables	232.27	–	263.58	–	495.85
Provision for warranty and provision for inventory	133.92	–	52.38	–	186.30
Deferred tax assets (net)	731.64	–	252.94	(27.79)	956.79
Deferred tax liabilities					–
Deferred tax assets					956.79
Deferred tax asset recognised					956.79

Reconciliation of effective tax rate:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Profit before tax	**4,828.36**	8,099.21
Income tax expense calculated at 25.168% (Previous year : 25.168%)	**1,215.20**	2,038.41
Effect of income exempt from taxation	**(125.27)**	(11.98)
Effect of expenses non deductible in determining taxable profits	**62.50**	152.06
Others	**29.06**	76.76
Income tax expense recognised in profit or loss	**1,181.49**	2,255.25

Note No: 37 - Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director ('MD') and Chairman to make decisions about resources to be allocated to the segments and assess their performance.

For management purposes, the Company is organised into business units based on its products and services to the customer and has two reportable segments, as follows:

– Defence and Homeland security

– Non Defence

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**			For the year ended March 31, 2023		
	Defence and homeland security	**Non-defence**	**Total**	Defence and homeland security	Non-defence	Total
External revenue	**61,599.40**	**738.10**	**62,337.50**	34,799.88	1,017.41	35,817.29
Segment profit before tax	**3,850.63**	**(174.60)**	**3,676.03**	7,446.53	152.72	7,599.24
Depreciation and amortisation	**1,786.34**	**23.87**	**1,810.21**	2,236.26	12.70	2,248.96
Other material items of income and expense and non-cash items:						
Segment assets	**105,268.02**	**482.79**	**105,750.81**	88,071.53	328.89	88,400.41
Segment liabilities	**59,256.60**	**256.71**	**59,513.31**	53,512.47	313.93	53,826.41

Reconciliations of information on reportable segments to the amounts reported in the financial statements:

(All amounts in Rs. Lakhs, unless otherwise stated)

(i) Profit before tax	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Total profit before tax for reportable segments	**3,676.03**	7,599.24
Other corporate expenses	**732.23**	(454.84)
Unallocated income		
Finance income	**193.32**	483.72
Dividend Income on Financial Instrument measured at Cost	**497.74**	–
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	**56.74**	590.87
Interest expense on lease liabilities	**(8.92)**	(1.84)
Finance costs	**(318.78)**	(117.95)
Profit before tax	**4,828.36**	8,099.21

(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Assets	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Total assets for reportable segments	**105,750.81**	88,400.41
Other unallocated amounts:		
Unallocable assets	**10,007.21**	11,391.16
Deferred tax assets	**1,078.78**	956.79
Current tax assets	**212.98**	313.97
Total assets	**117,049.78**	101,062.33

(All amounts in Rs. Lakhs, unless otherwise stated)

(iii) Liabilities	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Total liabilities for reportable segments	**59,513.31**	53,826.41
Other unallocated amounts		
Unallocable liabilities	**9,134.48**	1,202.84
Total liabilities	**68,647.79**	55,029.25

Addition to non current assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Defence and homeland security	**8,871.64**	6,988.18
Non-defence	**55.71**	5.32
Unallocable assets	**6.35**	25.64
Total addition to non current assets	**8,933.70**	7,019.13

Depreciation and Amortisation

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Reportable segment totals	**1,810.21**	2,248.96
Depreciaton on unallocated assets	**23.38**	25.02
Total depreciation and amortisation	**1,833.59**	2,273.98

Geographic information

The defence and homeland security and non-defence are managed from India and operating manufacturing facilities and sales offices are located in India. The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile i.e. India. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

(All amounts in Rs. Lakhs, unless otherwise stated)

(i) Revenue	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Revenue from external customers		
India	**58,425.12**	32,381.79
Outside India	**4,007.07**	3,642.03
Total sales	**62,432.19**	36,023.82

(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Non-current assets	**For the year ended March 31, 2024**	For the year ended March 31, 2023
India	**36,208.04**	35,956.15
Outside India	**2,290.47**	2,290.47
Total non-current assets	**38,498.51**	38,246.62

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Sale of goods	**43,764.78**	11,609.33
Sale of services		
Operation and maintence, training and support services	**13,105.40**	22,145.71
Turnkey contracts revenue	**5,467.32**	2,062.25
Total	**62,337.50**	35,817.29

The revenues from single customer exceeding 10% or more of entity's revenue is as under:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
External Customers		
Customer 1	**3,203.60**	5,153.63
Customer 2	**33,902.23**	4,915.35
Customer 3	**208.75**	2,628.08
Customer 4	**1,437.13**	1,609.00
Total	**38,751.71**	14,306.06

Note No: 38 Earnings per share ("EPS")

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to owners of the Company		
Profit attributable to equity holders of the Company	**3,646.87**	5,843.96
Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating EPS	**16,723,655**	16,723,655
Basic and Diluted earnings per share		
(a) Basic earnings per share (in Rs.)	**21.81**	34.94
(b) Diluted earnings per share (in Rs.)	**21.81**	34.94
Nominal Value per share		
Equity shares (in Rs.)	**10.00**	10.00

Note No. 39 - Employee benefits

(a) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident and other funds for the year aggregated to Rs. 354.65 Lakhs (Previous year: Rs 312.34 Lakhs).

(b) Defined Benefit Plans:

Gratuity

The Company has a gratuity plan covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk , longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Salary Risk

Higher than expected increases in salary will increase the defined benefit obligation.

Defined benefit plans

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Unfunded Plans Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Service cost	**138.13**	83.31
Net interest expense	**38.73**	38.78
Components of defined benefit costs recognised in profit or loss	**176.86**	122.09
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from changes in financial assumptions	**11.73**	(25.39)
Actuarial (gains)/loss arising from experience adjustments	**19.93**	(67.42)
Actuarial (gains)/loss arising from demographic adjustments	**–**	(17.61)
Components of defined benefit costs recognised in other comprehensive income	**31.66**	(110.42)
I. Net Asset/(Liability) recognised in the Balance Sheet at the end of the year		
1. Present value of defined benefit obligation at the end of the year	**663.87**	526.18
2. Fair value of plan assets at the end of the year	**–**	–
3. Surplus/(deficit)	**(663.87)**	(526.18)
4. Current portion of the above	**69.84**	43.83
5. Non current portion of the above	**594.03**	482.35
II. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**526.18**	569.48
2. Acquisition adjustment	**–**	11.72
3. Expenses recognised in Statement of Profit and Loss		
– Current service cost	**95.43**	83.31
– Past service cost	**42.70**	–
– Interest expense (income)	**38.73**	38.78
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
– Actuarial gain/(loss) arising from:		
i. Demographic assumptions	**–**	(17.61)
ii. Financial assumptions	**11.73**	(25.39)
iii. Experience adjustments	**19.93**	(67.42)
5. Benefit payments	**(70.83)**	(66.69)
Present value of defined benefit obligation at the end of the year	**663.87**	526.18

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows:-

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Unfunded plans Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial assumptions		
1. Discount rate	**7.11%**	7.36%
2. Salary Increase	**10.00**	10.00
3. Attrition rate		
Up to 30 years	**21.00**	21.00
31 to 44 years	**20.00**	20.00
above 44 years	**5.00**	5.00
4. Medical premium inflation	**–**	–
5. In service mortality	**IALM (2012-14)**	IALM (2012-14)

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is.

(All amounts in Rs. Lakhs, unless otherwise stated)

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate				
	2024	**1.00%**	**(47.03)**	**50.00**
	2023	1.00%	(38.64)	41.16
Salary growth rate				
	2024	**1.00%**	**48.42**	**(46.03)**
	2023	1.00%	39.95	(37.92)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	As at March 31, 2024	As at March 31, 2023
Within 1 year	**69.84**	43.83
1 - 2 year	**56.08**	51.10
2 - 3 year	**52.06**	43.30
3 - 4 year	**56.15**	40.76
4 - 5 year	**49.74**	39.70
5 - 6 years	**40.04**	34.85
6 years onwards	**339.97**	272.65
	663.88	526.19

(ii) Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognised in the statement of profit and loss. Amount of Rs.83.57 Lakhs (March 31, 2023: Rs. 94.13 Lakhs) has been recognised in the Statement of Profit and Loss.

	As at March 31, 2024	As at March 31, 2023
Compensated absences (unfunded)		
Current	**35.28**	90.28
Non-current	**253.24**	246.73
	288.52	337.01

Note No: 40 - Financial Instruments

a) The following methods and assumptions were used to estimate the fair values :

The following table shows the carrying amounts of financial assets and financial liabilities.

As at March 31, 2024

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial assets (non-current)				
Investments (Refer Note below)	**2,290.47**	**–**	**–**	**2,290.47**
Trade receivables	**3,748.67**	**–**	**–**	**3,748.67**
Other financial assets				
– Security deposits	**200.51**	**–**	**–**	**200.51**
Financial assets (current)				
– Trade receivables	**20,249.57**	**–**	**–**	**20,249.57**
– Cash and cash equivalents	**5,070.96**	**–**	**–**	**5,070.96**
– Other bank balances	**86.03**	**–**	**–**	**86.03**
– Investments	**–**	**5,006.62**	**–**	**5,006.62**
– Loans	**2,000.00**	**–**	**–**	**2,000.00**
Other financial assets				
– Security deposits	**61.06**	**–**	**–**	**61.06**
– Interest accrued on bank deposits	**1.04**	**–**	**–**	**1.04**
– Interest accrued on loan to related party	**36.17**	**–**	**–**	**36.17**
– Other receivable	**793.91**	**–**	**–**	**793.91**
Financial liabilities (non-current)				
Other financial liabilities				
– Lease Liabilities	**72.83**	**–**	**–**	**72.83**
Financial liabilities (current)				
Borrowings	**8,000.00**	**–**	**–**	**8,000.00**
Trade payables	**13,986.63**	**–**	**–**	**13,986.63**
Other financial liabilities				
– Lease Liabilities	**46.31**	**–**	**–**	**46.31**
– Capital creditors	**904.90**	**–**	**–**	**904.90**
– Interest accrued but not due on borrowings	**54.04**	**–**	**–**	**54.04**
– Security deposits received	**3.50**	**–**	**–**	**3.50**
– Employee related payable	**1,180.80**	**–**	**–**	**1,180.80**
– Others	**166.65**	**–**	**–**	**166.65**

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial assets (non-current)				
Investments (Refer Note below)	2,290.47	–	–	2,290.47
Trade receivables	4,004.69	–	–	4,004.69
Other financial assets				
– Security deposits	214.16	–	–	214.16
– Contracts fullfilment costs	–	–	–	–
Financial assets (current)				
Trade receivables	19,456.84	–	–	19,456.84
Cash and cash equivalents	6,483.85	–	–	6,483.85
Other bank balances	980.14	–	–	980.14
Loans	500.00	–	–	500.00
Other financial assets				
– Security deposits	21.58	–	–	21.58
– Interest accrued on bank deposits	135.05	–	–	135.05
– Interest accrued on loan to related party	1.27	–	–	1.27
– Bank deposits	3,305.55	–	–	3,305.55
– Other receivable	477.51	–	–	477.51
Financial liabilities (non-current)				
Other financial liabilities				
– Lease Liabilities	26.76	–	–	26.76
Financial liabilities (current)				
– Trade payables	13,930.81	–	–	13,930.81
Other financial liabilities				
– Capital creditors	180.54	–	–	180.54
– Secuity deposit received	17.50			17.50
– Employee related payable	864.98	–	–	864.98
– Others	25.74	–	–	25.74

Note : Investment in equity shares of subsidiaries amounting Rs 2,290.47 Lakhs (previous year Rs 2,290.47 Lakhs) (net of impairment loss) being carried at cost and is tested for impairment

b) Fair value hierarchy

The fair value of financial Instruments as referred to in note (a) above has been classified into three category depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value as at March 31, 2024

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments				
Investment in mutual funds	5,006.62	–	–	5,006.62
	5,006.62	–	–	5,006.62

Financial assets and liabilities measured at fair value as at March 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments				
Investment in mutual funds	–	–	–	–
	–	–	–	–

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed:

As at March 31, 2024

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets (non-current)				
Investments^	–	–	–	–
Trade receivables^	–	–	–	–
Other financial assets				
– Security deposits	–	–	–	–
Financial assets (current)				
Investments#	–	–	–	–
Trade receivables*	–	–	–	–
Cash and cash equivalents*	–	–	–	–
Other bank balances*	–	–	–	–
Loans*	–	–	–	–
Other financial assets	–	–	–	–
– Security deposits*	–	–	–	–
– Interest accrued on bank deposits*	–	–	–	–
– Interest accrued on loan to related party*				
– Bank deposits*	–	–	–	–
– Other receivable*	–	–	–	–
Financial liabilities (non-current)				
– Lease Liabilities**	–	–	–	–
Other financial liabilities				
– Security deposits received^	–	–	–	–
Financial liabilities (current)				
– Trade payables*	–	–	–	–
– Lease Liabilities**	–	–	–	–

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
Other financial liabilities				
– Capital creditors*	–	–	–	–
– Employee related payable*	–	–	–	–
– Others*	–	–	–	–

As at March 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets (non-current)				
Investments^	–	–	–	–
Trade receivables^	–	–	–	–
Other financial assets				
– Security deposits^	–	–	–	–
Financial assets (current)				
Investments#	–	–	–	–
Trade receivables*	–	–	–	–
Cash and cash equivalents*	–	–	–	–
Other bank balances*	–	–	–	–
Loans*	–	–	–	–
Other financial assets				
– Security deposits*	–	–	–	–
– Interest accrued on bank deposits*	–	–	–	–
– Interest accrued on loan to related party*				
– Bank deposits*	–	–	–	–
– Other receivable*	–	–	–	–
Financial liabilities (non-current)				
Other financial liabilities				
– Security deposits received^	–	–	–	–
Financial liabilities (current)				
Trade payables	–	–	–	–
Lease liabilities**				
Other financial liabilities				
– Capital creditors*	–	–	–	–
– Employee related payable*	–	–	–	–
– Others*	–	–	–	–

(i) Investment in subsidiaries (under Ind AS 27) are carried at cost.

Investment in mutual funds are measure at fair value through profit and loss. There fair value has been determined on the basis of market rate as on reporting date.

* The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets which comprise of security deposits receivable, interest on bank deposits, bank deposits, other receivable, short term borrowings, trade payables, lease liabilities, other current financial liabilities which comprise of security deposits received, capital creditors, employee related payables and others approximates the fair values, due to their short-term nature.

^ Non-current trade receivable do not contain significant financing component as the cash difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance. The other non-current financial assets represents security deposits paid which is paid to electricity department for procuring electricity services and non-current security deposit as clubbed in financial liabilities represents deposits received from customer, the carrying values of which approximates the fair values as on the reporting date.

** The lease liabilities represent non-current and current lease liabilities the carrying value of which approximates the fair values as on the reporting date.

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statement as at the Balance Sheet date.

Transfers between Levels 1, Level 2 and Level 3

There has been no transfer between level 1, level 2 and level 3 for the years ended March 31, 2024 and March 31, 2023.

c) **Financial Risk Management Framework**

The Company's activities may be exposed it to market risk, liquidity risk, credit risk and interest risk. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company has exposure to the following risks arising from financial instruments:

– credit risk
– liquidity risk
– market risk
– currency risk
– price risk

The Company's risk management is carried out by a treasury department under the supervision of Chief Financial Officer of the Company. The treasury department identifies and evaluates financial risks. The board of directors provides oversees overall risk management, as well as policies covering specific areas, such as interest rate risk, liquidity risk etc.

The Board of Directors of the Company oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(i) **Credit risk management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is represented by the total carrying amount of these financial assets in the Balance Sheet.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2024**	As at March 31, 2023
Trade receivables	**23,998.24**	23,461.53
Loans	**2,000.00**	500.00
Cash and cash equivalents	**5,070.96**	6,483.85
Other bank balances	**86.03**	980.14
Other financial assets	**1,092.69**	4,155.12

Ageing analysis of trade receivables (as on the balance sheet date considered from the due date) are as under :

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2024			**Outstanding for following periods from due date of payment**					
Particulars	**Unbilled**	**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivable-considered good	1,551.28	15,136.39	5,668.31	626.72	625.52	315.89	74.13	23,998.24
(ii) Undisputed trade receivables -which have significant increase in credit risk	–	–	–	–	–	–	–	–
(iii) Undisputed trade receivables-credit impaired	–	–	–	43.37	63.86	492.75	136.41	736.39
(iv) Disputed trade receivables-Considered good	–	–	–	–	–	–	–	–
(v) Disputed trade receivables-which have significant increase in credit risk	–	–	–	–	–	–	–	–
(vi) Disputed trade receivables-credit impaired	–	–	–	–	–	–	–	–
Gross receivable	**1,551.28**	**15,136.39**	**5,668.31**	**670.09**	**689.38**	**808.64**	**210.54**	**24,734.63**
Less : Allowance for excepted credit loss	–	–	–	43.37	63.86	492.75	136.41	736.39
Net receivable	**1,551.28**	**15,136.39**	**5,668.31**	**626.72**	**625.52**	**315.89**	**74.13**	**23,998.24**

Non current receivable of Rs. 3,748.67 Lakhs are not due or unbilled as the case maybe as on the balance sheet date. These receivables will be due for payment on various dates ranging from one year to five years from the balance sheet date.

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023			Outstanding for following periods from due date of payment					
Particulars	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivable-Considered good	3,307.55	12,100.60	5,024.63	2,912.36	116.39	–	–	23,461.53
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	–	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables-Credit impaired	–	–	–	154.33	361.91	233.15	204.89	954.28
(iv) Disputed Trade Receivables-Considered good	–	–	–	–	–	–	–	–
(v) Disputed Trade Receivables-which have significant increase in credit risk	–	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables-credit impaired	–	–	–	–	–	–	–	–
Gross Receivable	3,307.55	12,100.60	5,024.63	3,066.69	478.30	233.15	204.89	24,415.81
Less: Allowance for excepted credit loss	–	–	–	154.33	361.91	233.15	204.89	954.28
Net Receivable	3,307.55	12,100.60	5,024.63	2,912.36	116.39	–	–	23,461.53

Non current receivable of Rs 4,004.69 Lakhs are not due or unbilled as the case maybe as on the balance sheet date. These receivables will be due for payment on various dates ranging from one year to five years from the balance sheet date.

Expected credit losses for financial assets other than trade receivables

The Company maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence,the credit risk associated with cash and cash equivalent and bank deposits is relatively low.

Loan comprises loans given to related parties, which are short term in nature and hence credit risk associated with such amount is also relatively low.

Mutual funds investments are measured at mark to market hence, the credit risk associated with these investments already considered in valuation as on reporting date.

Security deposits are given for operational activities of the Company and will be returned to the Company as per the contracts with respective vendors.These security deposits carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

Expected credit losses for trade receivables

Credit risks related to receivables is managed as per the Company's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trend of defaults relating to each business segment. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables.

The Company evaluates the concentration of risk with respect to trade receivables as low, since its customers are government and credit risk associated with them are low and there is no reasonable expectation of loss of recovery.

(ii) Liquidity Risk

(I) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Contractual cash flows**					
	6 months or less	**6–12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 Years**	**Total**
As at March 31, 2024						
Short-Term Borrowings	8,000.00	–	–	–	–	8,000.00
Lease Liabilities	25.55	29.73	61.70	15.61	–	132.59
Trade payables	13,986.63	–	–	–	–	13,986.63
Other financial liabilities	2,309.89	–	–	–	–	2,309.89
Total	24,322.07	29.73	61.70	15.61	–	24,429.11

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**Contractual cash flows**					
	6 months or less	**6–12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 Years**	**Total**
As at March 31, 2023						
Trade payables	13,930.81	–	–	–	–	13,958.16
Other financial liabilities	1,088.76	–	–	–	–	1,088.76
Total	15,019.57	–	–	–	–	15,046.92

Ageing of trade payable are mentioned below:

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2024	**Outstanding for following periods from due date of payment**						
Particulars	**Unbilled**	**Not Due**	**Less than one year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	**–**	**1,336.06**	**452.51**	**6.32**	**–**	**–**	**1,794.89**
Others	**3,006.05**	**1,449.07**	**7,429.72**	**131.78**	**89.16**	**85.96**	**12,191.74**
Disputed dues- MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues- others	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**3,006.05**	**2,785.13**	**7,882.23**	**138.10**	**89.16**	**85.96**	**13,986.63**

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
MSME	50.07	352.05	541.71	–	1.02	2.45	947.30
Others	6,556.23	2,853.50	3,326.39	90.73	23.17	133.49	12,983.51
Disputed dues- MSME	–	–	–	–	–	–	–
Disputed dues- others	–	–	–	–	–	–	–
Total	6,606.30	3,205.55	3,868.10	90.73	24.19	135.94	13,930.81

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises one type of risk: currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(iv) Price risk

The Company invests in mutual funds which are susceptible to market price risk arising from uncertainties about future values of the investment securities. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.The Company undertakes transactions denominated in foreign currency (mainly US Dollar ('USD'), British pound sterling ('GBP') and Euro ('EUR')) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited hence the Company does not use any derivative instruments to manage its exposure.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Currency	As at March 31, 2024 Amount in INR	As at March 31, 2023 Amount in INR
Trade receivables	USD	**968.79**	533.27
Trade receivables	GBP	**–**	2,512.48
Trade payables	USD	**214.02**	441.52
Trade payables	EUR	**–**	140.96
Trade payables	GBP	**186.92**	0.17
Total		**11,056.25**	3,628.40

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Currency	As at March 31, 2024 Amount in INR	As at March 31, 2023 Amount in INR
Trade receivables	USD	**968.79**	533.27
Trade receivables	GBP	**–**	2,512.48
Trade payables	USD	**214.02**	441.52
Trade payables	EUR	**–**	140.96
Trade payables	GBP	**186.92**	0.17
Total		**11,056.25**	3,628.40

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Currency	Change in rate	Effect on profit before tax	Effect on other components of equity
As at March 31, 2024	**USD**	**+10%**	**75.48**	**56.48**
	USD	**-10%**	**(75.48)**	**(56.48)**
	EUR	**+10%**	**–**	**–**
	EUR	**-10%**	**–**	**–**
	GBP	**+10%**	**(18.69)**	**(13.99)**
	GBP	**-10%**	**18.69**	**13.99**
As at March 31, 2023	USD	+10%	9.17	6.87
	USD	-10%	(9.17)	(6.87)
	EUR	+10%	(14.10)	(10.55)
	EUR	-10%	14.10	10.55
	GBP	+10%	251.23	188.00
	GBP	-10%	(251.23)	(188.00)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note No: 41 - Related Party Transactions

A) Name of related parties where transactions have taken place during the year

(a) Holding company
Mahindra & Mahindra Limited (M&M)

(b) Subsidiary
Mahindra Telephonics Integrated Systems Limited (wholly-owned Subsidiary)
Mahindra Emirates Vehicle Armouring FZ-LLC (holding 88% of the paid-up share capital)

(c) Significant influence exercise by holding company
Tech Mahindra Limited

(d) JV of the Holding Company
Classic Legends Private Limited
Mahindra Manulife Investment Management Pvt Limited

(e) Fellow subsidiary
Mahindra Life Space Developers Limited
Mahindra & Mahindra Financial Services Limited
Mahindra Integrated Business Solutions Private Limited
Mahindra Logistic Limited
Mahindra Holiday & Resorts India Limited
Mahindra Heavy Engines Limited
NBS International Limited
Mahindra Aerostructures Private Limited
Mahindra Two Wheelers Limited

(f)

KMP	**Nature of Relationship**
Mr. Shri Prakash Shukla	Managing Director till July 25, 2023
Mr. Vinod Kumar Sahay	Managing Director w.e.f. January 23, 2024
Mr. Sukhvindar Hayer	Director
Mr. Devendra Bhatnagar	Director
Mrs. Seema Bangia	Director
Mr. Mukul Verma	Chief Financial Officer
Mr. Ashvin Patni	Company Secretary

B) Details of transactions with above related parties (Inclusive of taxes):

(All amounts in Rs. Lakhs, unless otherwise stated)

	For the year ended March 31, 2024						For the year ended March 31, 2023					
Nature of transactions	**Holding company**	**Fellow Subsidiaries**	**JV of the Holding company**	**Significant influence exercise by holding company**	**Subsidiary**	**Key Managerial Personnel**	Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Subsidiary	Key Managerial Personnel
Purchases												
Purchase of goods	**1,960.85**	**47.19**	**–**	**–**	**–**	**–**	835.10	258.62	–	–	–	–
Purchase of service	**1,508.34**	**886.01**	**–**	**1,687.06**	**–**	**–**	1,302.43	810.69	–	2,046.79	–	–
Purchase of property, plant & equipment	**152.07**	**–**	**–**	**–**	**–**	**–**	76.93	–	–	–	–	–
Purchase of investments	**–**	**–**	**–**	**–**	**–**	**–**	–	2,290.00	–	–	–	–
Revenue												
Sale of service	**115.49**	**158.73**	**8.76**	**577.13**	**54.70**	**–**	264.54	235.71	0.18	191.88	211.37	–
Sale of goods	**–**	**–**	**–**	**–**	**0.35**	**–**	–	–	–	–	1,118.77	–
Rental income	**–**	**–**	**–**	**–**	**195.96**	**–**	–	–	–	–	158.66	–
Interest income	**–**	**21.41**	**–**	**–**	**36.17**	**–**	–	32.19	7.95	–	–	–
Other income	**–**	**–**	**–**	**–**	**294.68**	**–**	–	–	–	–	–	–
Key management personnel compensation												
Short term employee benefits	**–**	**–**	**–**	**–**	**–**	**386.28**	–	–	–	–	–	358.22
Post-employment benefits	**–**	**–**	**–**	**–**	**–**	**23.63**	–	–	–	–	–	6.58
Other transactions												
Dividend paid	**1,254.27**	**–**	**–**	**–**	**–**	**–**	1,254.27	–	–	–	–	–
Dividend received	**–**	**–**	**–**	**–**	**497.74**	**–**	–	–	–	–	–	–
Reimbursement of expenses paid	**236.00**	**4.70**	**–**	**–**	**–**	**–**	0.02	–	–	–	–	–
Reimbursement of expenses received	**8.23**	**0.18**	**–**	**–**	**15.04**	**–**	22.14	1.31	0.02	–	–	–
Interest expense	**60.05**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Inter corporate loan received	**8,000.00**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Inter corporate loan given	**–**	**–**	**–**	**–**	**2,000.00**	**–**	–	2,000.00	–	–	–	–
Inter corporate loan received back	**–**	**500.00**	**–**	**–**	**–**	**–**	–	3,500.00	500.00	–	–	–
Deputation of personnel from related parties	**32.33**	**–**	**–**	**–**	**–**	**–**	47.14	–	–	–	–	–
Other expenses	**4.78**	**–**	**–**	**–**	**–**	**–**	5.77	–	–	–	–	–
Corporate guarantee given	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	1,500.00	–
Outstanding balances as at the year end												
Trade receivables	**35.94**	**41.65**	**3.04**	**155.87**	**7.20**	**–**	5.02	45.07	0.16	311.74	–	–
Other receivables	**–**	**–**	**–**	**–**	**793.91**	**–**	–	–	–	–	300.40	–
Advance to vendors	**–**	**–**	**–**	**–**	**–**	**–**	19.83	–	–	–	–	–
Trade payables	**1,762.29**	**63.48**	**–**	**568.02**	**–**	**–**	1,157.25	337.07	–	1,214.57	–	–
Employee related payable	**–**	**–**	**–**	**–**	**–**	**97.31**	–	–	–	–	–	83.39
Inter corporate loan outstanding given	**–**	**–**	**–**	**–**	**2,000.00**	**–**	–	500.00	–	–	–	–
Inter corporate interest receivable	**–**	**–**	**–**	**–**	**36.17**	**–**	–	–	–	–	–	–
Inter corporate loan outstanding taken	**8,000.00**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Inter corporate interest payable	**54.04**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–	–
Corporate guarantee given	**–**	**–**	**–**	**–**	**7,500.00**	**–**	–	–	–	–	7,500.00	–
Letter of comfort received	**65,000.00**	**–**	**–**	**–**	**–**	**–**	65,000.00	–	–	–	–	–

Note No: 42 - Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a)	Amount payable to supplier under MSMED (suppliers) as at the end of year		
	– Principal	**1,794.89**	798.57
	– Interest due there on	**1.71**	2.47
(a)	Amount of payment by the buyer to the supplier beyond the appointed day during the year under MSMED Act, 2006		
	– Principal	**6,054.14**	2,515.64
	– Interest due there on	**64.12**	86.65
(c)	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	**–**	–
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year	**214.55**	148.72
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	**–**	–

Note No: 43 - Information in respect of Options granted under the Holding Company's Employee Stock Option Schemes ('Schemes')

The employees of the Company covered under Mahindra & Mahindra Limited (Holding company) Employee Stock Option Scheme (M&M ESOS) are granted an option to purchase shares of Mahindra & Mahindra Limited in accordance with the terms and conditions of the scheme as approved by Mahindra & Mahindra Limited from time to time. Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of Mahindra & Mahindra Limited of Rs. 5.00 each upon payment of the exercise price during the exercise period.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as cash settled share based payment scheme in accordance with Ind AS 102 – Share Based Payment. The fair value of options granted is recognized as employee benefits expense , net of reimbursements, if any. The total cost recognized during the year amounted to Rs. Nil (previous year- Rs. 0.17 Lakhs). The Company consider these amounts as not material and accordingly has not provided for the disclosures.

Note No: 44 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note No: 45 - There are no amounts that are due to be transferred to investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act , 2013 and rules made thereunder.

Note No: 46 - Contingent liabilities, commitments and other claims

(a) Claims against the company not acknowledged as debts

(i) Claims made by Tax Authorities

Name of the statute	**Nature of the dues**	**As at March 31, 2024**	**As at March 31, 2023**	**Period to which amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Income Tax	**116.69**	123.22	Financial year 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	**35.78**	–	Financial year 2022-23	Intimation u/s 143(1), Centralised Processing Center, Income Tax Department
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	**–**	2.28	Financial year 2014-15	Additional Commissioner
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	**–**	6.58	Financial year 2016-17	Additional Commissioner
Haryana Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	**–**	8.32	Financial year 2017-18	Additional Commissioner

(ii) Claims made by others

Name of the statute	**Nature of the dues**	**As at March 31, 2024**	**As at March 31, 2023**	**Period to which amount relates**	**Forum where dispute is pending**
Micro, Small and Medium Enterprises Development Act, 2006	Interest and penalty	104.87	58.17	Financial year 2019-20 to 2021-22	District Court, Pune
Maharashtra Municipal Corporation, 1949	Interest and penalty	67.01	–	Financial year 2013-14 to 2015-16	Pimpri Chinchwad Muncipal Corporation, Maharashtra

(b) Commitments

Particulars	**As at March 31, 2024**	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**914.47**	978.02

(c) The Company has guaranteed to banker of a subsidiary amounting to Rs. 7,500 lakhs (previous year Rs. 7,500 lakhs).

Notes

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(ii) The amount indicated as contingent liability or claim against the company, reflects only the basic value. Any interest, penalty or legal cost is not considered.

(iii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note No: 47 - Research and development expenditure

(i) Debited to Statement of Profit and Loss - Rs. 728.80 lakhs (previous year Rs 724.44 lakhs) (excluding depreciation and amortisation of Rs. 58.23 lakhs) (previous year: Rs. 670.48 lakhs)

(ii) Capitalization of assets and development work in progress (Net) - Rs. NIL lakhs (previous year: Rs. 1.38 lakhs)

Note No: 48 - Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company to monitor the CSR related activities.

(All amounts in Rs. Lakhs, unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
(i)	Amount required to be spent by the Company during the year (Rs. in lakhs)	**182.51**	150.64
(ii)	Amount of expenditure incurred (Rs. in lakhs)		
	(a) Construction/acquisition of any assets	**–**	–
	(b) On purpose other than (a) above	**182.51**	150.70
(iii)	Shortfall at the end of the year	**–**	–
(iv)	Total of the previous year shortfall	**–**	–
(v)	Reason for shortfall	**NA**	NA
(vi)	Nature of CSR activities*	**Refer below**	Refer below
(vii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	**NA**	NA

* The area for CSR activities includes projects like education, woman economic empowerment and rural development such as safe drinking water, health and education etc.

Note No: 49 Leases

The Company as a lessee

The Company has taken certain office space and factory premises on lease.

The following is the movement in lease liabilities:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Balance at the beginning of the year	**–**	143.83
Addition during the year	**142.67**	–
Finance cost accured during the year	**8.92**	1.84
Payment of lease liabilities	**(32.45)**	(145.67)
Balance at the end of the year	**119.14**	–

The following is the break up of current and non current lease liabilities:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current	**46.31**	–
Non Current	**72.83**	–
Total	**119.14**	–

Maturity analysis of lease liabilities:

The following are the remaining contractual maturities of lease liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2024**	As at March 31, 2023
Within one year	**55.28**	–
Later than one year but less than five years	**77.31**	–
Later than five years	**–**	–
Total	**132.59**	–

Rental expenses recorded for short-term and low value leases during the year ended March 31, 2024 is Rs.550.10 Lakhs (March 31, 2023: Rs.333.04 Lakhs).

Company as lessor

The Company has entered into operating lease arrangements for land and premises. These arrangements are both cancellable and non-cancellable in nature and range between one to five years. Lease rental income earned by the Company is set out in Note 28 as 'Rental income'. The future minimum lease receivables under non-cancellable operating leases are as under:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2024**	As at March 31, 2023
Within one year	**–**	166.77
Later than one year but less than five years	**–**	–
Later than five years	**–**	–
Total	**–**	**166.77**

Note No: 50 - Revenue from operations: disclosures as per Ind AS 115

1. Disaggregation of revenue from contracts with customers

(a) Major products/service lines

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

(Amount in Rs. Lakhs)

Particulars	**For the year ended March 31, 2024**			For the year ended March 31, 2023		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
Sale of manufactured goods						
Armoured vehicle including specialist vehicles	**39,812.58**	**–**	**39,812.58**	6,392.91	–	6,392.91
Naval torpedo and decoy launcher	**2,176.97**	**–**	**2,176.97**	3,857.52	–	3,857.52
Spares	**1,775.23**	**–**	**1,775.23**	1,276.82	–	1,276.82
Others	**–**	**–**	**–**	4.24	77.84	82.08
Sale of services			**–**			
Operation and maintenance of Emergency Response System	**8,067.23**	**–**	**8,067.23**	11,290.05	–	11,290.05
Training service	**3,706.94**	**–**	**3,706.94**	6,837.24	–	6,837.24
Consultancy services	**–**	**738.10**	**738.10**	–	937.57	937.57
Support services	**452.91**	**–**	**452.91**	2,905.72	–	2,905.72
Others	**140.22**	**–**	**140.22**	175.13	–	175.13
Turnkey contracts revenue	**5,467.32**	**–**	**5,467.32**	2,062.25	–	2,062.25
Other operating revenues:						
Sale of scrap	**69.45**	**–**	**69.45**	87.49	–	87.49
Duty drawback and other export incentives	**12.20**	**–**	**12.20**	119.04	–	119.04
Other	**13.04**	**–**	**13.04**	–	–	–
Total	**61,694.09**	**738.10**	**62,432.19**	35,008.41	1,015.41	36,023.82

(b) Timing of revenue recognition

Particulars	**For the year ended March 31, 2024**			For the year ended March 31, 2023		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
Products transferred at a point in time	**43,764.78**	**–**	**43,764.78**	11,531.49	77.84	11,609.33
Products and services transferred over time	**17,834.62**	**738.10**	**18,572.72**	23,270.39	937.57	24,207.96

(c) Primary geographical markets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**			For the year ended March 31, 2023		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
India	**57,739.41**	**685.71**	**58,425.12**	31,366.38	1,015.41	32,381.79
Outside India	**3,954.68**	**52.39**	**4,007.07**	3,642.03	–	3,642.03

2. Reconciliation of revenue recognised with contract price :

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**For the year Ended March 31, 2024**			For the year Ended March 31, 2023		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
Revenue as per contracted price	**62,843.32**	**738.10**	**63,581.42**	35,053.34	1,015.41	36,068.75
Adjustment for :						
Liquidated Damages	**(1,243.92)**	**–**	**(1,243.92)**	(251.46)	–	(251.46)
Total revenue from contract with customers	**61,599.40**	**738.10**	**62,337.50**	34,801.88	1,015.41	35,817.29

3. Contract balances:

(i) Movement in contract balances during the year: **(Amount in Rs. Lakhs)**

Particulars	**Opening as on April 1, 2023**	**Closing as on March 31, 2024**	**Net increase/ (decrease)**	**Reference**
Advance received from customers	37,998.60	40,763.99	2,765.39	Note a
Receivables, which are included in 'trade receivables'	23,386.66	23,998.24	611.58	Note b

Note a: The Advance received from customers relates to the money received in advance ahead of the performance obligation to be fulfilled in future. Reduction in advance to customer represents fulfilment of contractual obligation and invoicing to the customer . Major part of advance from customer pertains from defence business.

Note b: Trade receivables represent the amount for which performance obligation has been fulfilled and revenue recognized but the money is receivable from customer.

4. Unsatisfied contract value

Total performance obligation remaining unsatisfied as on March 31, 2024 with timelines within which it is expected to recognize revenue.

(Amount in Rs. Lakhs)

Performance obligation	0-1 Year	1-3 Year	3-5 years	More than 5 years	Total
Unsatisfied performance obligation as on March 31, 2024*	92,734.46	108,101.04	59,705.63	11,635.00	272,176.13
Unsatisfied performance obligation as on March 31, 2023*	59,702.66	102,245.78	84,907.01	21,091.46	267,946.91

* Represent unsatisfied performance obligation for major contracts entered with the customer which is to be satisfied in future as per the terms of the contract.

Note No: 51 - Disclosure required under Section 186(4) of the Companies Act, 2013

(All amounts in Rs. Lakhs, unless otherwise stated)

	Loan to related parties (Refer Note No. 41)				**Guarantee for related parties (Refer Note No. 41)**
Particulars	**Mahindra Agri Solutions Limited**	**Mahindra Summit Agrisciences Limited**	**Mahindra Aerospace Private Limited**	**Mahindra Telephonics Integration Systems Limited**	**Mahindra Telephonics Integration Systems Limited**
Balance as at April 1, 2022	2,000.00	500.00	–	–	6,000.00
Loan/guarantee granted during the period	–	–	1,500.00	–	1,500.00
Loan repaid during the year/guarantee discharge during the period	2,000.00	500.00	1,000.00	–	–
Balance as at March 31, 2023	**–**	**–**	**500.00**	**–**	**7,500.00**
Loan/guarantee granted during the period	–	–	–	2,000.00	–
Loan repaid during the year/guarantee discharge during the period	–	–	500.00	–	–
Balance as at March 31, 2024	**–**	**–**	**–**	**2,000.00**	**7,500.00**

The Company's policy is to provide financial guarantees only for subsidiaries' liabilities. As at March 31, 2024 and March 31, 2023, the Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiary.

Note No: 52 - Struck off companies

During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note No: 53 - Additional regulatory information

(a) The Company has undrawn limits from banks/ FI on the basis of security of current asset. The quarterly returns or statements viz. Financial report filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the said period.

(b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(c) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(f) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. (Refer Note No. 57)

(g) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(j) The Company had charge against limit sanctioned by HDFC bank worth Rs. 4,600 lakhs, they were satisfied in pursuance of merger of limits of Mahindra Defence System Limited with Mahindra Land System Limited on April 6, 2017. The registration of satisfaction of such charges is pending as at March 31, 2024.

(k) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(l) The Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at March 31, 2024 (as at March 31, 2023: Nil).

Note No: 54 - Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies to maintain or adjust the capital structure, issue new shares or raise and repay debts. The Company's capital management objectives, policies or processes were unchanged during the year.

The Company monitors capital using 'total debt to total capital' and 'net debt to total capital' ratios. These ratios are as follows:

Debt equity ratio

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	**As at March 31, 2024**	As at March 31, 2023
Total debt	**8,119.14**	–
Net debt*	**3,048.18**	–
Total equity :		
Total capital(based on total debt)	**56,521.13**	46,033.08
Total capital(based on net debt)	**51,450.17**	46,033.08
Net debt to equity ratio	**0.05:1**	0.00:1
Total debt to total capital (based on total debt) ratio (%)	**0.14:1**	0.00:1
Net debt to total capital (based on net debt) ratio (%)	**0.06:1**	0.00:1

*** Total debt less cash and cash equivalents if negative then restricted to nil.**

Note No: 55 - Ratios as required by Schedule III to the Companies Act, 2013:

S.No	Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reason for variance (exceeding 25%)
1	Current ratio	Current assets	Current liabilities	1.98	2.60	(24%)	Primarily due to loan obtained from the holding company during the year.
2	Debt- equity ratio	Total borrowings	Shareholders' funds	0.17	–	100%	Due to loan obtained from the holding company during the year.
3	Debt service coverage ratio	Profit before tax + Depreciation and amortisation expense + Finance costs - Other income	Finance costs+Borrowings repayments+Lease repayments	0.62	56.55	(99%)	Primarily on account of repayment of short-term borrowing obtained from the holding in the next year.
4	Return on equity ratio	Profit for the year	Average total equity	8%	13%	(42%)	Primarily on account of decrease in profit after tax during the year.
5	Inventory turnover ratio	Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods and work-in-progress	Average inventory	1.37	0.41	232%	Primarily on account of increase in revenue during the year.
6	Trade receivable turnover ratio	Revenue from operations	Average trade receivables	2.63	1.53	72%	Primarily on account of increase in revenue during the year.
7	Trade payable turnover ratio	Purchases (net of returns) + Purchases of stock-in-trade + Subcontracting Charges + Other expenses	Average trade payables	4.01	3.75	7%	–
8	Net capital turnover ratio	Revenue from operations	Total current assets – current liabilities	1.65	0.93	77%	Primarily on account of increase in revenue during the year.
9	Net profit ratio	Profit for the year	Revenue from Operations	6%	16%	(64%)	Primarily on account of decrease in profit after tax during the year.
10	Return on capital employed	Profit before tax + finance costs	Average Capital Employed = Total Equity +Total Borrowings-Other intangible assets	12%	21%	(44%)	Primarily on account of decrease in profit after tax during the year.
11	Return on investment	Income generated from investments	Average investments	7%	5%	32%	Primarily on account of dividend received from subsidiary during the year.

Note No: 56 - Proposed dividend

The Board of Directors, its meeting held on April 20, 2024 has recommended a final dividend of Rs 7.50 (previous year Rs.7.50) per equity share of Rs. 10 each aggregating to Rs. 1,254.27 Lakhs (previous year Rs.1,254.27 lakhs) for the financial year ended March 31, 2024. Recommendation is subject to the approval of shareholders at the ensuing Annual General Meeting.

Note No: 57 - Merger of Mahindra Defence Systems Limited & Mahindra Telephonics Integrated Systems Limited

On 27 March 2023, the Board of Directors of the Company has approved composite scheme of amalgamation and arrangement amongst Mahindra Telephonics Integrated Systems Limited ('Transferor Company') and Mahindra Defence Systems Limited ('Transferee Company') with proposed appointed date of April 1, 2023. The Company has filed the Scheme before National Company Law Tribunal (NCLT) on May 5, 2023 and the Scheme was approved by NCLT subject to certain approvals from government authorities. As on date of approval of the financial statements by board of directors, the Company has not received required approvals from government authorities therefore merger has not become effective.

Further, on March 20, 2024 the Company has filed request for extension with NCLT for implement of the scheme.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/ W-100022

Deepesh Sharma
Partner
Membership No.: 505725

Place : Gurugram
Date : April 20, 2024

For and on behalf of **Board of Directors**
Mahinda Defence Systems Limited

Vinod Kumar Sahay
Managing Director
DIN: 07884268

Sukhvindar Hayer
Director
DIN: 07272511

Mukul Verma
Chief Financial Officer
PAN : AAXPV0241R

Ashvin Patni
Company Secretary
ACS: 68031

Place : Mumbai
Date : April 20, 2024

ANNEXURE
FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs)

Sl .No	Particulars	Details
1	Name of the subsidiary	Mahindra Telephonics Integrated Systems Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar 2024
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting Currency -Rupees, Exchange Rate - NA
4	Share capital	5,078.43
5	Reserves & surplus	(5,167.62)
6	Total assets	7,319.66
7	Total Liabilities	7,319.66
8	Investments	NIL
9	Turnover	4,429.16
10	Profit before taxation	(111.74)
11	Provision for taxation	NIL
12	Profit after taxation	(111.74)
13	Proposed Dividend	NIL
14	% of shareholding	100%

Sl .No	Particulars	Details
1	Name of the subsidiary	MAHINDRA EMIRATES VEHICLE ARMOURING FZ – LLC
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar 2024
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting Currency -AED, Exchange Rate – 22.70
4	Share capital	2,270.00
5	Reserves & surplus	1,109.04
6	Total assets	7,789.47
7	Total Liabilities	7,789.47
8	Investments	5.88
9	Turnover	8,235.73
10	Profit before taxation	431.83
11	Provision for taxation	NIL
12	Profit after taxation	431.83
13	Proposed Dividend	567.50
14	% of shareholding	88%

Sl .No	Particulars	Details
1	Name of the subsidiary	MAHINDRA ARMORED VEHICLES JORDAN – LLC*
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar 2024
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting Currency -JD, Exchange Rate – 117.59
4	Share capital	5.88
5	Reserves & surplus	65.70
6	Total assets	3,380.83
7	Total Liabilities	3,380.83
8	Investments	NIL
9	Turnover	1,089.03
10	Profit before taxation	2.24
11	Provision for taxation	NIL
12	Profit after taxation	2.24
13	Proposed Dividend	NIL
14	% of shareholding	88%

* MAHINDRA ARMORED VEHICLES JORDAN – LLC, a wholly owned subsidiary of MAHINDRA EMIRATES VEHICLE ARMOURING FZ – LLC and is a stepdown subsidiary of the Company.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year : NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet Date	NA
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	NA
Amount of Investment in Associates/Joint Venture	NA
Extend of Holding %	NA
3. Description of how there is significant influence	NA
4. Reason why the associate/joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	NA
6. Profit / Loss for the year	
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	NA

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the **Board of Directors of**
Mahindra Defence Systems Limited

Vinoy Kumar Sahay
Managing Director
DIN : 07884268

Sukhvindar Hayer
Director
DIN : 07272511

Mukul Verma
Chief Financial Officer
PAN : AAXPV0241R

Ashvin Patni
Company Secretary
ACS : 68031

Place: Mumbai
Date: April 20, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Telephonics Integrated Systems Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Telephonics Integrated Systems Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
    c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors as on 1 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
    f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    h. The Company does not have any pending litigations which would impact its financial position.
    i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    j. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    k. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 (vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

       (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 (vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

       (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
    e. The Company has neither declared nor paid any dividend during the year.
    f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) Page herein facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

   C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid and payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid and payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
ICAI UDIN: 24505725BKFQXZ6468

Place: Gurugram
Date: 20 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified annually. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has four CIC (which are exempted or not registered with Reserve Bank of India as being Systemically Important CIC). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred any cash losses in the current year and incurred cash losses of Rs. 663.70 lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. Also refer to note 37 to the financial statements.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
ICAI UDIN: 24505725BKFQXZ6468

Place: Gurugram
Date: 20 April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Telephonics Integrated Systems Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
ICAI UDIN: 24505725BKFQXZ6468

Place: Gurugram
Date: 20 April 2024

BALANCE SHEET AS AT 31 MARCH 2024

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	**236.64**	287.31
Right-of-use assets	3	**–**	113.06
Intangible assets	4	**73.38**	90.37
Financial assets	5		
– Other financial assets		**0.55**	12.71
Other non-current assets	6	**997.49**	7.92
Total non-current assets		**1,308.06**	511.37
Current assets			
Inventories	7	**294.12**	1,290.08
Financial assets	8		
– Trade receivables		**3,971.82**	17.52
– Bank balances other than cash and cash equivalents		**–**	9.43
– Other financial assets		**268.02**	24.78
Other current assets	9	**1,477.64**	3,043.67
Total current assets		**6,011.60**	4,385.48
Total assets		**7,319.66**	4,896.85
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**5,078.43**	5,078.43
Other equity	10A	**(5,167.62)**	(5,060.12)
Equity attributable to equity shareholders		**(89.19)**	18.31
Liabilities			
Non-current liabilities			
Provisions	11	**64.73**	81.04
Other non-current liabilities	12	**1,516.69**	2,059.66
Total non-current liabilities		**1,581.42**	2,140.70
Current liabilities			
Financial liabilities	13		
– Borrowings		**3,192.09**	820.77
– Lease liabilities		**–**	149.73
– Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and		**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,492.34**	503.86
– Other financial liabilities		**90.96**	65.35
Other current liabilities	15	**1,050.72**	1,188.57
Provisions	14	**1.32**	9.56
Total current liabilities		**5,827.43**	2,737.84
Total equity and liabilities		**7,319.66**	4,896.85
Summary of material accounting policies	2		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: Gurugram
Date: 20 April 2024

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

Vinod Kumar Sahay
(Director)
DIN: 07884268

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN: 09647105

Arun Gupta
CFO
PAN: AFYPG8293A

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 20 April 2024 *Place: Mumbai*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	16	**4,408.30**	277.47
Other income	17	**20.86**	705.91
Total income		**4,429.16**	983.38
Expenses			
Costs of materials consumed	18	**3,375.04**	100.59
Employee benefit expenses	19	**357.46**	414.90
Finance cost	20	**179.19**	79.93
Depreciation and amortizaton expense	21	**194.96**	199.35
Other expenses	22	**434.25**	630.92
Total expenses		**4,540.90**	1,425.69
Loss before tax		**(111.74)**	(442.31)
Tax expense			
Current tax		**–**	–
Deferred tax		**–**	–
Loss for the year		**(111.74)**	(442.31)
Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Remeasurements of defined benefit liability (asset)		**4.24**	22.28
Other comprehensive income for the year, net of tax		**4.24**	22.28
Total comprehensive income for the year, net of tax		**(107.50)**	(420.03)
Earnings per equity share (Face value of share Rs 10 each)			
Basic earnings per share ₹		**(0.22)**	(0.87)
Diluted earnings per share ₹		**(0.22)**	(0.87)
Summary of material accounting policies	2		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
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Place: Gurugram
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PAN: AFYPG8293A

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 20 April 2024
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Notes	Nos.	Amount
Equity shares of ₹ 10 each fully paid up			
As at 01 April 2022	10	50,784,313	5,078.43
Issued during the year		–	–
As at 31 March 2023		50,784,313	5,078.43
Issued during the year		–	–
As at 31 March 2024		**50,784,313**	**5,078.43**

B. Other equity

(Amount in Rs. Lakhs)

		Reserves and surplus		
Particulars	**Notes**	**Securities premium**	**Retained earnings**	**Total**
As at 01 April 2022		217.92	(4,858.01)	(4,640.09)
(Loss) for the year		–	(442.31)	(442.31)
Other comprehensive income		–	22.28	22.28
As at 31 March 2023		217.92	(5,278.04)	(5,060.12)
(Loss) for the year		–	(111.74)	(111.74)
Other comprehensive income		–	4.24	4.24
As at 31 March 2024		**217.92**	**(5,385.54)**	**(5,167.62)**
Summary of material accounting policies	2			

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: Gurugram
Date: 20 April 2024

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

Vinod Kumar Sahay
(Director)
DIN: 07884268

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Arun Gupta
CFO
PAN: AFYPG8293A

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 20 April 2024 *Place: Mumbai*

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flows from operating activities		
Loss before tax	**(111.74)**	(442.31)
Adjustments for:		
Depreciation and amortisation expense	**194.96**	199.35
Interest income on bank deposits	**(1.03)**	(12.37)
Unwinding of discount on security deposits	**(1.99)**	(1.94)
Interest income on income tax refunds	**–**	–
Unrealised foreign exchange loss/ (gain)	**(1.42)**	–
Profit on sale of property, plant and equipment	**–**	(10.25)
Provisions no longer required written-back	**(17.33)**	(674.06)
Finance costs	**179.19**	79.93
Loss allowances on trade receivables	**8.85**	231.56
Government grants	**(0.51)**	(0.51)
	248.98	(630.60)
Movements in Working Capital:		
Increase/(Decrease) in trade payables	**1,007.23**	(13.21)
(Decrease) in short-term and long-term provisions	**(20.31)**	(2.50)
(Decrease) in other current and non-current liability	**(680.31)**	(6.92)
(Decrease) in other current financial liabilities	**(10.56)**	(6.43)
Decrease/(Increase) in inventories	**995.96**	(1,257.95)
(Increase)/Decrease in trade receivables	**(3,963.15)**	1,040.71
(Increase)/Decrease in other non-current and current financial assets	**(241.25)**	1.62
(Increase) in other non current assets	**(989.57)**	(0.93)
Decrease/(Increase) in other current assets	**1,560.43**	(422.68)
Cash generated from operating activities	**(2,092.55)**	(1,298.89)
Income taxes paid (net of refunds)	**5.60**	1.23
Net cash flow used in operating activities (A)	**(2,086.95)**	(1,300.12)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment (including intangible assets)	**(21.88)**	(93.60)
Proceeds from sale of property, plant and equipment	**7.65**	22.70
Movement in bank deposits maturity	**21.58**	101.34
Interest income on bank deposits	**1.03**	12.15
Net cash flow generated from investing activities (B)	**8.38**	42.59
C. Cash flows from financing activities		
Proceeds from borrowings	**2,371.32**	820.77
Finance cost paid (including lease)	**(143.02)**	(59.92)
Lease payment on account of lease liabilities	**(149.73)**	(158.66)
Net cash flows generated from financing activities (C)	**2,078.57**	602.19
Net decrease in cash and cash equivalents (A+B+C)	**–**	(655.34)
Cash and cash equivalents at the beginning of the year	**–**	655.34
Cash and cash equivalents at the end of the year	**–**	–

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD).

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Components of cash and cash equivalents		
Balance with bank		
– On current account	**–**	–
– Fixed deposits with original maturity of less than three months	**–**	–
	–	–

Notes:

1. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, as notified under the section 133 of the Companies Act, 2013.
2. As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have any impact on the statement of cash flows.

Reconciliation between the opening and closing balance in the Balance Sheet for liabilities arising from financial activities as follows:

	As at 31 March 2024		**As at 31 March 2023**	
Particulars	**Borrowings**	**Lease liabilities**	**Borrowings**	Lease liabilities
Opening balance as at beginning of the year	**820.77**	**149.73**	**–**	288.38
Proceeds	**–**	**–**	**820.77**	–
Repayments	**2,371.32**	**(155.81)**	**–**	(158.66)
Interest expense	**135.61**	**6.08**	**14.92**	20.01
Interest paid	**(135.61)**	**–**	**(14.92)**	–
Closing balance as at end of the year	**3,192.09**	**(0.00)**	**820.77**	149.73

Summary of material accounting policies

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: Gurugram
Date: 20 April 2024

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

Vinod Kumar Sahay
(Director)
DIN: 07884268

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DIN: 09647105

Arun Gupta
CFO
PAN: AFYPG8293A

Ashvin Patni
(Company Secretary)
ACS: 68031

Date: 20 April 2024 *Place: Mumbai*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in Indian ₹ Lacs, unless otherwise stated)

1 **CORPORATE INFORMATION**

Mahindra Telephonics Integrated Systems Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at Mumbai City, Maharashtra - 400018. The Company is a wholly owned subsidiary of Mahindra Defence Systems Limited w.e.f 17 June 2022. Previously it was jointly held by Mahindra Defence Systems Limited and Telephonics corporation, USA.

The financial statements were authorised for issue in accordance with resolution of the Board of Directors on 20 April 2024.

1.01 Basis of preparation

These financial statements comply in all material aspects with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013, relevant provisions of the Companies Act, 2013 ("the Act') and other accounting principles generally accepted in India. Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

– Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

– Net defined benefit (asset)/ liability- Fair value of plan assets less present value of defined benefit obligations.

1.02 Functional and presentation currency

These financial statements are presented in Indian rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs up to two place of decimal, unless otherwise indicated.

1.03 Current versus non-current classification

Based on time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2 **MATERIAL ACCOUNTING POLICIES**

2.01 Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows:-

Note 2.08:- Measurement of defined benefit obligations: key actuarial assumptions;

Note 2.02 and 2.03:- Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets;

Note 2.05:- Fair value measurement of financial instruments;

Note 2.13:- Judgement required to ascertain lease classification

Note 2.11 and 31:- Judgement required to recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

2.02 Property, Plant and Equipment

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of GST credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives and is generally recognised in the statement of profit and loss. The residual value are not more than 5% of the original cost of assets.

Depreciation on property, plant & equipment is provided on pro-rata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life of Property, Plant and Equipment are as follows:

Assets	Useful life (in years)
Plant and Equipment:	15
Office Equipment (clubbed under plant and equipment):	5
Computers and Peripherals	3
Mobile Phones (clubbed under computer and peripherals):	2
Furniture and Fixtures:	10
Vehicles:	5
Electric Installation:	10

Vehicles and mobile phones are depreciated over the estimated useful lives of 5 years and 2 years, respectively, which are lower than those indicated in Schedule II. On the basis of technical assessment made by the management, it believes that the useful lives as given above best represent the period over which the assets are expected to be used.

Leasehold improvements are depreciated on straight line basis over the remaining lease agreement period.

2.03 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Assets	**Useful life (in years)**
Softwares	5/10

2.04 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction/ Non-monetary item measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.05 Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– amortised cost;

– FVTPL

Financial assets are not reclassified subsequently to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrecoverably designate a financial asset that otherwise meets the requirement to be measured at amortised cost as at FVTPL if doing so eliminate or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost at effective interest rate. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

Financial liabilities are classified as measure at cost amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative and it is designated as such on initial recognition. Financial liabilities at FVTPL and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfer assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not recognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises a financial liability when its terms are modified and then cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assert and financial liabilities are offset and net amount presented in the balance sheet when and only when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.06 Inventories

a) Basis of valuation:

i) Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

b) Method of Valuation:

i) **Cost of raw materials and components** has been determined by using moving average basis and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.07 Government Grants

Government Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.08 Employee benefits

A Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

B Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

C Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plan such as gratuity and post-employment medical benefit liability; and

(b) defined contribution plan such as provident fund.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.09 Revenue Recognition

The Company earns revenue primarily from sale of goods and rendering of maintenance services.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

– Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

– Revenue from services is recognised in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Project work in progress includes cost incurred in fulfiling contract with customer(s) recognised in accordance with principals of Ind AS 115 - Revenue from contract with customers.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in “other income”.

2.10 Earnings/(Loss) Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.11 Taxes

Tax expense for the year comprises of current tax and deferred tax.

Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

2.12 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.13 Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.14 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit and Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.15 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.16 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

2.19 Recent pronouncements

As on date of release of these financial statements, MCA has not issued any standards/amendments to accounting standards which are effective from 1 April 2024.

3. Property, plant and equipment including right -of -use of assets

	Plant and Equipment	Computers and Peripherals	Furniture and Fixtures	Leasehold Improvements	Electric Installations	Vehicles	Total	Right- of-use of assets	Grand Total
At Cost									
As at 31 March 2022	405.80	61.01	64.56	156.21	84.79	64.54	836.91	594.71	1,431.62
Additions	19.31	1.99	0.25	–	–	39.80	61.35	–	61.35
Disposals	(6.83)	–	–	–	–	(47.69)	(54.52)	–	(54.52)
As at 31 March 2023	418.28	63.00	64.81	156.21	84.79	56.65	843.74	594.71	1,438.45
Additions	–	2.04	0.06	–	–	19.78	21.88	–	21.88
Disposals/write off	(11.31)	–	(0.77)	–	–	(13.46)	(25.54)	–	(25.54)
As at 31 March 2024	**406.97**	**65.04**	**64.10**	**156.21**	**84.79**	**62.97**	**840.08**	**594.71**	**1,434.79**
Accumulated Depreciation									
As at 31 March 2022	238.57	49.96	40.61	104.07	57.96	41.85	533.02	361.32	894.34
Depreciation	21.21	2.55	6.86	15.28	8.30	11.28	65.48	120.33	185.81
Disposals/write off	(6.49)	–	–	–	–	(35.58)	(42.07)	–	(42.07)
As at 31 March 2023	253.29	52.51	47.47	119.35	66.26	17.55	556.43	481.65	1,038.08

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Plant and Equipment	Computers and Peripherals	Furniture and Fixtures	Leasehold Improvements	Electric Installations	Vehicles	Total	Right- of- use of assets	Grand Total
Depreciation	18.41	2.95	6.41	15.29	8.30	13.54	64.90	113.06	177.96
Disposals	(4.95)	–	(0.58)	–	–	(12.36)	(17.89)	–	(17.89)
As at 31 March 2024	**266.75**	**55.46**	**53.30**	**134.64**	**74.56**	**18.73**	**603.44**	594.71	1,198.15
Carrying amount									
As at 31 March 2024	**140.22**	**9.58**	**10.80**	**21.57**	**10.23**	**44.24**	**236.64**	**–**	**236.64**
As at 31 March 2023	**164.99**	**10.49**	**17.34**	**36.86**	**18.53**	**39.10**	**287.31**	**113.06**	**400.37**

Note : a) All movable Property, plant and equipment are under first pari-passu hypothecation charge for working capital limits obtained from HDFC bank and Axis bank. Refer note 23 (C).

4. Intangibles assets and Intangible assets under development

	Computer software
At Cost	
As at 31 March 2022	123.15
Additions	50.19
Deletions/Transfer	–
As at 31 March 2023	**173.34**
Additions	–
Deletions/Transfer	–
As at 31 March 2024	**173.34**
Accumulated Amortisation	
As at 31 March 2022	69.45
Amortisation	13.52
As at 31 March 2023	**82.97**
Amortisation	16.99
As at 31 March 2024	**99.96**
Carrying amount	
As at 31 March 2024	**73.38**
As at 31 March 2023	**90.37**

5 Non-current financial assets - Other financial assets

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2024	As at 31 March 2023
Security deposit - Others	**0.55**	0.55
Deposits with banks having maturity period of more than 12 months from reporting date*#	**–**	12.16
	0.55	12.71

*** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs.Nil (31 March 2023 : Rs. 12.09) given to Banks as margin money for Bank Guarantee

including interest accrued on fixed deposits as at Rs Nil (31 March 2023: Rs 0.07)

6 Other Non-Current assets

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2024	As at 31 March 2023
Capital advances	**6.99**	6.99
Project work in progress	**990.27**	–
Prepaid expenses - others	**0.23**	0.93
	997.49	7.92

7 Inventories

(Valued at lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw materials and components	**294.12**	1,290.08
	294.12	1,290.08

Notes:

a) Inventories are hypothecated against working capital limits from HDFC bank and Axis bank. Refer note 23 (C)

8 Current financial assets

(Unsecured, unless stated otherwise)

		As at 31 March 2024	As at 31 March 2023
(A) Trade receivables			
Trade receivables considered good - unsecured		**3,971.82**	17.52
Trade receivables - credit impaired		**159.63**	231.56
Total Trade receivables		**4,131.45**	249.08
Less : Loss allowances		**159.63**	231.56
Net Trade Receivable	**(A)**	**3,971.82**	17.52

Notes:

a) Trade receivables are non-interest bearing.

b) Trade receivables are hypothecated against working capital limits from HDFC bank and Axis Bank. Refer note 23 (C)

c) Refer note 33 for ageing analysis for trade receivables.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

(B) Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Fixed deposits with banks original maturity of more than three months but less than 12 months*## ^	**–**	5.63
Long term fixed deposits with remaining maturity of less than 12 months **### ^	**–**	3.80
(B)	**–**	9.43

Notes:

*** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. Nil (31 March 2023 : Rs. 5.61) given to Banks as margin money for Bank Guarantee.

**** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. Nil (31 March 2023 : Rs. 3.79) given to Banks as margin money for Bank Guarantee.

including interest accrued on fixed deposits as at Rs Nil (31 March 2023: Rs 0.02)

including interest accrued on fixed deposits as at Rs Nil (31 March 2023: Rs 0.01)

^ There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(C) Other financial asset
(Unsecured considered good, unless stated otherwise)

	As at 31 March 2024	As at 31 March 2023
Security deposit to related parties (refer note 27)	**26.76**	24.78
Other receivables	**241.26**	
	268.02	24.78

9 Other Current assets
(Unsecured considered good, unless stated otherwise)

	As at 31 March 2024	As at 31 March 2023
Advances other than capital advances		
Advances to Others :		
Suppliers	**81.62**	61.48
Project work in progress	**1,259.48**	2,280.31
Balances with statutory/government authorities	**116.76**	676.39
Advance tax (Net of provision for income tax of Rs. Nil, 31 March 2023- Rs Nil)	**11.42**	17.02
Prepaid expenses - others	**8.36**	8.47
	1,477.64	3,043.67

10. Share capital

	As at 31 March 2024	As at 31 March 2023
Authorised shares (Nos.)		
59,000,000 equity shares of Rs 10 each (31 March 2023: 59,000,000)	**5,900.00**	5,900.00
	5,900.00	5,900.00
Issued, subscribed and fully paid up shares (Nos.)		
50,784,313 Equity shares of Rs 10 each (31 March 2023: 50,784,313)	**5,078.43**	5,078.43
	5,078.43	5,078.43

10.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	Nos.	Nos.
Outstanding as on 1 April 2022	50,784,313	5,078.43
Issued during the year	–	–
Outstanding as at 31 March 2023	50,784,313	5,078.43
Issued during the year	–	–
Outstanding as at 31 March 2024	**50,784,313**	**5,078.43**

10.2 Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by shareholders.

10.3 Details of shareholders holding more than 5% shares in the Company

	Nos.	% of Holdings
As at 31 March 2023		
Mahindra Defence Systems Limited (holding company)*	50,784,313	100.00%
As at 31 March 2024		
Mahindra Defence Systems Limited (holding company)*	**50,784,313**	**100.00%**

* includes six shares held by six individuals (one share held by each of the individual) as nominee shareholders of Mahindra Defence Systems Limited.

10.4 Details of shares held by promoters

	As at 31 March 2024	As at 31 March 2023
Mahindra Defence Systems Limited		
No. of shares	**50,784,313**	50,784,313
% of total shares	**100.00%**	100.00%
% change during the year	–	–

10.5 Details of shares held by holding company

	As at 31 March 2024	As at 31 March 2023
Mahindra Defence Systems Limited		
No. of shares	**50,784,313**	50,784,313
% of holding	**100.00%**	100.00%

10.6 There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

10.7 There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to a contract without payment being received in cash during the previous 5 years.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

10A Other equity

		Amounts
(a)	**Securities Premium**	
	As at 1 April 2022	217.92
	Add/Less :Movements during the year	–
	As at 31 March 2023	**217.92**
	Add/Less :Movements during the year	–
	As at 31 March 2024	**217.92**
(b)	**Retained earnings**	
	As at 31 March 2022	(4,858.01)
	Loss for the year	(442.31)
	Items of other comprehensive incomes recognised directly in retained earnings	22.28
	As at 31 March 2023	**(5,278.04)**
	Loss for the year	(111.74)
	Items of other comprehensive incomes recognised directly in retained earnings	4.24
	As at 31 March 2024	**(5,385.54)**
	Total	**(5,167.62)**

Nature and Purpose of reserves

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.

11 Provisions - Non-current

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity (refer note 25)	**49.75**	44.98
Post employment medical benefits (refer note 25)	**–**	17.33
Compensated absences	**14.98**	18.73
	64.73	81.04

12 Other non-current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance received from customers	**1,516.69**	2,059.66
	1,516.69	2,059.66

13 Current financial liabilities

	As at 31 March 2024	As at 31 March 2023
(A) Borrowings		
Loans repayable on demand		
Working capital demand loan/cash credit from banks (secured)	**1,192.09**	820.77
Inter-Corporate Deposits from related parties (unsecured) - Refer note 27	**2,000.00**	–
(A)	**3,192.09**	820.77

Note:

The details and nature of securities provided in respect of secured working capital demand loans/cash credit from bank are as below:

Working capital limits from HDFC bank and Axis bank are secured by way of: First pari-passu hypothecation charge over stock, book debts and moveable Property, plant and equipment.

Further, this working capital limits from HDFC bank and Axis bank are also secured by way of Corporate Guarantee of Rs 7,500 provided by Mahindra Defence Systems Limited.

The details of repayment terms and rate of interest in respect of secured working capital demand loans/cash credit accounts from banks are as below:

– Repayable on demand

– Interest rate 8.15% p.a to 9.90% pa

No borrowings are taken from directors or other officers of the Company or any of them either severally or jointly with any other person.

The Company has taken inter-corporate borrowings from its related party (for working capital purpose) at the interest rate of 9.25% per annum. Refer below table for terms related to repayment.(Refer Note 27)

Particulars	**Date of Disbursement**	**Date of Maturity**	**Amount Outstanding**
Tranche 1	23-Oct-23	22-Jul-24	500.00
Tranche 2	16-Nov-23	15-Aug-24	300.00
Tranche 3	11-Mar-24	10-Dec-24	**1,000.00**
Tranche 4	28-Mar-24	27-Dec-24	**200.00**
			2,000.00

	As at 31 March 2024	As at 31 March 2023
(B) Lease Liabilities (refer note 24)	**–**	149.73
(B)	**–**	149.73

	As at 31 March 2024	As at 31 March 2023
(C) Trade payables		
Total Outstanding dues of Micro enterprises and small enterprises	**–**	–
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	**1,492.34**	503.86
(C)	**1,492.34**	503.86
Of the above, trade payables from related parties are as below:		
Trade payables due to related parties (Refer Note 27)	**767.03**	462.39

Notes:

a) Refer note 34 for ageing analysis for trade payables.

b) Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) based on the information available with the Company is as follows:

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

		As at 31 March 2024	As at 31 March 2023
a)	The amounts remaining unpaid to suppliers as at the end of the year :		
	– Principal	–	–
	– Interest	–	–
	The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year.	–	–
b)	The amount of interest paid by the buyer as per the MSMED Act, 2006.	–	–
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
d)	The amount of interest accrued and remaining unpaid at the end of year.	–	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

		As at 31 March 2024	As at 31 March 2023
(D)	**Other financial liabilities**		
	Interest accrued on borrowings (Refer Note 27)	**36.17**	–
	Employee related liabilities	**54.79**	65.35
	(D)	**90.96**	65.35

14 Provision - Current

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity (refer note 25)	**0.71**	6.20
Compensated absences	**0.61**	3.36
	1.32	9.56

15 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	**20.24**	12.29
Advance received from customers	**1,027.44**	1,172.73
Deferred income	**3.04**	3.55
	1,050.72	1,188.57

16 Revenue from operations

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of goods	**4,004.79**	208.10
Sale of services	**403.51**	69.37
Revenue recognised in statement of profit and loss	**4,408.30**	**277.47**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue disaggregation by geography is as follows :		
Outside India	**79.90**	202.91
India	**4,328.40**	74.56
	4,408.30	**277.47**
Revenue disaggregation by type of customers is as follows :		
Government	**4,269.42**	–
Non-government	**138.88**	277.47
	4,408.30	**277.47**
Timing of Recognition		
At a point in time	**4,408.30**	277.47
Over time	**-**	-
	4,408.30	**277.47**

Major Customer:

During the period, the Company has earned revenue from one individual customer (31 March 2023: Two individual customers) exceeding 10% of total revenue amounting to Rs 3,865.92 (31 March 2023: Rs 234.71).

Contract balances	As at 31 March 2024	As at 31 March 2023
Trade receivables (refer note 8)	**3,971.82**	17.52
Project work in progress * (refer note 9 and note 6)	**2,249.75**	2,280.31
Contract liabilities (refer note 12 and 15)	**2,544.13**	3,232.39

* Project work in progress includes cost incurred in fulfilling contract with customer(s) recognised in accordance with principals of Ind AS 115 - Revenue from contract with customers.

17 Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on financial assets carried at amortised cost		
– bank deposits	**1.03**	12.37
– security deposits	**1.99**	1.94
Gain on foreign exchange fluctuation (net)	**–**	6.77
Government grants	**0.51**	0.51
Profit on sale of property, plant and equipment	**–**	10.25
Liability/Provisions no longer required written-back	**17.33**	674.06
Miscellaneous income	**–**	0.01
	20.86	705.91

18 Costs of materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials and components consumed	**3,375.04**	100.59
	3,375.04	100.59

(All amounts in Indian ₹ Lacs, unless otherwise stated)

19 Employee benefit expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	**330.82**	394.54
Contribution to provident and other funds (refer note 25)	**17.22**	21.53
Gratuity expense (refer note 25)	**10.39**	11.76
Post employment medical benefit (refer note 25)	**–**	4.99
Staff welfare expenses	**21.93**	16.91
	380.36	449.73
Less : Allocated to project work in progress	**22.90**	34.83
	357.46	414.90

20 Finance costs

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on :		
Bank borrowings (refer note 13A)	**99.45**	14.92
Inter-corporate deposits (refer note 13A)	**36.16**	–
Lease liability	**6.08**	20.01
Facilitation fees for corporate guarantee	**37.50**	45.00
	179.19	79.93

21 Depreciation and amortisation expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3)	**64.91**	65.50
Depreciation on right-of-use assets (refer note 3)	**113.06**	120.33
Amortisation of intangible assets (refer note 4)	**16.99**	13.52
	194.96	199.35

22 Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Shared service charges	**220.41**	219.98
Travelling and conveyance	**91.06**	73.06
Rent (refer note 24)	**13.88**	3.69
Rates and taxes	**1.43**	0.68
Legal and professional (refer below note)	**30.09**	172.37
Sales promotion	**10.37**	0.92
Insurance	**8.34**	13.51
Printing and stationery	**1.95**	2.17
Telecommunication cost	**3.82**	3.90
Power and fuel	**17.30**	19.85
Repairs and maintenance		
– Others	**29.81**	24.23
Security expenses	**20.98**	19.66
Loss allowances on trade receivables	**8.85**	231.56
Freight outward	**7.50**	9.17
Loss on foreign exchange fluctuation (net)	**4.36**	–
Bank charges	**10.55**	9.99
Loss on sale of property, plant and equipment	**4.64**	–
Miscellaneous expenses	**6.31**	0.49
Total	**491.65**	805.23
Less : Allocated to project work in progress	**57.40**	174.31
	434.25	630.92
Payment to auditor (included in legal and professional)		
As auditor		
Audit fee	**11.00**	9.00
In other capacity		
Taxation matters	**–**	2.75
Reimbursement of expenses	**0.83**	0.50
	11.83	12.25

23 COMMITMENTS AND CONTINGENCIES

(A) Contingent liabilities (to the extent not provided for)

There is no contingent liability as at 31 March 2024 and 31 March 2023

(B) Commitments

	For the year ended 31 March 2024	For the year ended 31 March 2023
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	**10.49**	10.49
	10.49	10.49

(C) Undrawn committed borrowing facility

(i) The Company has working capital credit facilities amounting to Rs. 6,500.00 (31 March 2023: Rs 7,500.00) from HDFC bank and Axis bank. Of this, the Company has utilised Rs 5,869.82 for Bank Guarantee/Letter of Credit and Cash Credit and balance Rs 630.18 is undrawn as at 31 March 2024 (Company had utilised Rs 5675.66 and balance Rs 1,824.34 was undrawn as at 31 March 2023).

(ii) Working capital limits from HDFC bank and Axis bank are secured by way of: First pari-passu hypothecation charge over stock, book debts and moveable Property, plant and equipment.

Working capital limits from HDFC bank and Axis bank are also secured by way of Corporate Guarantee of Rs 7,500.00 (31 March 2023: Rs 7,500.00) provided by Mahindra Defence Systems Limited. Refer Note 13(A).

24 Leases

Lease liabilities under IND AS 116 - Company as lessee

i) The Company has taken building premises on lease.

ii) The following is the movement in right-of-use assets during the year:

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Balance at the beginning of the year	**113.06**	233.39
Amortization during the year	**113.06**	120.33
Additions to right-of-use assets	**–**	–
Balance at the end of the year	**–**	113.06

(All amounts in Indian ₹ Lacs, unless otherwise stated)

iii) The following is the movement in lease liabilities during the year:

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Balance at the beginning of the year	**149.73**	288.38
Addition during the year	**–**	–
Finance cost accrued during the year	**6.08**	20.01
Payment of lease liabilities	**(155.81)**	(158.66)
Balance at the end of the year	**–**	149.73

iv) The following is the break-up of current and non-current lease liabilities as at year end:

Particulars	**As at 31 March 2024**	As at 31 March 2023
Current lease liabilities	**–**	149.73
Non-current lease liabilities	**–**	–
Total	**–**	149.73

v) Amounts recognised in profit or loss

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Interest expense on lease liabilities	**6.08**	20.01
Expenses relating to leases of low-value assets	**13.88**	3.69

vi) Cash outflow for leases - 31 March 2024: Rs 155.81 (31 March 2023: Rs 158.66)

vii) Maturity analysis of lease liabilities - Refer note 29 - Liquidity Risk (Other non-current financial liabilities)

25. Disclosures pursuant to Ind AS - 19 "Employee Benefits" are given below:

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	For the year ended 31 March 2024	For the year ended 31 March, 2023
Employer's Contribution towards Provident Fund (PF)	**16.97**	21.23
Employer's Contribution towards Employee State Insurance (ESI)	**–**	0.08
Employer's Contribution towards Labour welfare fund	**0.25**	0.22
	17.22	21.53

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually at the balance sheet date by a qualified actuary using the projected unit credit method.

The company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through Mediclaim policy on which the premiums are paid by the company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

The company has suspended the post retirement medical benefit policy with effect from 1 April, 2023, the disclosure with respect to comparative year has been made for informative purposes only.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and post retirement medical cover plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Post employment medical benefits		**Gratuity**	
	For the year ended 31 March 2024	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023
a) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at the beginning of the year	**–**	24.92	**51.18**	61.22
Interest Expense	**–**	1.81	**3.78**	4.44
Current Service Cost	**–**	3.18	**6.62**	7.32
Benefit paid	**–**	–	**(6.88)**	(12.10)
Remeasurement of (Gain)/loss in other comprehensive income	**–**			
Actuarial changes arising from changes in demographic assumptions	**–**	–	**–**	–
Actuarial changes arising from changes in financial assumptions	**–**	–	**2.20**	(0.96)
Actuarial changes arising from changes in experience adjustments	**–**	(12.58)	**(6.44)**	(8.74)
Defined Benefit obligation at year end	**–**	17.33	**50.46**	51.18

(All amounts in Indian ₹ Lacs, unless otherwise stated)

		Post employment medical benefits		Gratuity	
		For the year ended 31 March 2024	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023
b)	**Net defined benefit asset/ (liability) recognised in the balance sheet**				
	Fair value of plan assets	**–**	–	**–**	–
	Present value of defined benefit obligation	**–**	(17.33)	**(50.46)**	(51.18)
	Amount recognised in Balance Sheet- Asset/(Liability)	**–**	(17.33)	**(50.46)**	(51.18)
c)	**Net defined benefit expense (Recognised in the Statement of Profit and Loss for the year)**				
	Current Service Cost	**–**	3.18	**6.62**	7.32
	Net Interest Cost	**–**	1.81	**3.78**	4.44
	Net defined benefit expense debited to Statement of Profit and Loss	**–**	4.99	**10.40**	11.76
d)	**Remeasurement (gain)/ loss recognised in other comprehensive income**				
	Actuarial changes arising from changes in demographic assumptions	**–**	–	**–**	–
	Actuarial changes arising from changes in financial assumptions	**–**	–	**2.20**	(0.96)
	Actuarial changes arising from changes in experience adjustments	**–**	(12.58)	**(6.44)**	(8.74)
	Return on Plan assets excluding interest income	**–**	–	**–**	–
	Recognised in other comprehensive income	**–**	(12.58)	**(4.24)**	(9.70)
e)	**Principal assumptions used in determining defined benefit obligation**	**31 March 2024**	31 March 2023	**31 March 2024**	31 March 2023
	Mortality Table (LIC)	**–**	2012-14	**2012-14**	2012-14
		–	(Ultimate)	**(Ultimate)**	(Ultimate)
	Discount rate (per annum)	**–**	7.39%	**7.11%**	7.39%
	Salary Escalation/ Future medical cost increase	**–**	10.00%	**10.00%**	10.00%
	Attrition Rate	**–**	–	**–**	–
	Upto 30 years	**–**	3.00%	**3.00%**	3.00%
	Upto 31 years to 44 years	**–**	2.00%	**2.00%**	2.00%
	Above 44 years	**–**	1.00%	**1.00%**	1.00%
f)	**Quantitative sensitivity analysis for significant assumptions is as below:**	**31 March 2024**	31 March 2023	**31 March 2024**	31 March 2023
	Increase/(decrease) on present value of defined benefits obligations at the end of the year				
	<u>Discount Rate</u>				
	Increase by 1.00%	**–**	(1.16)	**(7.27)**	(6.48)
	Decrease by 1.00%	**–**	1.89	**9.06**	6.88
	<u>Salary Increase</u>				
	Increase by 1.00%	**–**	N.A.	**8.70**	6.20
	Decrease by 1.00%	**–**	N.A.	**(7.16)**	(6.06)
g)	**Maturity profile of defined benefit obligation**	**31 March 2024**	31 March 2023	**31 March 2024**	31 March 2023
	Within the next 12 months (next annual reporting period)	**–**	0.02	**0.71**	6.20
	Between 1 and 2 years	**–**	3.29	**9.17**	0.92
	Between 2 and 5 years	**–**	3.44	**2.57**	9.14

(All amounts in Indian ₹ Lacs, unless otherwise stated)

g) Maturity profile of defined benefit obligation	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Over 5 years	**–**	10.58	**38.01**	34.92
Total expected payments	**–**	17.33	**50.46**	51.18

h) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

i) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

j) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

k) Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Retained Earnings

	For the year ended 31 March 2024	For the year ended 31 March 2023
Re-measurement gains/(losses) on defined benefit plans	**4.24**	22.28
	4.24	22.28

26 Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors and the Company has only one reportable business segment i.e. defence sector.

Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Information about geographical areas :

The following table shows the distribution of the Company's operating revenue by geographical location of customers, regardless of where the goods were produced/services were rendered from:

Particulars		Year ended 31 March, 2024	Year ended 31 March 2023
Revenue from operations	India	**4,328.40**	74.56
	Outside India	**79.90**	202.91

The following table shows the carrying amounts of non-current segment assets by geographical area in which the assets are located:

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Non-current assets*	India	**1,308.06**	511.37
	Outside India	**–**	–

*** Non-current assets**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
India		
Property, plant and equipment	**236.64**	287.31
Right-of-use assets	**–**	113.06
Intangible assets	**73.38**	90.37
Financial assets	**0.55**	12.71
Other non-current assets	**997.49**	7.92
Outside India	**–**	–
Total	**1,308.06**	511.37

Information about major customers:

Major individual customer with whom revenue exceeds more than 10% of the Company's revenue:

Name of Customer	For the year ended 31 March 2024	For the year ended 31 March 2023
Customer 1	**–**	202.91
Customer 2	**29.40**	31.80
Customer 3	**3,865.92**	–

27 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", as amended are disclosed below:-

(A) List of Related parties

(i) Related parties and nature of related party relationships where control exists*

Ultimate Holding Company

Mahindra & Mahindra Limited (M&M)

Holding Company

Mahindra Defence Systems Limited ((MDSL), India)**

Joint Venture Partner(upto 17 June 2022)

Mahindra Defence Systems Limited (MDSL), India

Telephonics Corporation (TC), United States of America (USA)

(ii) Related parties and nature of related party relationships with whom transactions have taken place

Fellow Subsidiary

Mahindra Integrated Business Solutions Private Limited (MIBL)

Key management personnel

1	Mr. Jayantaraj Chatterjee (JC)	Chief Executive Officer (CEO)
2	Mr. Arun Gupta (AG)	Chief Financial Officer (CFO)
3	Mr. Ashvin Patni (AP)	Company Secretary (CS)

* On 17 June 2022, 49% of the Company's shares were acquired by Mahindra Defence Systems Limited (MDSL), India. As a result, Mahindra Telephonics Integrated Systems Limited became a wholly owned subsidiary of Mahindra Defence Systems Limited (MDSL),India and and Mahindra & Mahindra Limited (M&M) became the Ultimate Holding Company of Mahindra Telephonics Integrated Systems Limited. Previously, these 49% shares were held by Telephonics Corporation (TC), United States of America (USA)

** Entities which also have common directors

(All amounts in Indian ₹ Lacs, unless otherwise stated)

(B) Transactions during the year

For the year ended 31 March 2024

Particulars	**MDSL**	**M&M**	**MIBL**	**KMP**
Payment of lease liabilities	**155.81**	**–**	**–**	**–**
Rent expense	**10.27**			
Shared service charges **	**212.21**	**6.93**	**1.26**	**–**
Power and fuel	**15.04**	**–**	**–**	**–**
Interest on Inter Corporate Deposits	**36.17**	**–**	**–**	**–**
Facilitation fees for corporate guarantee ***	**37.50**	**–**	**–**	**–**
Inter Corporate Deposits taken	**2,000.00**	**–**	**–**	**–**
Key managerial personnel				
Short-term Employee benefits*	**–**	**–**	**–**	**121.83**
Total	**2,467.00**	**6.93**	**1.26**	**121.83**

** net of Goods and Services tax and applicable cess

*** The finance cost represents facilitation fees for a corporate guarantee amounting to Rs. 7,500 provided by Mahindra Defence Systems Limited to Axis Bank and HDFC Bank on behalf of the Company for sanction of working capital limits.

The cash credit facilities from banks amounting to Rs. 1192.08 (March 31, 2023: Rs. 820.77) are secured by corporate guarantee provided from Mahindra Defence Systems Limited.

For the year ended 31 March 2023

Particulars	MDSL	M&M	MIBL	TC	KMP
Sale of goods and services	–	–	–	34.17	–
Payment of lease liabilities	158.66	–	–	–	–
Shared service charges **	213.41	5.40	1.17	–	–
Power and fuel	17.11	–	–	–	–
Legal and professional	–	–	–	35.72	–
Facilitation fees for corporate guarantee ***	45.00	–	–	–	–
Property, plant and equipment	–	23.45	–	–	–
Liability/Provisions no longer required written-back#	–	–	–	674.06	–
Key managerial personnel					
Short-term Employee benefits*	–	–	–	–	136.46
Total	434.18	28.85	1.17	743.95	136.46

** net of Goods and Services tax and applicable cess

*** The finance cost represents facilitation fees for a corporate guarantee amounting to Rs. 7,500 provided by Mahindra Defence Systems Limited to Axis Bank and HDFC Bank on behalf of the Company for sanction of working capital limits.

The cash credit facilities from banks amounting to Rs 820.77 (March 31, 2022: Rs Nil) are secured by corporate guarantee provided from Mahindra Defence Systems Limited.

During the current year, the Company has written back the payables pursuant to Share purchase agreement entered with Telephonics Corporation (TC).

Balance as at year end

Particulars	**As at 31 March 2024**				As at 31 March 2023			
	Trade payables*	**Security deposits**	**Borrowings**	**Other current financial liabilities**	Trade payables*	Security deposits	Borrowings	Other current financial liabilities
MDSL	**766.49**	**26.76**	**2,000.00**	**36.17**	462.29	24.78	–	–
MIBL	**–**	**–**	**–**	**–**	0.10	–	–	–
M&M	**0.54**	**–**	**–**	**–**	–	–	–	–
Total	**767.03**	**26.76**	**2,000.00**	**36.17**	462.39	24.78	–	–

* Including accruals

(All amounts in Indian ₹ Lacs, unless otherwise stated)

28 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Financial instruments by category	Carrying Value		Fair Value	
	As at 31 March 2024	As at 31 March 2023	**As at 31 March 2024**	As at 31 March 2023
Financial assets at amortised cost				
Trade receivables	**3,971.82**	17.52	**–**	–
Cash and cash equivalents	**–**	–	**–**	–
Bank balances other than cash and cash equivalents above	**–**	9.43	**–**	–
Other financial assets (current)	**268.02**	24.78	**–**	–
Other financial assets (non-current)	**0.55**	12.71	**–**	–
	4,240.39	64.44	**–**	–
Financial Liabilities at amortised cost				
Borrowings	**3192.09**	820.77	**–**	–
Lease liabilities	**0**	149.73	**–**	–
Trade Payables	**1,492.34**	503.86	**–**	–
Other financial liabilities	**90.96**	65.35	**–**	–
	4,775.39	1,539.71	**–**	–

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

a. Recognised and measured at fair value and

b. measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the indian accounting standard 113.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly,

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2024

	Carrying Value	Fair Value		
Assets carried at amortised cost for which fair value are disclosed	**31 March 2024**	Level 1	Level 2	Level 3
Other financial assets	**27.31**	–	–	27.31

Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2023

	Carrying Value	Fair Value		
Assets carried at amortised cost for which fair value are disclosed	31 March 2023	Level 1	Level 2	Level 3
Other financial assets	**25.33**	–	–	25.33

Note : The management assessed that cash and cash equivalents, bank balance other than cash and equivalent, trade receivables, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

29 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade payables, borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes security deposits given for rental properties taken on lease and equipment leases, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Since its nature of business does not involve commodities, it is not exposed to interest rates risk and other price risk. Financial instruments affected by market risks include interest rate risk, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2024. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2024.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies and plan the purchases and sales in manner with similar credit period and payment period that results in a natural hedge and cover risk arising due to volatility in the foreign currency risk.

Foreign currency risk sensitivity

The following table analyzes foreign currency risk from financial instruments as of 31 March 2024 and 31 March 2023:

	As at 31 March 2024			As at 31 March 2023		
Particulars	**USD**	**EUR**	**Total**	USD	EUR	Total
Trade Receivables	**81.04**	**–**	**81.04**	–	–	–
Trade Payable	**–**	**644.77**	**644.77**	–	–	–
Total	**81.04**	**644.77**	**725.81**	–	–	–

Foreign Currency Sensitivity

Effect in INR	**Profit/(loss) before tax for the year ended 31 March 2024**		Profit/(loss) before tax for the year ended 31 March 2023	
1% movement	**Strengthening**	**Weakening**	Strengthening	Weakening
USD	**0.81**	**(0.81)**	–	–
EUR	**6.45**	**(6.45)**	–	–
	7.26	**(7.26)**	–	–

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates since the Company's investment in fixed deposits with bank are carried at amortised cost. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's secured loan from bank with floating interest rate.

During the earlier years, the Company has not experienced any significant increase in floating interest rates and therefore, has not purchased any formal interest rate swaps and derivatives for the floating interest rate loan taken. The Company's treasury department manages the interest rate risk by regularly monitoring the requirement to hedge any of its floating interest rate loan taken.

The Company does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	As at 31 March 2024	As at 31 March 2023
Variable-rate instruments		
Working capital demand loan/cash credit from banks (secured)	**1,192.09**	820.77
Inter-Corporate Deposits (unsecured)	**2,000.00**	–

In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, the finance department undertakes the interest risk management exercise from time to time.

Sensitivity analysis

The below mentioned table demonstrates the sensitivity to a reasonably possible change in interest rates, with all variables held constant, (through the impact on floating rate loan)

	Impact on profit after tax / other equity	
	March 31, 2024	March 31, 2023
Interest rates - increase by 50 bps	**15.96**	4.10
Interest rates - decrease by 50 bps	**(15.96)**	(4.10)

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Currently, the Company is primarily engaged in supplying goods to Telephonics Corporation which was one its shareholder till 17 June 2022. Further, for unrelated parties, the customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Lifetime expected credit loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company with the its treasury policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2024 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Financial assets		
Trade Receivables	**3,971.82**	17.52
Bank balances other than cash and cash equivalent	**–**	9.43
Other financial assets (non-current)	**0.55**	12.71
Other financial assets (current)	**268.02**	24.78
	4,240.39	64.44

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The ageing analysis of trade receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	As at 31 March 2024	As at 31 March 2023
Neither past due nor impaired	**–**	8.67
0 to 180 days due past due date	**3,971.82**	117.10
More than 180 days past due date	**–**	123.31
Total Trade Receivables (gross of provision)	**3,971.82**	249.08

The following table summarises the change in loss allowance measured using the life time expected credit loss model:-

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	**231.56**	–
Provision during the year	**8.85**	231.56
Bad debts written off	**(80.78)**	–
Balance at the end of the year	**159.63**	231.56

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and current account with bank. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2024	Less than 1 year	1 to 5 years	Total
Borrowings	**3,192.09**	**–**	**3,192.09**
Lease liabilities	**–**		**–**
Trade Payables	**1,492.34**	**–**	**1,492.34**
Other current financial liabilities	**90.96**	**–**	**90.96**

As at 31 March 2023	Less than 1 year	1 to 5 years	Total
Lease liabilities	149.73	–	149.73
Trade Payables	503.86	–	503.86
Other current financial liabilities	65.35	–	65.35

30 Capital Management

For the purposes of Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

The Company monitors capital using gearing ratio, which is net payables (including borrowings) divided by total capital plus net payables (including borrowings).

Particulars	31 March 2024	31 March 2023
Borrowings (net of cash and cash equivalent)	**3,192.09**	820.77
Net Debt	**3,192.09**	820.77
Equity	**(89.19)**	18.31
Total Capital	**(89.19)**	18.31
Capital and Net Debt	**3,102.90**	839.08
Gearing ratio	**102.87%**	97.82%

31. Income Taxes

		For the year ended 31 March 2024	For the year ended 31 March 2023
A	**Amount recognised in Statement of Profit and Loss**		
	Current tax		
	Current period (a)	–	–
	Deferred tax asset (net) (b)		
	Deferred tax asset (net)	–	–
	Tax expense	–	–
B	**Income tax recognised in other comprehensive income**		
	Remeasurements of defined benefit liability/(asset)		
	Before tax	**4.24**	22.28
	Tax (expense)/ benefit	**–**	–
	Net of tax	**4.24**	22.28
C	**Reconciliation of effective tax rate**		
	(Loss) before tax	**(111.74)**	(442.31)
	Enacted tax rates in India	**26.00%**	26.00%
	Computed tax expense	**(29.05)**	(115.00)
	Timing differences	**(25.07)**	54.22
	Tax on carried forward losses	**54.12**	60.78
	Income tax expense	**–**	(0.00)

(All amounts in Indian ₹ Lacs, unless otherwise stated)

		As at 31 March 2024	As at 31 March 2023
D	**Income tax assets and income tax liabilities**		
	Advance tax	**11.42**	17.02
		11.42	17.02
E	**Deferred tax assets (net)**		
	Deferred tax assets on account of:		
	Lease Liability	**–**	9.53
	Provision for employee benefits	**17.17**	19.05
	Impairment allowances for trade receivables considered doubtful	**41.50**	60.21
	Carry forward business losses and unabsorbed depreciation	**919.26**	948.59
	Total deferred tax asset (A)	**977.93**	1,037.38
	Deferred tax liabilities on account of:		
	Property plant and equipment	**(0.07)**	(3.57)
	Total deferred tax liabilities (B)	**(0.07)**	(3.57)
	Net deferred tax assets /(liabilities) (A)-(B)	**977.86**	1,033.81
	Deferred tax assets recognised	**–**	–

The Company has significant unabsorbed depreciation and carry forward losses. Further, there exists no convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Accordingly, the Company has not recognised deferred tax assets in the books of account.

F Movement of temporary differences

	As at 31 March 2022	Temporary Difference	Carry forward business losses and Unabsorbed depreciation	As at 31 March 2023	Temporary Difference	Carry forward business losses and Unabsorbed depreciation	As at 31 March 2024
Property plant and equipment	(2.80)	(0.77)	–	(3.57)	3.50	–	**(0.07)**
Lease Liability	14.29	(4.76)	–	9.53	(9.53)	–	**–**
Provision for employee benefits	24.19	(5.14)	–	19.05	(1.88)	–	**17.17**
Loss allowances on trade receivables	–	60.21	–	60.21	(18.70)	–	**41.50**
Carry forward business losses and unabsorbed depreciation	1,193.37	–	(244.78)	948.59	–	(29.33)	**919.26**
	1,229.05	49.54	(244.78)	1,033.81	(26.61)	(29.33)	**977.87**

Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

Particulars	Expiry date	**As at 31 March 2024**	Expiry date	As at 31 March 2023
Business Loss				
FY 2015-16	–	**–**	31-Mar-24	354.24
FY 2016-17	31-Mar-25	**299.91**	31-Mar-25	299.91
FY 2017-18	31-Mar-26	**212.66**	31-Mar-26	212.66
FY 2018-19	31-Mar-27	**526.69**	31-Mar-27	526.69
FY 2019-20	31-Mar-28	**608.62**	31-Mar-28	608.62
FY 2020-21	31-Mar-29	**162.97**	31-Mar-29	162.97
FY 2021-22	31-Mar-30	**534.69**	31-Mar-30	534.69
FY 2022-23	31-Mar-31	**162.79**	31-Mar-31	162.79
FY 2023-24	31-Mar-32	**145.63**		–
		2,653.95		2,862.56
Unabsorbed Depreciation carried forward indefinitely		**858.93**		785.85
Total		**3,512.88**		3,648.41

(All amounts in Indian ₹ Lacs, unless otherwise stated)

32 Earnings per share

a) Basic Earnings per share

	As at 31 March 2024	As at 31 March 2023
Numerator for earnings per share		
Loss after taxation	**(111.74)**	(442.31)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	**50,784,313**	50,784,313
Earnings per share- Basic (one equity share of Rs 10 each)	**(0.22)**	(0.87)

The Company does not have any potential equity shares which have a dilutive impact on earnings per share, accordingly, basic and dilutive earnings per share are same.

33 Ageing analysis of Trade receivables is as follows :-

As at 31 March 2024

		Outstanding for following periods from due date of payment					
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables considered good	–	3,971.82	–	–	–	–	3,971.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables credit impaired	–	–	–	159.63	–	–	159.63
(iv) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables credit impaired	–	–	–	–	–	–	–
Total	**–**	**3,971.82**	**–**	**159.63**	**–**	**–**	**4,131.45**

As at 31 March 2023

		Outstanding for following periods from due date of payment					
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	8.67	–	8.85	–	–	–	17.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables credit impaired	–	117.10	114.46	–	–	–	231.56
(iv) Disputed Trade Receivables considered good	–			–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables credit impaired	–	–	–	–	–	–	–
Total	**8.67**	**117.10**	**123.31**	**–**	**–**	**–**	**249.08**

34 Ageing analysis of Trade payables is as follows :-

As on 31 March 2024

			Outstanding for following periods from due date of payment				
Particulars	**Unbilled dues**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME							–
(ii) Others	72.33	2.66	1,322.71	94.64			1,492.34
(iii) Disputed dues – MSME							–
(iv) Disputed dues - Others							–
Total	**72.33**	**2.66**	**1,322.71**	**94.64**	**–**	**–**	**1,492.34**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

As on 31 March 2023

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–	–	–
(ii) Others	203.46	1.89	298.51	–	–	–	503.86
(iii) Disputed dues – MSME	–	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–	–
Total	**203.46**	**1.89**	**298.51**	**–**	**–**	**–**	**503.86**

35 Analytical ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	% variance	Reason for variance
Current Ratio	Total current assets	Total current liabilities	1.03	1.60	36%	Variation because of increase in current assets and current liabilities during the year.
Debt-equity ratio	Total debt	Total equity	(35.79)	44.83	180%	Variation because of increase in borrowings during the year.
Debt service coverage ratio	Earnings available for debt service = Loss for the year + non-cash operating expenses + interest + other non-cash adjustments	Debt service = Interest + Lease Payments + Principal repayments	0.69	(5.20)	113%	Variation because of increase in borrowings during the year.
Return on equity ratio	Loss for the year	Average total equity	(315%)	(194%)	(63%)	Variation because of decrease in equity during the year due to losses.
Inventory turnover ratio	Cost of material consumed	Average inventory	4.26	0.15	(2700%)	Variation because of increase in revenue during the year.
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	2.21	0.42	(421%)	Variation because of increase in revenue during the year.
Trade payables turnover ratio	Cost of material consumed + Other expenses	Average trade payables	3.82	0.86	(342%)	Variation because of increase in revenue during the year.
Net capital turnover ratio	Revenue from operations	Working capital = Total current assets - Total current liabilities	23.94	0.17	(14113%)	Variation because of increase in revenue during the year.
Net profit ratio	Loss for the year	Revenue from operations	(3%)	(159%)	98%	Variation because of increase in revenue during the year.
Return on capital employed	Losses before tax and finance cost	Tangible Net Worth + Total Debt	2%	(43%)	105%	Variation because of increase in borrowings and reduction in Losses before tax and finance cost during the year.
Return on investment	Income generated from invested funds	Average investments	N.A.	N.A.	N.A.	

36 Other statutory information

i During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

ii The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

iii The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

iv The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

v No scheme of arrangement has been approved by the competent authority in term of Section 230 to 237 of the Company Act, 2013,

vi The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company(ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

vii The Company has not received any fund from any person or entity, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

viii The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

ix The Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

x The Company has complied with the number of layers prescribed under the Companies Act, 2013.

xi The Company has borrowings from banks on the basis of security of current assets and all immovable Property, plant and equipment. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

xii The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

xiii The title deeds/legal ownership of immovable properties as disclosed in the financial statements are held in the name of the Company.

xiv During the year the Company has not granted any loans or advances in nature of loans to Promoters, Directors, KMPs and other related parties.

xv The Company does not have any investment property.

37 The Company has incurred losses of Rs. 111.74 lacs for the year ended 31 March 2024 and has accumulated losses of Rs. 5,167.62 lacs as at that date. The losses are incurred due to lower revenue and higher fixed cost incurred by the Company. The management of the Company has confirmed customer orders in hand for the year ending 31 March 2025 and its Holding Company has given a letter of financial support for at least 12 months from the issue of the financial statements of the Company for the year ended 31 March 2024. The Company relies on such letter of support to meet its obligations and continue as a going concern. The Board of Directors and Management of the Company have independently assessed the Holding Company's ability and intent to provide such financial support.

Accordingly, these financial statements have been prepared on a going concern basis and therefore, the assets and liabilities are recorded on the basis that the Company will be able to use or realize its assets at least at the recorded amounts and discharge its liabilities in the usual course of business.

38 Amalgamation Scheme

On 27 March 2023, the Board of Directors of the Company has approved composite scheme of amalgamation and arrangement amongst Mahindra Telephonics Integrated Systems Limited ('Transferor Company') and Mahindra Defence Systems Limited ('Transferee Company') with proposed appointed date of April 1, 2023. The Company has filed the Scheme before National Company Law Tribunal (NCLT) on May 5, 2023 and the Scheme was approved by NCLT subject to certain approvals from government authorities. As on date of approval of the financial statements by board of directors, the Company has not received required approvals from government authorities therefore merger has not become effective.

Further, on March 20, 2024 the Company has filed request for extension with NCLT for implement of the scheme

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For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: Gurugram
Date: 20 April 2024

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

Vinod Kumar Sahay
(Director)
DIN: 07884268

Jayantaraj Chatterjee
(Whole time Director & CEO)
DIN: 09647105

Arun Gupta
CFO
PAN: AFYPG8293A

Ashvin Patni
(Company Secretary)
ACS: 68031

Place: Mumbai
Date: 20 April 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mahindra Emirates Vehicle Armouring FZ-LLC
Ras Al Khaimah, UNITED ARAB EMIRATES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Emirates Vehicle Armouring FZ - LLC (the Company), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to:

i) Note 2 to the financial statements which states that the Company has presented these financial statements as separate financial statements under International Accounting Standard (IAS) 27 wherein investment in subsidiary is carried at cost without consolidating the financial results of the subsidiary.

ii) Note 3.4 to the financial statements which states that the INR amounts in the accompanying financial statements are presented as supplementary information solely for the convenience of users of the financial statements. Such supplementary information does not form part of the financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Our opinion is not modified in respect of these matters.

Other Information

The Board of Directors and management is responsible for the other information. The other information comprises the directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained up to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that:

1. we have obtained all the information and explanations we considered necessary for the purposes of our audit;
2. the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;
3. the Company has maintained proper books of account;
4. the financial information included in the Directors' report, in so far as it relates to these financial statements, is consistent with the books of account of the Company;
5. the Company has not purchased or invested in shares or stocks during the year ended 31 March 2024;
6. note 10 to the financial statements discloses material related party transactions and balances and the terms under which they were conducted; and
7. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2024 with any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at 31 March 2024.

Saju Augustine FCA
Reg. No : 136
Kreston Menon Chartered Accountants

Ras Al Khaimah
18 April 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Assets					
Non-current assets					
Property and equipment	5	1,694,964	38,475,681	1,883,807	42,159,600
Right-of-use assets	6	3,305,118	75,026,179	3,810,281	85,274,089
Investment in subsidiary	7	25,900	587,930	25,900	579,642
Total non-current assets		5,025,982	114,089,790	5,719,988	128,013,331
Current assets					
Inventories	8	8,831,773	200,481,247	5,904,991	132,153,699
Trade and other receivables	9	10,533,194	239,103,504	3,330,819	74,543,730
Due from related parties	10.b	8,978,112	203,803,142	3,281,353	73,436,680
Cash and bank balances	11	945,775	21,469,092	8,926,192	199,768,177
Total current assets		29,288,854	664,856,985	21,443,355	479,902,286
Total assets		34,314,836	778,946,775	27,163,343	607,915,617
Equity and liabilities					
Equity					
Share capital	12	10,000,000	227,000,000	10,000,000	223,800,000
Statutory reserve	13	1,626,599	36,923,797	1,436,365	32,145,848
Retained earnings		3,259,046	73,980,343	4,046,936	90,570,430
Total equity		14,885,645	337,904,140	15,483,301	346,516,278
Liabilities					
Non-current liabilities					
Provision for employees' end of service benefits	14	1,441,123	32,713,491	1,337,545	29,934,257
Lease liabilities	15	3,869,854	87,845,686	4,375,840	97,931,299
Total non-current liabilities		5,310,977	120,559,177	5,713,385	127,865,556
Current liabilities					
Trade and other payables	16	13,320,652	302,378,800	5,402,447	120,906,762
Due to related party	10.c	176,401	4,004,303	4,794	107,290
Borrowings	17	–	–	56,691	1,268,745
Lease liabilities	15	621,161	14,100,355	502,725	11,250,986
Total current liabilities		14,118,214	320,483,458	5,966,657	133,533,783
Total liabilities		19,429,191	441,042,635	11,680,042	261,399,339
Total equity and liabilities		34,314,836	778,946,775	27,163,343	607,915,617

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth.

Authorised for issue on behalf of Board of Directors on 18 April 2024.

For and on behalf of the Board of Mahindra Emirates Vehicle Armouring FZ LLC

Engineer Esmaeel Hasan Esmaeel
Mohammed Al blooshi Director
Rajiv Gupta Director & CEO
Johnmon Xavier CFO

Place: Ras al khaimah
Date: 18th April, 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Revenue	18	36,280,763	823,573,320	35,170,231	787,109,769
Cost of revenue	19	(29,801,148)	(676,486,060)	(29,209,368)	(653,705,655)
Gross profit		6,479,615	147,087,260	5,960,863	133,404,114
Other income	20	185,377	4,208,058	27,942	625,342
Administrative expenses	21	(4,025,079)	(91,369,294)	(3,621,047)	(81,039,029)
Selling and distribution expenses	22	(395,289)	(8,973,061)	(554,639)	(12,412,822)
Profit from operating activities		2,244,624	50,952,963	1,813,119	40,577,605
Interest income		107,251	2,434,590	26,304	588,684
Finance costs	23	(449,531)	(10,204,354)	(287,184)	(6,427,178)
Profit for the year		1,902,344	43,183,199	1,552,239	34,739,111
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		1,902,344	43,183,199	1,552,239	34,739,111

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2022	10,000,000	1,281,141	2,649,921	13,931,062
Total comprehensive income for the year	–	–	1,552,239	1,552,239
Transfer to statutory reserve	–	155,224	(155,224)	–
Balance at 31 March 2023	**10,000,000**	**1,436,365**	**4,046,936**	**15,483,301**
Total comprehensive income for the year	–	–	1,902,344	1,902,344
Transfer to statutory reserve	–	190,234	(190,234)	–
Dividend (Note 25)	–	-	(2,500,000)	(2,500,000)
Balance at 31 March 2024	**10,000,000**	**1,626,599**	**3,259,046**	**14,885,645**

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth.

Unaudited Supplementary Information (refer note 3.4)

	Share capital INR	Statutory reserve INR	Retained earnings INR	Total INR
Balance at 1 April 2022	206,200,000	26,417,127	54,641,371	287,258,498
Total comprehensive income for the year	–	–	34,739,111	34,739,111
Transfer to statutory reserve	–	3,473,913	(3,473,913)	–
Effects of foreign exchange differences	17,600,000	2,254,808	4,663,861	24,518,669
Balance at 31 March 2023	**223,800,000**	**32,145,848**	**90,570,430**	**346,516,278**
Total comprehensive income for the year	–	–	43,183,199	43,183,199
Transfer to statutory reserve	–	4,318,312	(4,318,312)	–
Dividend (Note 25)	–	–	(56,750,000)	(56,750,000)
Effects of foreign exchange differences	3,200,000	459,637	1,295,026	4,954,663
Balance at 31 March 2024	**227,000,000**	**36,923,797**	**73,980,343**	**337,904,140**

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Cash flows from operating activities				
Profit for the year	**1,902,344**	**43,183,199**	1,552,239	34,739,111
Adjustments for:				
Depreciation of right-of-use assets	**505,163**	**11,467,200**	505,163	11,305,547
Finance costs	**449,531**	**10,204,354**	287,184	6,427,178
Depreciation of property and equipment	**419,944**	**9,532,729**	271,478	6,075,678
Provision for employees' end of service benefits	**165,063**	**3,746,930**	273,285	6,116,118
Reversal of excess provision for slow moving inventories	**(12,124)**	**(275,215)**	(35,858)	(802,502)
Reversal of excess provision for expense	**(120,051)**	**(2,725,158)**	–	–
Remission of liabilities	**(65,326)**	**(1,482,900)**	–	–
Interest income	**(107,251)**	**(2,434,590)**	(26,304)	(588,684)
Allowance for impairment of trade receivables	**208,367**	**4,729,931**	11,178	250,164
Gain on disposal of property and equipment	**–**	**–**	(27,942)	(625,342)
Operating cash flows before changes in working capital	**3,345,660**	**75,946,480**	2,810,423	62,897,268
(Increase)/decrease in inventories	**(2,914,658)**	**(66,162,737)**	4,022,215	90,017,172
(Increase) in trade and other receivables	**(7,410,742)**	**(168,223,843)**	(20,321)	(454,784)
(Increase) in due from related party	**(5,696,759)**	**(129,316,429)**	(58,436)	(1,307,798)
Increase/(decrease) in trade and other payables	**8,103,582**	**183,951,311**	(7,716,483)	(172,694,890)
Increase in due to related parties	**171,607**	**3,895,479**	4,794	107,290
Cash (used in) operations	**(4,401,310)**	**(99,909,739)**	(957,808)	(21,435,742)
Employees' end of service benefits paid	**(61,485)**	**(1,395,710)**	(53,299)	(1,192,832)
Net cash (used in) operating activities	**(4,462,795)**	**(101,305,449)**	(1,011,107)	(22,628,574)
Cash flows from investing activities				
Purchase of property and equipment	**(231,101)**	**(5,245,992)**	(150,312)	(3,363,983)
Additions to capital work-in-progress	**–**	**–**	(1,448,386)	(32,414,879)
Proceeds from disposal of property and equipment	**–**	**–**	50,476	1,129,653
Decrease/(increase) in fixed deposits	**8,516,334**	**193,320,782**	(2,282,728)	(51,087,453)
Interest income	**107,251**	**2,434,590**	26,304	588,684
Net cash generated from/(used in) investing activities	**8,392,484**	**190,509,380**	(3,804,646)	(85,147,978)
Cash flows from financing activities				
(Decrease)/increase in borrowings	**(56,691)**	**(1,286,886)**	56,691	1,268,745
Interest paid on lease liabilities	**(265,108)**	**(6,017,952)**	(285,573)	(6,391,124)
Interest paid on borrowings	**(184,423)**	**(4,186,402)**	(1,611)	(36,054)
Repayment of lease liabilities	**(387,550)**	**(8,797,385)**	(200,495)	(4,487,078)
Dividend paid	**(2,500,000)**	**(56,750,000)**	–	–
Net cash (used in) financing activities	**(3,393,772)**	**(77,038,625)**	(430,988)	(9,645,511)
Net increase/(decrease) in cash and cash equivalents	**535,917**	**12,165,306**	(5,246,741)	(117,422,063)
Cash and cash equivalents at beginning of year	**118,265**	**2,646,771**	5,365,006	110,626,424
Effects of foreign exchange differences	**–**	**37,854**	–	9,442,410
Cash and cash equivalents at end of year (Note 11)	**654,182**	**14,849,931**	118,265	2,646,771

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION :

Mahindra Emirates Vehicle Armouring FZ - LLC (the Company) is a Free Zone Limited Liability Company registered with Ras Al Khaimah Economic Zone (RAKEZ), Ras Al Khaimah, United Arab Emirates. The registered office address of the Company is P.O. Box. 39893, RAKEZ, Ras Al Khaimah, United Arab Emirates and principal place of business is located in Ras Al Khaimah, UAE.

The principal activities of the Company are trading & assembling of automobiles, specialised vehicles, auto spare parts & components, auto accessories, special accessories fitting & tyres & rims and manufacturing of vehicle bodies & vehicle upholstery services.

2. PRESENTATION OF SEPARATE FINANCIAL STATEMENTS OF PARENT COMPANY :

These financial statements are presented as separate financial statements wherein investment of the Company in its subsidiary is carried at cost without consolidating the financial results of the subsidiary. The Company also prepares consolidated financial statements that comply with International Financial Reporting Standards. In these separate financial statements, investment in subsidiary is accounted for as explained in note 3.8.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES:

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest AED. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IAS 1 - Disclosure of Accounting Policies

Amendments to IAS 8 - Definition of Accounting Estimates

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

IFRS 17: Insurance Contracts

The following Standards, amendments thereto and interpretations have been issued prior to 31 March 2024 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback - 1 January 2024

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - 1 January 2024

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements - 1 January 2024

Amendments to IAS 21 - Lack of Exchangeability - 1 January 2025

3.4 Convenience translation

In addition to presenting the financial statements in AED, supplementary information in INR has been presented for the convenience of users of the financial statements. All amounts are translated from AED to INR at the closing exchange rate at 31 March 2024 of INR 22.70 (31 March 2023: INR 22.38) to AED 1.

3.5 Foreign currencies

(a) Functional and presentation currency

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in AED, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.6 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows;

	Years
Leasehold improvements	**10**
Machinery and equipment	**7 - 8**
Prototype	**4**
Furniture and equipment	**4**
Motor vehicles	**4**

In the case of leasehold improvements, it is assumed that the lease will continue to be renewed over the useful life.

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in the profit or loss.

3.7 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

– amounts expected to be payable under any residual value guarantee;
– the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
– any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

– lease payments made at or before commencement of the lease;
– initial direct costs incurred; and
– the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lease extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

– if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
– in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
– if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3.8 Investment in subsidiary

Subsidiaries are entities (including structured entities) controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements if control listed.

When the Company has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Investment in subsidiary is stated at cost less identified impairment losses, if any.

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

Costs incurred in bringing each item to its present location and condition are accounted for as follows:

Steel & carpets and others	– purchase cost
Vehicles	– cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

3.10 Impairment of tangible and right-of-use assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

3.11 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; fair value through other comprehensive income ("FVTOCI") – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

All financial assets of the Company are classified as and are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

All financial liabilities of the Company are classified as and are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

3.12 Impairment of financial assets

'Expected Credit Loss' (ECL) model requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company records an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments.

The Company measures impairment allowances using general or simplified approach as considered appropriate. Loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs under the general approach are a probability weighted estimate of credit losses which are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs under the standard's simplified approach are calculated based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Company.

3.13 Cash and bank balances

Cash and bank balances comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right prior to the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting date.

3.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognised for future operating losses.

3.16 Provision for employees' benefits

Provision for employees' end of service benefits is made in accordance with the UAE labour laws, and is based on current remuneration and periods of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision relating to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.

3.17 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods or rendering of services based on a five-step model as set out below:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or rendering of services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or rendering of services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or rendering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of goods and issuance of the invoices to customers.

Storage income

Storage income is recognised over time on a straight line basis over the agreed storage period.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

a) *Estimated useful lives of property & equipment*

Management assigns useful lives and residual values to property and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) *Impairment of non-financial assets*

Assessments of net recoverable amounts of property & equipment, right-of-use assets and other non-financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) *Inventory provisions*

The Company reviews the carrying amounts of the inventories at the end of the reporting period and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, adequate provisions are made as at the end of the reporting period.

d) *Business model assessment*

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

e) *Significant increase in credit risk*

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

f) *Calculation of loss allowance*

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

g) *Lease term and useful lives of right-of-use assets*

The Company's management determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

h) *Provision for warranties*

In respect of sale of manufactured goods, the estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures (except warranties backed by the supplier).

5. PROPERTY AND EQUIPMENT :

Movement in property and equipment are detailed on page herein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

6. RIGHT-OF-USE ASSETS :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Cost				
Balance at beginning of year	**5,830,933**	**130,496,280**	5,830,933	120,233,838
Effects of foreign exchange differences	**–**	**1,865,899**	–	10,262,442
Balance at end of year	**5,830,933**	**132,362,179**	5,830,933	130,496,280
Accumulated depreciation				
Balance at beginning of year	**2,020,652**	**45,222,191**	1,515,489	31,249,383
Charge for the year	**505,163**	**11,467,200**	505,163	11,305,547
Effects of foreign exchange differences	**–**	**646,609**	–	2,667,261
Balance at end of year	**2,525,815**	**57,336,000**	2,020,652	45,222,191
Net book amount	**3,305,118**	**75,026,179**	3,810,281	85,274,089

Right-of-use assets represents long term usage rights of leased warehouses located in Al Hamra Free Zone, Ras Al Khaimah and are depreciated on a straight line basis over its estimated useful life. The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income are as detailed below:

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Cost of revenue (Note 19)	**404,130**	**9,173,751**	404,130	9,044,429
Administrative expenses (Note 21)	**101,033**	**2,293,449**	101,033	2,261,118
	505,163	**11,467,200**	505,163	11,305,547

7. INVESTMENT IN SUBSIDIARY :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Mahindra Armored Vehicles (Jordan) LLC	**25,900**	**587,930**	25,900	579,642

Mahindra Armored Vehicles (Jordan) LLC (the Subsidiary), is a Limited Liability Company incorporated in Jordan and the Company is holding 100% of its share capital. The principal activities of the Subsidiary are manufacturing, armoring & sales of armored vehicles, bullet-proof vehicles, security vehicles, military vehicles, cash in transit vehicles, police vehicles, ambulance and special-purpose vehicles.

8. INVENTORIES :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Vehicles	**6,286,861**	**142,711,745**	2,804,065	62,754,975
Steel and carpets	**2,097,117**	**47,604,556**	2,301,996	51,518,670
Others	**627,459**	**14,243,319**	990,718	22,172,269
	9,011,437	**204,559,620**	6,096,779	136,445,914
Less: Provision for slow moving inventories	**(179,664)**	**(4,078,373)**	(191,788)	(4,292,215)
	8,831,773	**200,481,247**	5,904,991	132,153,699

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Movement of the provision for slow moving inventories is as follows:

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Balance at beginning of year	**191,788**	**4,292,215**	227,646	4,694,060
Excess provision reversed during the year (Note 19)	**(12,124)**	**(275,215)**	(35,858)	(802,502)
Effects of foreign exchange differences	**–**	**61,373**	–	400,657
Balance at end of year	**179,664**	**4,078,373**	191,788	4,292,215

9. TRADE AND OTHER RECEIVABLES :

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Trade receivables	**5,118,608**	**116,192,402**	1,663,725	37,234,166
Allowance for impairment of trade receivables	**(220,652)**	**(5,008,800)**	(12,285)	(274,938)
	4,897,956	**111,183,602**	1,651,440	36,959,228
Advance to suppliers	**4,798,842**	**108,933,713**	800,735	17,920,449
Refundable deposits	**581,040**	**13,189,608**	619,516	13,864,768
Prepayments	**180,632**	**4,100,346**	205,081	4,589,713
VAT receivable[1]	**39,719**	**901,621**	44,047	985,772
Advance to employees	**35,005**	**794,614**	10,000	223,800
	10,533,194	**239,103,504**	3,330,819	74,543,730

Trade receivables which are neither past due nor impaired amounted to AED 3,864,930/- equivalent to INR 87,733,912/- (2023: AED 1,476,405/- equivalent to INR 33,041,945/-).

An age analysis of trade receivables that were past due but not impaired is as follows:

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Upto 30 days past due	**9,773**	**221,847**	28,171	630,467
31 - 60 days past due	**669,654**	**15,201,146**	38,374	858,810
61 - 90 days past due	**–**	**–**	5,970	133,609
91 - 180 days past due	**–**	**–**	32,839	734,937
Over 180 days past due	**353,599**	**8,026,697**	69,681	1,559,460
Total	**1,033,026**	**23,449,690**	175,035	3,917,283

An analysis of trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovery is as follows:

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Gross value	**220,652**	**5,008,800**	12,285	274,938
Allowance	**(220,652)**	**(5,008,800)**	(12,285)	(274,938)
Carrying value	**–**	**–**	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Movement in the allowance for impairment of trade receivables is as follows:

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Balance at beginning of year	**12,285**	**274,938**	1,107	22,826
Allowance made during the year (Note 22)	**208,367**	**4,729,931**	**11,178**	**250,164**
Effects of foreign exchange differences	**–**	**3,931**	**–**	**1,948**
Balance at end of year	**220,652**	**5,008,800**	12,285	274,938

[1] Value Added Tax (VAT) receivable represents net VAT amount receivable from the U.A.E. Federal Tax Authority against the input tax charged by the suppliers on their taxable supplies to the Company in excess of the output tax charged to the customers on its taxable supplies to the customers as per the Federal Decree Law No. 8 of 2017 on Value Added Tax and its Executive Regulations.

The following table provides information about the ECLs for trade receivables as at 31 March 2024:

	Weighted average loss rate %	Gross carrying amount AED	Loss allowance AED	Unaudited Supplementary Information (refer note 3.4) Loss allowance INR
Current (not past due)	**0.00%**	**3,864,930**	**–**	**–**
Upto 30 days past due	**0.00%**	**9,773**	**–**	**–**
31 - 60 days past due	**0.01%**	**669,654**	**59**	**1,339**
61 - 90 days past due	**0.05%**	**–**	**–**	**–**
91 - 180 days past due	**0.34%**	**–**	**–**	**–**
Over 180 days past due	**38.41%**	**574,251**	**220,593**	**5,007,461**
		5,118,608	**220,652**	**5,008,800**

The following table provides information about the ECLs for trade receivables as at 31 March 2023:

	Weighted average loss rate %	Gross carrying amount AED	Loss allowance AED	Unaudited Supplementary Information (refer note 3.4) Loss allowance INR
Current (not past due)	0.00%	1,476,405	–	–
Upto 30 days past due	0.00%	28,171	–	–
31 - 60 days past due	0.01%	38,377	3	67
61 - 90 days past due	0.05%	5,973	3	67
91 - 180 days past due	0.35%	32,955	116	2,596
Over 180 days past due	14.86%	81,844	12,163	272,208
		1,663,725	12,285	274,938

10. RELATED PARTY TRANSACTIONS AND BALANCES :

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described in page herein. Transactions with related parties were entered into on terms agreed by the management.

a. During the year, the Company entered into the following transactions with related parties:

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Revenue (Note 18)	**3,849,440**	**87,382,288**	5,492,810	122,929,088
Cost of revenue (Note 19)	**337,192**	**7,654,258**	5,068,971	113,443,571
Marketing & technical support	**289,080**	**6,562,116**	232,400	5,201,112
Key management remuneration	**1,084,750**	**24,623,825**	1,066,750	23,873,865

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Key management remuneration represents the compensation paid or payable to key management for employee services. Key management represents the Director & CEO and CFO of the Company and the remuneration is included in employee costs allocated to administrative expenses in the statement of profit or loss and other comprehensive income. The compensation of key management for the period is shown below:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
Short-term benefits	**922,935**	**20,950,625**	908,260	20,326,859
End of service benefits	**52,900**	**1,200,830**	51,410	1,150,556
Other benefits	**108,915**	**2,472,370**	107,080	2,396,450
	1,084,750	**24,623,825**	1,066,750	23,873,865

The following related party balances were outstanding at the end of the reporting period:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
b. **Due from related parties:**				
Mahindra Armoured Vehicles (Jordan) LLC, Jordan	**8,978,112**	**203,803,142**	3,281,353	73,436,680

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
c. **Due to related parties:**				
Mahindra & Mahindra Limited	**23,823**	**540,782**	4,794	107,290
Mahindra Defence Systems Limited, India	**152,578**	**3,463,521**	–	–
	176,401	**4,004,303**	4,794	107,290

Related party balances are unsecured and are expected to be settled by cash. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

11. CASH AND BANK BALANCES :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
Cash at bank:				
Current accounts	**654,182**	**14,849,931**	118,265	2,646,771
Fixed deposits	**291,593**	**6,619,161**	8,807,927	197,121,406
Cash and bank balances	**945,775**	**21,469,092**	8,926,192	199,768,177
Less : Fixed deposits with original maturity period of more than three months	**(291,593)**	**(6,619,161)**	(8,807,927)	(197,121,406)
Cash and cash equivalents	**654,182**	**14,849,931**	118,265	2,646,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

12. SHARE CAPITAL :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Authorised, issued and fully paid;				
10,000 (2023: 10,000) ordinary shares of AED 1,000/- each	**10,000,000**	**227,000,000**	10,000,000	223,800,000

During 2022, the Board of Directors and the shareholders of the Company, approved the transfer of shares from Mahindra Overseas Investment Company (Mauritius) Limited (retiring shareholder) to Mahindra Defence Systems Limited (new shareholder). Accordingly, the Memorandum of Association of the Company was amended on 3 August 2022.

13. STATUTORY RESERVE :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Balance at beginning of year	**1,436,365**	**32,145,848**	1,281,141	26,417,127
Transferred during the year	**190,234**	**4,318,312**	155,224	3,473,913
Effects of foreign exchange differences	**–**	**459,637**	–	2,254,808
Balance at end of year	**1,626,599**	**36,923,797**	1,436,365	32,145,848

In accordance with the Company's memorandum of association, the Company has established a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law.

14. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Balance at beginning of year	**1,337,545**	**29,934,257**	1,117,559	23,044,067
Provision made during the year (Note 24)	**165,063**	**3,746,930**	273,285	6,116,118
Payments during the year	**(61,485)**	**(1,395,710)**	(53,299)	(1,192,832)
Effects of foreign exchange differences	**–**	**428,014**	–	1,966,904
Balance at end of year	**1,441,123**	**32,713,491**	1,337,545	29,934,257

15. LEASE LIABILITIES :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Balance at beginning of year	**4,878,565**	**109,182,285**	5,079,060	104,730,217
Interest charged for the year (Note 23)	**265,108**	**6,017,952**	285,573	6,391,124
Repayments during the year	**(652,658)**	**(14,815,337)**	(486,068)	(10,878,202)
Effects of foreign exchange differences	**–**	**1,561,141**	–	8,939,146
Balance at end of year	**4,491,015**	**101,946,041**	4,878,565	109,182,285
Presented in the statement of financial position as:				
Non-current	**3,869,854**	**87,845,686**	4,375,840	97,931,299
Current	**621,161**	**14,100,355**	502,725	11,250,986
	4,491,015	**101,946,041**	4,878,565	109,182,285

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

16. TRADE AND OTHER PAYABLES :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
Trade payables	**1,719,113**	**39,023,865**	909,880	20,363,114
Advance from customers	**9,661,781**	**219,322,429**	2,868,638	64,200,118
Accruals for employees' benefits	**686,337**	**15,579,850**	561,264	12,561,088
Other payables	**435,701**	**9,890,412**	95,043	2,127,062
Accrued expenses	**817,720**	**18,562,244**	967,622	21,655,380
	13,320,652	**302,378,800**	5,402,447	120,906,762

17. BORROWINGS :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
Bank overdraft	**–**	**–**	56,691	1,268,745

Bank facilities granted to the Company are secured by cash collateral in the form of fixed deposit receipts, comfort letters issued by shareholders, possessory pledge of machinery & equipment & inventories and assignment of receivables in favour of the bank.

18. REVENUE :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
Revenue from:				
Sale of armoured vehicles and accessories	**36,113,670**	**819,780,309**	34,729,464	777,245,404
Storage income	**167,093**	**3,793,011**	440,767	9,864,365
	36,280,763	**823,573,320**	35,170,231	787,109,769
Analysis of revenue is as				
Related parties (Note 10.a)	**3,849,440**	**87,382,288**	5,492,810	122,929,088
Others	**32,431,323**	**736,191,032**	29,677,421	664,180,681
	36,280,763	**823,573,320**	35,170,231	787,109,769

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

19. COST OF REVENUE :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Purchases	**27,187,110**	**617,147,397**	20,490,945	458,587,349
Employee costs (Note 24)	**2,374,607**	**53,903,579**	2,263,801	50,663,866
Clearing and forwarding	**1,069,885**	**24,286,390**	1,019,459	22,815,492
Other direct costs	**1,578,314**	**35,827,728**	900,708	20,157,845
Depreciation of right-of-use assets (Note 6)	**404,130**	**9,173,751**	404,130	9,044,429
Depreciation of property and equipment (Note 5)	**113,884**	**2,585,167**	143,968	3,222,004
Reversal of excess provision for slow moving inventories (Note 8)	**(12,124)**	**(275,215)**	(35,858)	(802,502)
Changes in inventories	**(2,914,658)**	**(66,162,737)**	4,022,215	90,017,172
	29,801,148	**676,486,060**	29,209,368	653,705,655

The above purchases include purchases from related parties amounting to AED 337,192/- equivalent to INR 7,654,258/- (2023: AED 5,068,971/- equivalent to INR 113,433,571/-) (Note 10.a).

20. OTHER INCOME :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Reversal of excess provision for expense	**120,051**	**2,725,158**	–	–
Remission of liabilities	**65,326**	**1,482,900**	–	–
Gain on disposal of property and equipment	**–**	**–**	27,942	625,342
	185,377	**4,208,058**	27,942	625,342

21. ADMINISTRATIVE EXPENSES :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Employee costs (Note 24)	**2,846,717**	**64,620,476**	2,666,930	59,685,893
Depreciation of property and equipment (Note 5)	**306,060**	**6,947,562**	127,510	2,853,674
Office expenses	**199,156**	**4,520,841**	205,174	4,591,793
Legal and professional charges	**130,273**	**2,957,197**	114,996	2,573,610
Travelling	**127,803**	**2,901,128**	121,440	2,717,827
Depreciation of right-of-use assets (Note 6)	**101,033**	**2,293,449**	101,033	2,261,118
Insurance	**94,811**	**2,152,210**	64,159	1,435,878
Bank charges	**88,033**	**1,998,349**	63,648	1,424,442
Communication	**78,438**	**1,780,543**	79,850	1,787,043
Repairs and maintenance	**24,250**	**550,475**	17,994	402,706
Operating lease charges	**12,247**	**278,007**	7,190	160,912
Utilities	**10,454**	**237,306**	10,956	245,195
Other expenses	**4,446**	**100,924**	4,507	100,867
Foreign currency exchange losses	**1,358**	**30,827**	35,660	798,071
	4,025,079	**91,369,294**	3,621,047	81,039,029

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

22. SELLING AND DISTRIBUTION EXPENSES :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Allowance for impairment of trade receivables (Note 9)	**208,367**	**4,729,931**	11,178	250,164
Advertisement & business promotion	**87,110**	**1,977,397**	438,005	9,802,552
Business travelling	**68,911**	**1,564,280**	83,863	1,876,854
Other expenses	**30,901**	**701,453**	21,593	483,252
	395,289	**8,973,061**	554,639	12,412,822

23. FINANCE COSTS :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Interest on:				
Lease liabilities (Note 15)	**265,108**	**6,017,952**	285,573	6,391,124
Borrowings	**184,423**	**4,186,402**	1,611	36,054
	449,531	**10,204,354**	287,184	6,427,178

24. EMPLOYEE COSTS :

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Salaries and allowances	**3,886,504**	**88,223,641**	3,603,385	80,643,756
End of service benefits (Note 14)	**165,063**	**3,746,930**	273,285	6,116,118
Other benefits	**1,169,757**	**26,553,483**	1,054,061	23,589,885
	5,221,324	**118,524,054**	4,930,731	110,349,759

The employee costs have been allocated in the statement of profit or loss and other comprehensive income as follows:

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Cost of revenue (Note 19)	**2,374,607**	**53,903,579**	2,263,801	50,663,866
Administrative expenses (Note 21)	**2,846,717**	**64,620,476**	2,666,930	59,685,893
	5,221,324	**118,524,055**	4,930,731	110,349,759

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

25. DIVIDEND :

During the financial year under review, dividend of AED 2,500,000/- equivalent to INR 56,750,000/- was paid to the shareholders.

26. FINANCIAL INSTRUMENTS :

The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are classified as follows:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2024 AED	**31.03.2024 INR**	31.03.2023 AED	31.03.2023 INR
Financial assets - At amortised cost :				
Trade and other receivables (excluding prepayments and advance to suppliers)	**5,553,720**	**126,069,445**	2,325,003	52,033,568
Due from related party	**8,978,112**	**203,803,142**	3,281,353	73,436,680
Cash and bank balances	**945,775**	**21,469,092**	8,926,192	199,768,177
Total	**15,477,607**	**351,341,679**	14,532,548	325,238,425
Financial liabilities - At amortised cost :				
Trade and other payables (excluding advance from customers)	**3,658,871**	**83,056,371**	2,533,809	56,706,644
Due to related parties	**176,401**	**4,004,303**	4,794	107,290
Borrowings	**–**	**–**	56,691	1,268,745
Lease liabilities	**4,491,015**	**101,946,041**	4,878,565	109,182,285
Total	**8,326,287**	**189,006,715**	7,473,859	167,264,964

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

27. CAPITAL RISK MANAGEMENT :

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties and related party, net of cash and bank balances.

28. FINANCIAL RISK MANAGEMENT :

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: interest rate risk and currency risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is AED. The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Financial assets and financial liabilities are denominated in the respective functional currencies or US Dollars except for the following:

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4)** 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Trade payables				
Euro	**274,476**	**6,230,605**	–	–

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited to its interest bearing assets and liabilities.

The Company has interest bearing liabilities as disclosed in Notes 15 and 17. The interest rates on these liabilities are at commercial rates which are generally obtained in UAE.

The Company's sensitivity to interest rates has not changed significantly from the prior year.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables and committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

Of the trade receivables balance of AED 5,118,608/- equivalent to INR 116,192,402/- (2023: AED 1,663,725/- equivalent to INR 37,234,166/-) at the end of the period, AED 3,858,181/- equivalent to INR 87,580,709/- (2023: AED 1,425,695/- equivalent to INR 31,907,054/-) is due from two (2023: three) customers (customers with more than 10% of total balance have been considered).

Significant concentration of credit risk by geography is as follows:

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4)** 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
UAE	**1,175,175**	**26,676,473**	1,177,563	26,353,860
Australia	**11,561**	**262,435**	386,245	8,644,164
Other countries	**3,931,872**	**89,253,494**	99,917	2,236,142
	5,118,608	**116,192,402**	1,663,725	37,234,166

(c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and bank balances to ensure funds are available to meet its commitments for liabilities as they fall due.

The table analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4)** 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Less than 1 year				
Trade and other payables (excluding advance from customers) (Note 16)	**3,658,871**	**83,056,371**	2,533,809	56,706,644
Due to related party (Note 10.c)	**176,401**	**4,004,303**	4,794	107,290
Borrowings (Note 17)	**–**	**–**	56,691	1,268,745
Lease liabilities (Note 15)	**621,161**	**14,100,355**	502,725	11,250,986
	4,456,433	**101,161,029**	3,098,019	69,333,665

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Between 1 to 2 years				
Lease liabilities (Note 15)	**586,864**	**13,321,813**	505,986	11,323,967
Between 2 to 5 years				
Lease liabilities (Note 15)	**2,136,093**	**48,489,311**	1,946,414	43,560,751
More than 5 years				
Lease liabilities (Note 15)	**1,146,897**	**26,034,562**	1,923,440	43,046,581
Total	**8,326,287**	**189,006,715**	7,473,859	167,264,964

29. FAIR VALUE :

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

30. COMMITMENTS AND CONTINGENCIES :

Details of the commitments and outstanding contingent liabilities of the Company which are in the normal course of the business activities are as follows:

30.1 Operating lease arrangements

The Company has entered into commercial leases of certain offices and other business related premises. These leases have an average life of one to ten years and the Company does not have an option to purchase the leased properties at the expiry of the lease period. The Company has recognised right-of-use assets and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

30.2 Capital commitments

Except for the ongoing service commitments in the normal course of business against which no loss is expected, there has been no other known capital commitments on the Company's account.

30.3 Contingent liabilities

As at the end of the reporting period, the following contingent liabilities were outstanding:

	31.03.2024 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Financial guarantee	**91,825**	**2,084,428**	101,990	2,282,536
Performance guarantees	**74,419**	**1,689,311**	74,419	1,665,497
	166,244	**3,773,739**	176,409	3,948,033

31. CORPORATE INCOME TAX :

On 9 December 2022, UAE Ministry of Finance issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax (CT) Law to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities. As per the Company's assessment, there is no material deferred tax impact on account of CT Law in the Company's financial statements for the year ended 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

Property and equipment
(Ref. Note 5 on page herein)

	Leasehold improvements AED	Machinery and equipment AED	Prototype AED	Furniture and equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost							
At 1 April 2022	1,166,809	1,921,149	2,243,242	746,316	587,790	–	6,665,306
Additions	–	9,500	–	50,336	90,476	1,448,386	1,598,698
Disposals	–	–	–	–	(134,900)	–	(134,900)
At 31 March 2023	1,166,809	1,930,649	2,243,242	796,652	543,366	1,448,386	8,129,104
Additions	–	33,099	105,612	92,390	–	–	231,101
Transfers	–	–	1,448,386	–	–	(1,448,386)	–
At 31 March 2024	1,166,809	1,963,748	3,797,240	889,042	543,366	–	8,360,205
Accumulated depreciation							
At 1 April 2022	1,166,809	1,651,225	2,193,749	685,913	388,489	–	6,086,185
Charge for the year	–	131,737	34,949	25,426	79,366	–	271,478
Adjustment on disposals	–	–	–	–	(112,366)	–	(112,366)
At 31 March 2023	1,166,809	1,782,962	2,228,698	711,339	355,489	–	6,245,297
Charge for the year	–	82,075	208,791	46,776	82,302	–	419,944
At 31 March 2024	1,166,809	1,865,037	2,437,489	758,115	437,791	–	6,665,241
Net book amount							
At 31 March 2024	–	98,711	1,359,751	130,927	105,575	–	1,694,964
At 31 March 2023	–	147,687	14,544	85,313	187,877	1,448,386	1,883,807

Unaudited Supplementary Information (refer note 3.4)

	Leasehold improvements INR	Machinery and equipment INR	Prototype INR	Furniture and equipment INR	Motor vehicles INR	Capital work-in-progress INR	Total INR
Cost							
At 1 April 2022	24,059,602	39,614,093	46,255,650	15,389,036	12,120,230	–	137,438,611
Additions	–	212,610	–	1,126,520	2,024,853	32,414,879	35,778,862
Disposals	–	–	–	–	(3,019,062)	–	(3,019,062)
Effect of foreign exchange differences	2,053,584	3,381,222	3,948,106	1,313,516	1,034,510	–	11,730,938
At 31 March 2023	26,113,186	43,207,925	50,203,756	17,829,072	12,160,531	32,414,879	181,929,349
Additions	–	751,347	2,397,392	2,097,253	–	–	5,245,992
Transfers	–	–	32,878,362	–	–	(32,878,362)	–
Effect of foreign exchange differences	373,379	617,808	717,837	254,929	173,877	463,483	2,601,313
At 31 March 2024	26,486,565	44,577,080	86,197,347	20,181,254	12,334,408	–	189,776,654
Accumulated depreciation							
At 1 April 2022	24,059,602	34,048,260	45,235,105	14,143,526	8,010,643	–	125,497,136
Charge for the year	–	2,948,274	782,159	569,034	1,776,211	–	6,075,678
Adjustment on disposals	–	–	–	–	(2,514,751)	–	(2,514,751)
Effect of foreign exchange differences	2,053,584	2,906,156	3,860,998	1,207,207	683,741	–	10,711,686
At 31 March 2023	26,113,186	39,902,690	49,878,262	15,919,767	7,955,844	–	139,769,749
Charge for the year	–	1,863,103	4,739,556	1,061,815	1,868,255	–	9,532,729
Effect of foreign exchange differences	373,379	570,548	713,183	227,628	113,756	–	1,998,495
At 31 March 2024	26,486,565	42,336,341	55,331,001	17,209,210	9,937,855	–	151,300,973
Net book amount							
At 31 March 2024	–	2,240,739	30,866,346	2,972,044	2,396,553	–	38,475,681
At 31 March 2023	–	3,305,235	325,494	1,909,305	4,204,687	32,414,879	42,159,600

Leasehold improvements represent the interior works carried out at the Company's leased premises and are fully depreciated as at the end of the reporting period.

The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income as follows:

	31.03.2024 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2024 INR**	31.03.2023 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2023 INR
Cost of revenue (Note 19)	113,884	2,585,167	143,968	3,222,004
Administrative expenses (Note 21)	306,060	6,947,562	127,510	2,853,674
	419,944	9,532,729	271,478	6,075,678

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNER'S:
MAHINDRA ARMORED VEHICLES JORDAN
A LIMITED LIABILITY COMPANY
AQABA - JORDAN

Opinion

We have audited the financial statements of **MAHINDRA ARMORED VEHICLES JORDAN Co.,** which comprise the statement of financial position as at 31, March 2024 and comprehensive income statement, statement of Changes in equity, statement of cash flows for the then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion , the financial statements present fairly, in all material respects the financial position as at 31, March 2024 and of its financial performance and its cash flows for the then ended accordance with International Financial Reporting Standards.

Basis Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibility in accordance with those standards have been mentioned more clearly in our report in "Auditor's Responsibility on the Audit of Financial Statements" paragraph.

We are independent of the company and in accordance with the requirements of The International Ethics Standards Board for Accountants (IESBA) "Code of Ethics for Professional Accountants" relevant to our audit conducted of the financial statements, and that we have fulfilled the ethical responsibilities in accordance with those requirements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility and those responsible for governance to the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those who responsible for governance are responsible for monitoring the financial reporting process in the company.

Auditor's Responsibility on the Audit of Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report which includes our opinion.

Reasonable assurance is high level of assurance, but our audit in accordance with International Auditing Standards does not always guarantee the discovery of substantially errors, even if they exist.

Errors can arise from fraud or by error, and is considered essential if they are individually or cumulative may affect the economic decisions of users of financial statements reasonably.

As part of the audit process in accordance with International Auditing Standards, we exercise professional judgment and maintain the application of the principle of professional skepticism in all aspects of the audit, in addition to:

– Identify and assess material misstatement of the financial statements of risk, whether due to fraud or error, as well as the design and implementation of audit procedures that respond to those risks, and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of non-discovery material misstatement resulting from fraud is higher than of the error risk, and that fraud may include collusion and fraud, or deliberate deletion and misrepresentations, or bypass the internal control systems.
– Get an understanding of internal control systems relevant to the work for the purpose of checking design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control systems in the company.
– Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related notes prepared by the management of the relationship.
– Conclude on the appropriateness of management's use of going concern basis in accounting, based on the audit evidence obtained, whether there is presence of non-substantial uncertainties relevant to events or conditions that may cast significant doubt about the company's ability to continuity. If we conclude that there are no lack of substantial uncertainty, we are required to draw attention in the audit report to the relevant information contained in the financial statements notes, or if the disclosure of this information is not sufficient, we will modify our opinion, the conclusions based on the audit evidence obtained them until the date of the audit report. However, it may cause future events or conditions in the company ceased to continue as a going concern.
– The overall presentation, structure and content of financial statements, including notes and whether the financial statements represent transactions and events are to achieve equitable offer.
– We have communicated with those responsible for governance with respect to the scope and timing of the planned audit and observations important including audit any significant deficiencies in internal control system identified during our audit.

Report on Other Regulatory Requirements

The Company MAHINDRA ARMORED VEHICLES JORDAN Co. for the fiscal year 2024 maintains proper accounting records and the financial statements and the financial information presented in the Board of Directors' report are in agreement therewith. We recommend approving these financial statements.

Orbit Bureau
Member of DFK International

Abdulraheem Sheeha
License No. (569)

Amman – Jordan
18 April 2024

STATEMENT OF FINANCIAL POSITION AS AT 31, MARCH 2024 & 2023 EXHIBIT (A)

	Notes	2024	2023
ASSETS:		**JD**	JD
Currents Assets:			
Cash & cash equivalents	8	**8,054**	9,940
Inventories		**1,893,349**	699,760
Other debit balances	9	**68,004**	104,919
Total Currents Assets		**1,969,407**	814,619
Non-Current Assets:			
Property, plant & Equipment	10	**54,864**	63,054
Total Non-Current Assets		**54,864**	63,054
Total Assets		**2,024,271**	673,877
LIABILITIES AND EQUITY			
Current liabilities			
Due to a related party		**1,733,226**	633,465
Other credit balances		**230,173**	185,243
Total Current Liabilities		**1,963,399**	818,708
Equity			
Capital		**5,000**	5,000
Statutory reserve		**5,000**	5,000
Retained earnings		**48,965**	38,655
Profit of the year - Exhibit (B)		**1,907**	10,310
Total Shareholders Equity		**60,872**	58,965
Total Liabilities & Shareholders Equity		**2,024,271**	877,673

Authorised for issue on 18 April 2024

For and on behalf of the Board

Rajiv Gupta - Chairman

Johnmon Xavier - Director

The accompanying notes constitute an integral part of these financial statements

INCOME STATEMENT FOR THE YEAR ENDED 31, MARCH 2024 & 2023 — EXHIBIT (B)

Description	Notes	2024	2023
		JD	JD
Revenues		**926,124**	1,425,294
Cost of revenues	12	**(669,206)**	(1,024,742)
Gross profit		**256,918**	400,552
General and administrative expenses	13	**(299,743)**	(365,651)
Depreciation expense		**(22,906)**	(35,930)
Other Income		**67,638**	12,044
Net profit before reserve and income tax:		**1,907**	11,015
Statutory reserve		**–**	705
Profit of the year - Exhibit (A)		**1,907**	10,310
Total		**1,907**	11,015

The accompanying notes constitute an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31, MARCH 2024 & 2023 EXHIBIT (C)

Description	Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 31 March 2022	**5,000**	**4,295**	**38,655**	**47,950**
Total comprehensive income for the period	**–**	**–**	**11,015**	**11,015**
Transfer to reserves	**–**	**705**	**(705)**	**–**
Balance as at 31 March 2023	**5,000**	**5,000**	**48,965**	**58,965**
Total comprehensive income for the period	–	–	**1,907**	**1,907**
Balance as at 31 March 2024	**5,000**	**5,000**	**50,872**	**60,872**

The accompanying notes constitute an integral part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31, MARCH 2024 & 2023 EXHIBIT (D)

Description	2024	2023
	JD	JD
Cash flow from operations:		
Profit for the year	**1,907**	11,015
Non-monetary items:		
Depreciation expense	**22,906**	35,930
Profit before changes in working capital items	**24,813**	46,945
Change in current assets and liabilities:		
(Increase) decrease in current assets		
Inventories	**(1,193,589)**	(552,182)
Other debit balances	**36,915**	(62,288)
Increase (decrease) in current liabilities:		
Due to a related party	**1,099,761**	420,927
Other credit balances	**44,930**	130,754
Net cash flows from operating activities	**(11,983)**	(62,789)
Net Cash flows from operating activities	**12,830**	(15,844)
Cash flows provided by investing activities:		
Purchase of fixed assets	**(14,716)**	(526)
Net Cash (used in) investing activities	**(14,716)**	(526)
Cash flows provided by financing activities:		
Net cash provided by financing Activities	**–**	–
Cash at the beginning of reporting	**9,940**	26,310
decrease in cash	**(1,886)**	(16,370)
Cash at the ending of reporting period	**8,054**	9,940

The accompanying notes constitute an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. General:

A - Foundation:

MAHINDRA ARMORED VEHICLES JORDAN Was Established On March 31, 2019 As A LIMITED LIABILITY COMPANY In Accordance With The Aqaba Special Economic Zone Law No. (31) And Its Amendments, with a paid – up capital of JD 5,000 and it is registered under number (1219041105).

The company is located in South Aqaba Investment Park, Aqaba – Jordan.

The company is 100% owned by Mahindra Emirates Vehicle Armouring FZ- LLC.

The accompanying financial statements have been approved by the board of directors on April 18, 2024

B - Company Objectives:

The most important purpose of the company are:

The company main activities are manufacturing

- sales of armored vehicles
- bullet – proof vehicles
- security vehicles
- military vehicles cash in transit vehicles
- ambulances and special – purpose vehicles.
- In addition to the goals mentioned in the articles of association

2. Basis of Preparation:

- The financial statements have been prepared in accordance with International Financial Reporting Standards.
- These financial statements have been prepared on the basis that the company is continuing in the foreseeable future and in accordance with the historical cost basis except the financial assets that have presented at fair value through income and through other comprehensive income and any other items at fair value on the financial statements in accordance with international standards.
- These financial statements have been prepared on the accrual basis of accounting and whereby the recognition of the impact of financial transactions and other events when they occur, regardless of payment or cash receipt and therefore are recorded accounting records for the periods to which they relate (except the statement of cash flows).
- The accounting policies adopted in the financial statements are consistent with the accounting policies of the previous financial years.

3. Functional and presentation currency:

The financial statements have been presented in Jordanian dinars, which is the functional currency of the Company and all amounts in the financial statements have been rounded to the nearest JD unless otherwise indicated.

New standards or amendments	Application date
Loss Contracts (A contract in which the total cost required to fulfill the contract higher than the economic benefit that can be obtained from it) – the cost of performing the contract (Amendments to International Accounting Standards No. 37)	January 1, 2023
Annual Amendments to International Financial Reporting Standards 2018-2020	January 1, 2023
Property and equipment: obtained prior to intended or intended use Property and equipment are amendments to IAS 16	January 1, 2023

B - New and amended International Financial Reporting Standards issued but not yet effective:

A number of new standards, amendments to standards and interpretations that have been issued but not yet effective and not applied when preparing these financial statements:

New standards or amendments	Application date
IFRS 17 Insurance Contracts, Including Amendments for the Initial Application of IFRS 17 and IFRS 9 Comparative Information	January 1, 2024
Definition of Accounting Estimates - Amendments to the Accounting Standard International 8 Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2024
Disclosure of accounting policies (amendments to International Accounting Standard 1 and Statement of Practice of International Financial Reporting Standards 2)	January 1, 2024
Arising deferred tax assets and liabilities for a single transaction (amendments to IAS 12).	January 1, 2024
Lease obligations in sale and lease back (Amendments to the standard International Accounting No. 16	January 1, 2024

The management does not expect that there will be a material impact upon the application of these new standards and amendment.

4. The principal accounting policies adopted:

<u>Property and equipment</u>

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value if any.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with expected pattern of economic benefits from items of property and equipment.

<u>Inventories</u>

Inventories are stated at the lower of cost or net realizable value. Finished goods (vehicles) and raw materials costs are determined using the weighted average method. Net realizable value represents the estimated selling price less all estimated completion costs and costs to be incurred in marketing, selling and distribution.

<u>Accounts Receivable</u>

Accounts receivable are stated at net realizable value after deducting a provision for expected credit loss.

A provision for doubtful debts is booked when there is objective evidence that the Company will not be able to recover whole or part of the due amounts at the end of the year. When the Company collects previously written-off debts, it recognizes the collected amounts in other revenues in the statement of income and comprehensive income.

Furthermore, revenue and commission from doubtful debts are suspended and recognized as revenue upon collection.

Moreover, debts are written-off when they become uncollectible or are derecognized.

<u>Financial Instruments</u>

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the financial assets or financial liabilities, as appropriate, on Initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

Financial Assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or Issue of financial assets (except for financial assets at fair value through statement of profit or loss and other comprehensive income) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances. With an original maturity of three months or less.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts, and the

Provisions

Provisions are recognized when the Company has liabilities as of the date of the statement of financial position arising from previous events, settlement of the liabilities is probable and the liabilities can be reliably measured.

Warranty Provision

Warranty provision is recognized for 1% of total cost of armor-related items installed, and conversion-related custom workmanship, including transparent armor, for the period of 2 years or 20,000km, whichever comes first.

Provision for slow-moving inventory

Management estimates the provision for slow-moving and obsolete inventories on the basis of prior experience, physical condition and expected future use of such inventory in conformity with International Financial Reporting Standards (IFRSs).

Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projection. The Company recognizes revenue when it transfer control over goods or services to its customer.

The Company is involved in the sale of goods in the form of armored vehicles. Revenue is recognized at point in time when control of the goods has transferred, being when the goods have been shipped to customer's specific location. Following delivery, the customer has full control over the goods, and the primary responsibility of the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the entity when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue represents the invoiced value of goods sold during the year, net of discounts and returns. Revenue from the sale of goods is recognised when all the following conditions are satisfied:

The Company has transferred to the buyer the significant risk and rewards of ownership of the goods;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the entity: and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Finance cost

Interest on bank overdrafts is recognized as an expense in the period in which it is incurred, which covers the grace period if any.

Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the financial statements because the latter includes non-taxable revenue or non-deductible tax expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, as well as unallowable and nontaxable items.

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions in Jordan.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Moreover, deferred taxes are calculated according to the tax rates expected to be applied upon the settlement of tax liability and the realization of the deferred tax assets.

Deferred tax assets or liabilities are reviewed as the statement of financial position date and are reduced in case they are expected not to be utilized, upon the settlement of tax, wholly or partially.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the Central Bank of Jordan average exchange rates prevailing at the reporting of date. Foreign currency transactions during the year are recorded using exchange rates that are effective at the date of the each transaction. Foreign exchange gains or losses are recorded in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

Related parties transactions

The company enters into transactions with related parties i.e., major shareholders, directors and key management personnel of the company, and companies which they are principle owner.

Pricing policies and terms of these transactions with related parties are approved by the company's management.

Related parties details are as follows:

Description	2024	2023
	JD	JD
Mahindra Emirates Vehicle Armoring	**1,733,226**	633,465

Fair value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the financial statements.

In case declared market prices do not exist, active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and Amortising premium / discount using the effective interest rate method within interest revenue / expense in the statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

5. **Use Of Estimates:**

The preparation of financial statements and implementation of accounting policies requires company management to make judgments and estimates that depend on future conditions that may affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, as they may affect the revenues and expenses and allowances and accumulated variable in the fair value and, in particular requires the Company's management issuance of important provisions to estimate the amounts of future cash flows, times, taking into account that the estimates and judgments made by management, which depend on future conditions based on assumptions and multiple factors involving varying degrees of judgment and uncertainty and therefore the future actual results may differ from the actual results due changes in future conditions and based on the above, we believe that our estimates are reasonable within the financial statements and detailed as follows

- The company prepare an estimate useful lives of intangible assets and calculating the annual depreciation based on these estimates are recorded any losses on those assets decline in the income statement.
- The company is dedicated to taking the interview doubtful debts after studying the viability of the debt for collection.
- The company loads the fiscal year, including its own income tax expense and in accordance with the laws and regulations in force.
- The company's provision for cases filed against it take, depending on the reasonable estimates of the company's lawyer.

6. **Financial Instruments and Risk management**

Risk management is how to deal with the conditions of uncertainty and contain risk assessments facing the facility and the development of policies and strategies internal to deal with these risks allowing the facility up on the competition and achieve its objectives, in addition to dealing with the fundamental risks in the framework of Activity its normal as an entity to reap revenues mainly to do its operational activities and its business is exposed mainly to the following risks:

Interest rate risk

The company is exposed to interest rate risk on its interest-bearing assets and liabilities such as due to banks. The sensitivity of the income statement is the effect of the assumed changes in interest rates on the company profit for one year, based on the floating rate financial assets held at 31 December.

Exchange rate risk:

The exchange rate risk is result of the fluctuation of the value of financial instruments due to fluctuations in foreign currency exchange rates, the key processes in the company are in Jordanian Dinars and believes the company's management that the exchange rate risk lies in dealing in foreign currencies except the US dollar that the dinar Jordanian (the functional currency of the company) fixed to the US dollar, and therefore do not represent any significant risk.

Market risk:

Market risk is the risk that the fair value of the cash flows of financial instruments arising from the possibility of future changes in market prices as the change in exchange rates, interest rates and prices of equity instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company is exposed to credit risk on its bank balance and accounts receivable as reflected in the statement of financial position.

Liquidity risk

It is associated with the possibility that facing the established difficulty in providing the necessary funds to meet its financial obligations at maturity risk to avoid such risks, the company has diversified its sources of funding and management of assets and adapt the schedule and keep an adequate balance of cash and cash equivalents.

Capital risk management:

The company's capital managed in the manner that maintains the rights of partners to ensure the continuity of the company and meet its obligations to third parties and that the preservation of capital ratios to maximize property rights and to support the company's activity and keep track of the company to maintain a reasonable rate of debt relative to equity and policy Investment in assets provides an acceptable return for partners.

7. **Comparative Figures:**

Some of comparative figures of the previous year were re-tabulated to confirm with the comparative figures of the present year.

8. **Cash & cash equivalents:**

Description	2024	2023
	JD	JD
Current accounts at bank	**8,054**	9,940
Total	**8,054**	9,940

NOTES TO THE FINANCIAL STATEMENTS

9. Other debit balances:

Description	2024	2023
	JD	JD
Employee receivable	**5,849**	7,000
Prepaid expenses	**9,325**	9,124
Refundable Deposits	**25,430**	25,575
Other	**27,400**	63,220
Total	**68,004**	104,919

10. Property, plant & Equipment:

This Item Consists of:

	Machinery & equipment	Furnitures & Decorations	Computers	Total
Description	**JD**	**JD**	**JD**	**JD**
At 31/3/2023	**111,090**	**81,386**	**1,274**	**193,750**
Additions	13,853	–	863	14,716
At 31/3/2024	**124,943**	**81,386**	**2,137**	**208,466**
Accumulated Depreciation:				
At 31/3/2023	**55,277**	**74,690**	**729**	**130,696**
Depreciation	15,870	6,695	341	22,906
At 31/3/2024	**71,147**	**81,385**	**1,070**	**153,602**
Book Value As:				
At 31/3/2024	**53,796**	**1**	**1,067**	**54,864**
At 31/3/2023	**55,813**	**6,696**	**545**	**63,054**

11. Tax Position

The Company is located within Aqaba Special Economic Zone in Aqaba - The Hashemite Kingdom of Jordan (ASEZA). The Company is exempted from sales and income tax as per article No. 14 of the Investment Law.

In the opinion of the management and the tax advisor, there is no need to record income tax provision.

Tax department reviewed and accepted the company tax file till 2021 and there is no tax exposure

12. Cost of revenue

Description	2024	2023
	JD	JD
Beginning inventory	**699,760**	147,578
Purchases	**1,860,735**	1,512,553
Other direct costs	**2,060**	64,371
Cost of goods available for sale	**2,562,555**	1,724,502
Ending inventory	**(1,893,349)**	(699,760)
Total	**669,206**	1,024,742

13. General and administrative expenses:

Description	2024	2023
	JD	JD
Salaries and employees benefits	**174,843**	215,613
Social Security contribution	**14,111**	21,872
Medical insurance	**12,414**	11,075
Marketing expenses	**47**	1,030
Staff uniforms	**1,143**	4,248
Rent	**46,459**	46,068
Travel and Conveyance	**34,136**	38,769
Professional fees	**5,450**	6,654
Bank charges	**260**	676
Other	**10,880**	19,646
Total	**299,743**	365,651

14. Legal Cases

As of March 31, 2024, the Company was not a defendant in any legal case.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA FIRST CHOICE WHEELS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra First Choice Wheels Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)f below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 25 to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 35(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 35(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.:101248W/W-100022

Kaushal Mehta
Partner
Membership No.: 118321
ICAI UDIN:24118321BKBYSP2732

Place: Mumbai
Date: 01 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, there has been no loans or advances in the nature of loans or guarantees or security provided to any other entities.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the company has not given any loans or advance in the nature of loan to any party during the year and there are no existing loan or advances in the nature of loan. Accordingly, provision of clause 3(iii)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the company has not given any loans or advance in the nature of loan to any party during the year and there are no existing loan or advances in the nature of loan. Accordingly, provision of clause 3(iii)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	59.20	AY 2013-14 & AY 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.12	AY 2018-19	Income tax Officer
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	53.13	FY 2005-06 to FY 2007-08, FY 2009-10 to FY 2010-11	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Central Sales Tax	91.94	FY 2005-06 to FY 2007-08, FY 2009-10 to FY 2010-11	Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	641.14	FY 2008-09 & FY 2016-17 & FY 2012-13	Joint Commissioner of Sales Tax (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	7.22	FY 2018-19	Joint Commissioner of GST (Appeals)

* Note : The Amount mentioned above is net off amount deposited under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short term basis. Accordingly, clause 3(ix)(d) of the Order is not appicable

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiariy as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiariy (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that for the matter as described in note 8 with respect to misappropriation of advance payments made to bulk buyers for purchase of vehicles .

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 9113.37 lakhs in the current financial year and Rs 9,887.93 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kaushal Mehta
Partner
Membership No.: 118321
ICAI UDIN:24118321BKBYSP2732

Place: Mumbai
Date: 01 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra First Choice Wheels Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kaushal Mehta
Partner
Membership No.: 118321
ICAI UDIN:24118321BKBYSP2732

Place: Mumbai
Date: 01 May 2024

BALANCE SHEET AS AT 31 MARCH 2024

(Currency : Indian rupees in lakhs)	Note No.	31 March 2024	31 March 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**1,579.63**	1,628.37
Goodwill		**113.00**	113.00
Other intangible assets	4	**886.62**	12.54
Intangible assets under development	4A	**294.42**	1,021.43
Financial assets			
(i) Investments	5	**11,097.68**	10,097.68
(ii) Loans	6	**320.91**	326.61
(iii) Other financial assets	7	**155.13**	190.76
Income tax assets (net)		**1,374.70**	1,350.15
Other non-current assets	8	**119.89**	110.93
Total non-current assets		**15,941.98**	14,851.47
CURRENT ASSETS			
Inventories		**4.90**	3,421.75
Financial assets			
(i) Investments	5	**571.87**	58.09
(ii) Trade receivables	9	**10,434.68**	11,483.18
(iii) Cash and cash equivalents	10	**1,730.31**	5,503.37
(iv) Bank balances other than (iii) above	10	**7.04**	9.44
(v) Loans	6	**3,521.97**	5,057.69
(vi) Other financial assets	7	**1,601.70**	4,238.69
Other current assets	8	**4,738.80**	3,107.60
Total current assets		**22,611.27**	32,879.81
TOTAL ASSETS		**38,553.25**	47,731.28
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**9,054.62**	8,784.32
Other equity			
Equity component	12A	**1,260.00**	7,287.75
Reserves and Surplus	12B	**7,450.44**	11,189.02
Items of other comprehensive income	12C	**66.77**	27.01
Equity attributable to owners of the company		**17,831.83**	27,288.10
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Lease Liabilities		**978.08**	585.75
(ii) Other financial liabilities	13	**308.91**	308.91
Provisions	14	**1,021.66**	1,474.09
Deferred tax liabilities (Net)	15	**–**	20.79
Total non-current liabilities		**2,308.65**	2,389.54
CURRENT LIABILITIES			
Financial liabilities			
(i) Lease Liabilities		**410.25**	602.83
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	16	**76.90**	10.94
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	16	**11,284.90**	11,108.51
(iii) Other financial liabilities	13	**4,649.17**	3,452.58
Other current liabilities	17	**1,764.00**	2,601.25
Provisions	14	**227.55**	277.53
Total current liabilities		**18,412.77**	18,053.64
Total liabilities		**20,721.42**	20,443.18
TOTAL EQUITY AND LIABILITIES		**38,553.25**	47,731.28

The accompanying notes 1 to 36 are an integral part of financial statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kaushal Mehta
Partner
Membership number: 118321

Place : Mumbai
Date : 1 May 2024

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Sudhakar Pandey
Managing Director & Chief Executive Officer
DIN: 08166731

Amit Kumar Sinha
Director
DIN: 09127387

Vishal Agarwal
Chief Financial Officer
PAN: AEDPA0253L

Anita Anant Halbe
Company Secretary
Membership number: A13962
PAN: ABHPH4969H

Place : Mumbai
Date : 1 May 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)	Note No.	31 March 2024	31 March 2023
INCOME			
Revenue from operations	18	**74,684.58**	1,10,166.13
Other income	19	**450.62**	1,146.25
Total Income		**75,135.20**	1,11,312.38
EXPENSES			
Purchases of stock-in-trade		**43,485.04**	80,766.68
Changes in inventories of stock-in-trade	20	**3,416.85**	748.54
Employee benefits expense	21	**10,402.30**	11,929.77
Finance costs	22	**95.14**	64.43
Depreciation and amortisation expense	3 & 4	**1,134.60**	938.77
Other expenses	23	**26,097.85**	27,919.90
Total Expenses		**84,631.78**	1,22,368.09
(Loss) before tax		**(9,496.58)**	(11,055.71)
Tax Expense			
Current tax		**–**	–
Deferred tax	15	**(20.79)**	(0.01)
Adjustment in respect of earlier years		**6.88**	–
Total tax expense		**(13.91)**	(0.01)
(Loss) for the year		**(9,482.67)**	(11,055.70)
Other comprehensive (loss)/profit			
Items that will not be reclassified to profit or loss and its related income			
(i) Remeasurements of the defined benefit liabilities (assets)		**39.76**	14.23
(ii) Equity instruments through other comprehensive income		**–**	(12.93)
Total other comprehensive income		**39.76**	1.30
Total comprehensive (loss) for the year		**(9,442.91)**	(11,054.40)
Earnings per equity share:			
(Face value Rs. 10/- per share) (Rupees)			
Basic and Diluted	24	**(10.64)**	(13.06)

The accompanying notes 1 to 36 are an integral part of financial statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kaushal Mehta
Partner
Membership number: 118321

Place : Mumbai
Date : 1 May 2024

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Sudhakar Pandey
Managing Director & Chief Executive Officer
DIN: 08166731

Amit Kumar Sinha
Director
DIN: 09127387

Vishal Agarwal
Chief Financial Officer
PAN: AEDPA0253L

Anita Anant Halbe
Company Secretary
Membership number: A13962
PAN: ABHPH4969H

Place : Mumbai
Date : 1 May 2024

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

(Currency : Indian rupees in lakhs)

A (i) Equity share capital

Issued, subscribed and paid up	**31 March 2024**	31 March 2023
Balance as at the beginning of the year	**8,784.32**	7,950.99
Add: Equity shares issued during the year	**–**	833.33
Conversion of NCCCPS into Equity shares	**270.30**	–
Less: Allotment of shares by ESOP Trust to employees	**–**	–
Balance as at the end of the year	**9,054.62**	8,784.32

(ii) Preference share capital

Balance as at the beginning of the year	**7,287.75**	6,027.75
Add: NCCCPS issued during the year	**–**	1,260.00
Less: Conversion of NCCCPS into Equity shares	**6,027.75**	–
Balance as at the end of the year	**1,260.00**	7,287.75

B. Other Equity

	Reserves and Surplus			Items of other comprehensive income			
	Retained Earnings	Securities Premium	Share options outstanding account	Equity instruments through other comprehensive income	Remeasurements of the defined benefit obligations	Non Cumulative Compulsory Convertible Preference Shares (NCCCPS)	Total
Balance as at 31 March 2022	(22,282.27)	22,215.09	101.06	12.93	12.78	6,027.75	6,087.34
Loss for the year	(11,055.70)	–	–	–	–	–	(11,055.70)
Remeasurements of the defined benefit plans	–	–	–	–	14.23	–	14.23
Equity/Pref. shares issued during the year	–	–	–	–		1,260.00	1,260.00
Loss on sale of long term investment	–	–	–	(12.93)	–	–	(12.93)
Total Comprehensive income for the year	(33,337.97)	22,215.09	101.06	–	27.01	7,287.75	(3,707.06)
Share based payment to employees	–	–	44.16	–	–	–	44.16
Equity shares issued during the year	–	22,166.67	–	–	–	–	22,166.67
Conversion of NCCCPS into Equity shares during the year	–	–	–	–	–	–	–
Balance as at 31 March 2023	(33,337.97)	44,381.76	145.23	–	27.01	7,287.75	18,503.77
Loss for the year	(9,482.67)	–	–	–	–	–	(9,482.67)
Remeasurements of the defined benefit plans	–	–	–	–	39.76	–	39.76
Equity/Pref. shares issued during the year	–	–	–	–	–	–	–
Loss on sale of long term investment	–	–	–	–	–	–	–
Total Comprehensive income for the year	(42,820.64)	44,381.76	145.23	–	66.77	7,287.75	9,060.86
Share based payment to employees	–	–	(13.35)	–	–	–	(13.35)
Equity shares issued during the year	–	–	–	–	–	–	–
Conversion of NCCCPS into Equity shares during the year	–	5,757.45	–	–	–	(6,027.75)	(270.30)
Balance as at 31 March 2024	**(42,820.64)**	**50,139.21**	**131.87**	**–**	**66.77**	**1,260.00**	**8,777.21**

The accompanying notes 1 to 36 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kaushal Mehta
Partner
Membership number: 118321

Place : Mumbai
Date : 1 May 2024

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Sudhakar Pandey
Managing Director & Chief Executive Officer
DIN: 08166731

Amit Kumar Sinha
Director
DIN: 09127387

Vishal Agarwal
Chief Financial Officer
PAN: AEDPA0253L

Anita Anant Halbe
Company Secretary
Membership number: A13962
PAN: ABHPH4969H

Place : Mumbai
Date : 1 May 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)	**31 March 2024**	31 March 2023
A. Cash flows from operating activities		
(Loss) before tax	**(9,496.58)**	(11,055.71)
Adjustments for:		
Finance costs - Interest on lease asset	**95.14**	64.43
Interest income	**(339.87)**	(593.79)
Dividend income	**–**	(0.10)
Loss on property, plant and equipment sold/scrapped/written off (net)	**11.51**	–
Net gain recorded in profit or loss on sale of Mutual Funds	**(24.76)**	(114.77)
Bad debts written off	**204.06**	1,401.58
Sundry balances written back (net)	**(41.04)**	(383.43)
Allowance for expected credit losses	**1,330.22**	432.25
Provision for doubtful advances	**2,821.69**	818.34
Depreciation and amortisation expense	**1,134.60**	938.77
Share based payment expenses	**(13.35)**	44.16
Total	**5,178.20**	2,607.44
Operating profit before working capital changes	**(4,318.38)**	(8,448.27)
Movements in working capital:		
(Increase) in trade receivables	**(3,307.54)**	(1,399.42)
Decrease in inventories	**3,416.85**	748.54
Decrease / (Increase) in other assets	**1,075.45**	(3,054.76)
Increase in trade payables	**282.62**	1,452.55
Increase in borrowings - lease liabilities	**–**	528.74
(Decrease) / Increase in provisions	**(462.65)**	315.86
Increase in other current liabilities	**523.30**	571.65
	1,528.03	(836.84)
Cash (used in) operations	**(2,790.35)**	(9,285.11)
Income taxes refund/(direct taxes paid)	**(31.43)**	13.97
Net cash (used in) operating activities (A)	**(2,821.78)**	(9,271.14)
B. Cash flows from investing activities		
Inter corporate deposits given	**(3,500.00)**	(5,000.00)
Inter corporate deposits matured	**5,000.00**	–
Payments to acquire mutual funds	**(1,704.81)**	(14,453.02)
Proceeds on sale of mutual funds	**1,215.79**	14,509.49
Bank deposits placed	**(21.03)**	(24,801.35)
Bank deposits matured	**27.53**	24,906.42
Payments to acquire non-current investments in subsidiary	**(999.99)**	(3,599.99)
Proceeds on sale of shares of The Zoroastrian Co-op. Bank Ltd.	**–**	1.00
Interest received	**332.42**	358.79
Dividends received	**–**	0.10
Payments to acquire property, plant and equipment and other intangible assets	**(605.89)**	(1,846.43)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD...)

(Currency : Indian rupees in lakhs)	**31 March 2024**	31 March 2023
Proceeds from sale of property, plant and equipment	**70.64**	11.29
Net cash (used in) investing activities (B)	**(185.34)**	(9,913.70)
C. Cash flows from financing activities		
Payment of lease liabilities (including interest)	**(765.94)**	(764.41)
Proceeds from Preference Shares Infusion	**–**	24,259.99
Net cash generated financing activities (C)	**(765.94)**	23,495.58
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(3,773.06)**	4,310.75
Cash and cash equivalents at the beginning of the year	**5,503.37**	1,192.62
Cash and cash equivalents at the end of the year	**1,730.31**	5,503.37

Notes to the statement of cash flows:

(a) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

	31 March 2024	31 March 2023
(b) Cash and cash equivalents		
Components of cash and cash equivalents:-		
Cash on hand	**0.05**	0.17
Balance with banks:		
In current accounts	**1,730.26**	5,503.20
Balances as per statement of cash flows	**1,730.31**	5,503.37

The accompanying notes 1 to 36 are an integral part of financial statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kaushal Mehta
Partner
Membership number: 118321

Place : Mumbai
Date : 1 May 2024

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Sudhakar Pandey
Managing Director & Chief Executive Officer
DIN: 08166731

Amit Kumar Sinha
Director
DIN: 09127387

Vishal Agarwal
Chief Financial Officer
PAN: AEDPA0253L

Anita Anant Halbe
Company Secretary
Membership number: A13962
PAN: ABHPH4969H

Place : Mumbai
Date : 1 May 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. **Corporate information:**

The financial statements comprise financial statements of Mahindra First Choice Wheels Limited ("the Company" or "MFCWL") for the year ended 31 March 2024. The Company is an unlisted Public Company domiciled in India.

Mahindra First Choice Wheels Limited is principally engaged in services led business which includes providing vehicle inspection & valuation services, yard management services, providing online pricing guidance and enabling franchisees by facilitating them to procure & sell used vehicles. The company during the year has discontinued trading in used vehicles.

2. **Material Accounting Policies:**

2.1 Statement of Compliance:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of preparation and presentation:

These financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data.

2.3 Business combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

2.4 Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Estimated impairment of goodwill

The Company tests annually goodwill for any impairment, in accordance with the above accounting policy. The recoverable amount of cash generating units is determined based on value-in-use calculations. These calculations require the use of estimates.

2.5 Revenue recognition:

Sale of goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on are as on able credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Sale of Services:

i) Franchise fee - The Company recognizes revenue from the date of activation of the dealer's account on receipt of security deposit.

ii) Commission Income - The Company recognizes revenue on receipt of seller's confirmation for auction.

iii) Vehicle valuation fee - The Company recognizes revenue on release of valuation report.

iv) Inspection Fee - The Company recognizes revenue on release of inspection report.

v) Yard Management fees - The Company recognizes revenue on accrual basis of entry of the vehicle in the yard.

vi) Wholesale Bulk Income – The Company recognizes revenue on issue of release order of vehicle.

vii) Repo Management Service – The Company recognizes revenue on receipt of seller's confirmation.

viii) Other Operating Income:

- Warranty income - The Company recognizes revenue on sale of warranty product of a third-party warranty service provider, with no obligations to the Company. A part of warranty income related to road side assistance is deferred over the period of warranty with the Company being the primary obligor.
- Registration Income – The Company recognizes revenue over the term of registration.
- Others – The Company recognizes revenue on satisfaction of performance obligation towards rendering of such services.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.6 Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Operating lease rental income:

The income arising from operating leases is accounted on a straight-line basis over the lease terms.

The Company's policy for recognition of revenue from operating leases is described in Note No.- 2.15 below.

2.8 Foreign currencies:

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.9 Employee benefits:

a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Post-employment benefits

i) Defined Contribution Plan: Provident and Family Pension Fund
The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred.

ii) Defined Benefit Plan: Gratuity (unfunded)
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company accounts the gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year which is determined using the Projected Unit Credit method. Actuarial gains and losses are recognised in the Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested.

c) Other long-term employment benefits – Compensated Absences
The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

2.10 Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Taxation:

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Property, plant and equipment:

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. Costs comprise purchase price net of any trade discounts and rebates and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses directly attributable to acquisition of assets up to the date the asset is ready for its intended use

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful life of the assets are given below:

- Leasehold improvements over the period of the lease.
- Office equipment - 2 to 5 years.
- Furniture & Fixtures - 1 to 10 years,
- Computers and servers - 3 to 8 years
- Vehicles - 3 years for used vehicles or 5 years for new vehicles.
- Plant and equipment - 5 to 15 years
- Electrical Fitting - 2 to 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Intangible assets:

a) Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

b) Intangible assets under development:

The Company capitalise costs incurred during IT Development phase, such expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

The expenditure incurred is amortised over the estimated period of benefit. The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

c) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d) Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software	5 years
Website	5 years
Non-Compete Fees	Contractual Terms
Market Information	Contractual Terms
Customer Relationships	7 years
Service Provider Contracts and intellectual property	3 years

2.14 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, these assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extendor terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.16 Inventories:

Inventories beyond 90 days from the date of valuation or purchase except for stock held as part of Pilot Projects and Finance funding cases, as the case may be, are valued at Cost or Net Realisable Value whichever is lower.

2.17 Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.18 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are subsequently measured at fair value.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on trade receivables wherein the Company measures the loss allowance at an amount equal to lifetime expected credit losses. With respect to other financial assets, the Company provides for loss allowance based on its assessment of credit risk considering the recoverability. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.20 Financial liabilities and equity instruments

a) **Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c) **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.21 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.22 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends, if any, for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.23 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

(ii) Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(iii) Impairment of investments

The Company assesses impairment of investments in subsidiaries which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from 1st April,2024.

(Currency : Indian rupees in lakhs)

3. Property, Plant and Equipment

Carrying Amount of:	**As at 31 March 2024**	As at 31 March 2023
Improvements to Leasehold Property	**2.80**	9.80
Office Equipment	**14.26**	31.58
Furniture and Fixtures	**27.87**	34.17
Electrical Fittings	**2.35**	3.11
Computers	**173.06**	293.92
Vehicles	**30.91**	118.78
Total - (a)	**251.25**	491.36
Right-of-use asset	**1,328.38**	1,137.01
Total	**1,579.63**	1,628.37

(a) Property, plant and equipment (owned)

Description of Assets	**Improvements to Leasehold Property**	**Office Equipment**	**Furniture and Fixtures**	**Electrical Fittings**	**Computers**	**Vehicles**	**Total**
Cost							
Balance as at 31 March 2022	**56.17**	**110.53**	**8.98**	**2.66**	**935.42**	**195.52**	**1,309.28**
Additions during the year	–	8.45	33.72	3.15	115.40	67.89	228.61
Disposal during the year	–	–	–	–	114.27	29.26	143.53
Balance as at 31 March 2023	**56.17**	**118.98**	**42.70**	**5.81**	**936.55**	**234.15**	**1,394.36**
Additions during the year	19.35	6.27	4.44	2.96	58.97	32.60	124.59
Disposal during the year	19.35	13.34	12.87	4.42	137.64	146.14	333.76
Balance as at 31 March 2024	**56.17**	**111.91**	**34.27**	**4.35**	**857.88**	**120.61**	**1,185.19**
Accumulated depreciation							
Balance as at 31 March 2022	**35.47**	**66.01**	**5.34**	**2.01**	**568.68**	**87.40**	**764.91**
Depreciation expense for the year	10.90	21.39	3.19	0.69	182.33	51.83	270.33
Disposal during the year	–	–	–	–	108.38	23.86	132.24
Balance as at 31 March 2023	**46.37**	**87.40**	**8.53**	**2.70**	**642.63**	**115.37**	**903.00**
Depreciation expense for the year	12.52	18.56	4.17	1.27	176.75	51.07	264.34
Disposal during the year	5.52	8.31	6.30	1.97	134.56	76.74	233.40
Balance as at 31 March 2024	**53.37**	**97.65**	**6.40**	**2.00**	**684.82**	**89.70**	**933.94**
Net carrying amount							
Net carrying amount as at 31 March 2023	9.80	31.58	34.17	3.11	293.92	118.78	491.36
Net carrying amount as at 31 March 2024	**2.80**	**14.26**	**27.87**	**2.35**	**173.06**	**30.91**	**251.25**

(b) Right of use assets

Description of Assets	**Property**	**Vehicles**	**Total**
Cost			
Balance as at 31 March 2022	1,983.44	–	1,983.44
Additions during the year	1,058.78	170.27	1,229.05
Disposal during the year	738.33	–	738.33

(Currency : Indian rupees in lakhs)

Description of Assets	Property	Vehicles	Total
Balance as at 31 March 2023	**2,303.89**	**170.27**	**2,474.16**
Additions during the year	997.69	72.87	1,070.56
Disposal during the year	272.24	128.02	400.26
Balance as at 31 March 2024	**3,029.34**	**115.12**	**3,144.46**
Accumulated depreciation			
Balance as at 31 March 2022	**1,419.97**	**–**	**1,419.97**
Depreciation expense for the year	633.19	22.32	655.51
Disposal during the year	738.33	–	738.33
Balance as at 31 March 2023	**1,314.83**	**22.32**	**1,337.15**
Depreciation expense for the year	647.58	50.59	698.17
Disposal during the year	182.98	36.26	219.24
Balance as at 31 March 2024	**1,779.43**	**36.65**	**1,816.08**
Net carrying amount			
Net carrying amount as at 31 March 2023	**989.06**	**147.95**	**1,137.01**
Net carrying amount as at 31 March 2024	**1,249.91**	**78.47**	**1,328.38**

4. Other Intangible Assests

Carrying Amount of:	As at 31 March 2024	As at 31 March 2023
Computer Software	**23.13**	8.06
Websites	**863.48**	4.47
Non-Compete Fees	**(0.00)**	(0.00)
Customer Relationships	**(0.00)**	(0.00)
Service Provider Contracts	**0.01**	0.01
Acquisition of service contracts and Intellectual Property	**(0.00)**	(0.00)
Total	**886.62**	12.54

Description of Assets	Computer Software	Websites	Non-Compete Fees	Customer Relationships	Service Provider Contracts	Acquisition of service contracts and Intellectual Property	Total
Cost							
Balance as at 31 March 2022	139.93	390.97	3.17	145.00	25.00	33.50	737.57
Additions during the year	–	–	–	–	–	–	–
Disposal during the year	–	–	–	–	–	–	–
Balance as at 31 March 2023	**139.93**	**390.97**	**3.17**	**145.00**	**25.00**	**33.50**	**737.57**
Additions during the year	24.74	1,021.43	–	–	–	–	1,046.17
Disposal during the year	–	–	–	–	–	–	–
Balance as at 31 March 2024	**164.67**	**1,412.40**	**3.17**	**145.00**	**25.00**	**33.50**	**1,783.74**
Accumulated Amortisation Expenses							
Balance as at 31 March 2022	**128.63**	**386.50**	**3.17**	**133.92**	**24.99**	**33.50**	**710.71**
Amortisation expense during the year	3.24	–	–	11.08	–	–	14.32
Disposal during the year	–	–	–	–	–	–	–
Balance as at 31 March 2023	**131.87**	**386.50**	**3.17**	**145.00**	**24.99**	**33.50**	**725.03**
Amortisation expense during the year	9.67	162.42	–	–	–	–	172.09
Disposal during the year	–	–	–	–	–	–	–
Balance as at 31 March 2024	**141.54**	**548.92**	**3.17**	**145.00**	**24.99**	**33.50**	**897.12**
Net carrying amount							
Net carrying amount as at 31 March 2023	**8.06**	**4.47**	**(0.00)**	**(0.00)**	**0.01**	**(0.00)**	**12.54**
Net carrying amount as at 31 March 2024	**23.13**	**863.48**	**(0.00)**	**(0.00)**	**0.01**	**(0.00)**	**886.62**

4A. Intangible assets under development

Carrying Amount of:	As at 31 March 2024	As at 31 March 2023
Intangible assets under development	**294.42**	1,021.43
Total	**294.42**	1,021.43

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2024	Amount in IAUD for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	294.42	–	–	–	**294.42**

As at 31 March 2023	Amount in IAUD for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	331.12	690.31	–	–	**1,021.43**

(Currency : Indian rupees in lakhs)

5. Investments

	As at 31 March 2024			As at 31 March 2023		
	Number of shares	**Non-current**	**Current**	Number of shares	Non-current	Current
A. Investment in Equity Instruments						
Unquoted - At Cost						
In Subsidiary						
Fifth Gear Ventures Limited (Face value Rs 10 per share)	**3,37,405**	**11,097.68**	**–**	3,07,131	10,097.68	–
B. Fair Value through Profit and Loss						
Quoted Investments in Mutual funds						
Carried at FVTPL						
HDFC Liquid Fund - Growth	**–**	**–**	**–**	1,759	–	58.09
SBI Overnight Fund - Regular Growth	**14,858**	**–**	**571.87**	–	–	–
	3,52,263	**11,097.68**	**571.87**	3,08,890	10,097.68	58.09
Other disclosures						
Aggregate amount of unquoted investments		**11,097.68**	**–**		10,097.68	–
Aggregate amount of quoted investments		**–**	**571.87**		–	58.09
Aggregate Market value of quoted investments		**–**	**571.87**		–	58.09
Aggregate amount of impairment in the value of investments		**–**	**–**		–	–

Refer Note 26 and 28 for disclosures related to liquidity risk and related financial instrument disclosures.

6. Loans

	31 March 2024		31 March 2023	
	Non-current	**Current**	Non-current	Current
Loans to related parties				
Unsecured, considered good				
Employee Stock Option Scheme Trust	**319.44**	**–**	319.19	–
Other Loans				
Unsecured, considered good				
Corporate deposits with HDFC Ltd.	**–**	**3,500.00**	–	5,000.00
Loans to employees				
Unsecured, considered good	**1.47**	**21.97**	7.42	57.69
Doubtful	**–**	**35.00**	–	–
Less: Provision for doubtful advances	**–**	**(35.00)**	–	–
	1.47	**3,521.97**	7.42	5,057.69
	320.91	**3,521.97**	326.61	5,057.69

Except for above loans, there are no loans due by directors or other officers of the Company or any of them severally or jointly with other persons or amounts due by firms or private Companies in which any director is a partner or a director or a member.

Refer note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

7. Other financial assets

	31 March 2024		31 March 2023	
	Non-Current	**Current**	Non-Current	Current
Security Deposits				
Unsecured, considered good	**151.34**	**224.44**	182.88	213.98
Doubtful	**0.29**	**–**	0.29	–
Less: Provision for doubtful advances	**(0.29)**	**–**	(0.29)	–
	151.34	**224.44**	**182.88**	**213.98**

	31 March 2024		31 March 2023	
	Non-Current	**Current**	Non-Current	Current
Financial assets at amortised cost:				
Bank Deposits with more than 12 months maturity	**3.79**	**–**	7.88	–
Interest accrued but not due	**–**	**248.31**	–	240.86
Other financial assets*				
Unsecured, considered good	**–**	**1,128.95**	–	3,783.85
Doubtful	**–**	**1,440.88**	–	–
Less: Provision for doubtful advances	**–**	**(1,440.88)**	–	–
	–	**1,128.95**	–	3,783.85
	155.13	**1,601.70**	190.76	4,238.69

Refer Note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

* Includes trade financing to select dealers with a return commensurate with performance.

8. Other non financial assets

	31 March 2024		31 March 2023	
	Non-Current	**Current**	Non-Current	Current
Capital advances	**–**	**1.91**	–	3.71
Balance with Government autorities (other than income taxes)	**103.61**	**–**	98.61	–
Advances to Suppliers*				
Considered good	**–**	**2,676.43**	–	2,087.51
Doubtful	**–**	**2,170.94**	–	832.30
Less: Provision for doubtful advances	**–**	**(2,170.94)**	–	(832.30)
	–	**2,676.43**	–	2,087.51
Prepaid Expenses	**10.71**	**214.24**	12.32	317.22
Deferred expenses	**5.57**	**42.60**	–	42.91
Goods and Services Tax (GST)	**–**	**1,803.62**	–	656.25
TOTAL	**119.89**	**4,738.80**	110.93	3,107.60

(Currency : Indian rupees in lakhs)

* The above includes an amount of Rs.1,165.77 lakhs made to bulk buyers for purchase of vehicles, which is overdue and for which the Company has not yet received the vehicles. Though, the Company has received confirmations of Rs.1,110.37 lakhs from certain bulk buyers, the Company is yet to recover these advances. Pursuant to this aforesaid misappropriation, the Company is taking necessary action and has initiated legal process for these recoveries. Considering the related uncertainties, the Company has provided an amount of Rs.965.77 lakhs for the same.

9. Trade receivables

	31 March 2024	31 March 2023
Unsecured, considered good	**10,434.68**	11,483.18
Doubtful	**1,910.78**	580.57
Less: Allowance for expected credit loss	**(1,910.78)**	(580.57)
	10,434.68	11,483.18
Dues from related parties	**733.15**	745.52

Except for above dues from related parties, there are, no trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person and no trade or other receivable due from firms or private companies respectively in which any director is a partner or a director or a member.

As at 31 March 2024	**Outstanding for following periods from date of invoice**						
	Unbilled	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**5,682.95**	**3,098.86**	**662.64**	**874.24**	115.99	–	**10,434.68**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	127.56	321.29	**497.68**	**611.13**	**353.13**	**1,910.78**
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F24	**5,682.95**	**3,226.42**	**983.93**	**1,371.92**	**727.12**	**353.13**	**12,345.46**

As at 31 March 2023	Outstanding for following periods from date of invoice						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,925.34	6,530.82	1,069.87	911.44	45.71	–	11,483.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	100.00	149.73	330.84	580.57
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F22	2,925.34	6,530.82	1,069.87	1,011.44	195.44	330.84	12,063.74

Refer Note 26 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

10. Cash and bank balances

	31 March 2024	31 March 2023
Cash and cash equivalents		
Balances with banks		
– In current accounts	**1,720.26**	5,503.20
– Fixed Deposit with original maturity less than 3 months	**10.00**	–
Cash on hand	**0.05**	0.17
	1,730.31	5,503.37
Other bank balances		
Balances with Banks:		
– Fixed deposits with original maturity greater than 3 months but less than 12 months	**7.04**	9.44
	7.04	9.44

(Currency : Indian rupees in lakhs)

11. Equity share capital

	31 March 2024		31 March 2023	
	Number of shares	**Amount**	Number of shares	Amount
Authorised:				
Number of equity shares of face value Rs 10 each	**9 ,50,00,000**	**9,500.00**	9,50,00,000	9,500.00
Number of Preference Shares of face value Rs.10 each	**7,50,00,000**	**7,500.00**	7,50,00,000	7,500.00
Issued, subscribed and paid up:				
Number of equity Shares of face value Rs 10 each fully paid up	**9,07,73,504**	**9,077.36**	8,24,40,171	8,244.03
Add: Conversion of NCCCPS into Equity shares during the year	**27,03,027**	**270.30**	83,33,333	833.33
	9,34,76,531	**9,347.66**	9,07,73,504	9,077.36
Equity Shares				
Less: Equity shares of Rs 10 each fully paid up issued to ESOP Trust constituted under the Employees' Stock Option Scheme (ESOS) but not yet allotted to employees	**29,30,401**	**293.04**	29,30,401	293.04
Total Equity Share Capital	**9,05,46,130**	**9,054.62**	8 ,78,43,103	8,784.32
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid	**7,28,77,500**	**7,287.75**	6,02,77,500	6,027.75
Add: Issued During the year	**–**	**–**	1 ,26,00,000	1,260.00
Less: Conversion of NCCCPS into Equity shares during the year	**6,02,77,500**	**6,027.75**	–	–
Total	**1,26,00,000**	**1,260.00**	7,28,77,500	7,287.75

Note:

The reduction of Rs 293.04 lakhs (29,30,401 Equity shares of Rs 10/- each), (As at 31 March 2023 – Rs. 293.04 lakhs (29,30,401 equity shares of Rs 10/- each)) held by ESOS Trust as per the Employee Stock Option Scheme (ESOS).

For details of shares reserved for issue under the Share based payment plan of the company, Refer Note No.- 21A.

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	31 March 2024		31 March 2023	
	Number of shares	**Amount**	Number of shares	Amount
Issued, subscribed and paid up:				
Equity Share Capital Balance at the beginning of the year	**90,773,504**	**9,077.36**	82,440,171	8,244.03
Add: Conversion of NCCCPS into Equity Shares during the year	**2,703,027**	**270.30**	8,333,333	833.33
Adjusted Issued, Subscribed and Paid up share capital	**93,476,531**	**9,347.66**	90,773,504	9,077.36

Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Preference Shares

During the year, the Company has Non cumulatative Complusarily Convertible preference shares having par value of Rs. 10 per share.

Conversion: The Conversion shall be mandatorily made on the earlier of i) next round of external investment in the Company or ii) end of 24 months from the date of allotment of NCCCPS. The Conversion shall be at a price/ rate which is at 10% discount to the value per share as per the valuation at the time of such fund infusion, subject to necessary compliances under FEMA and also subject to minimum floor price of Rs. 223 per NCCCPS. The discount of 10% shall be adjusted to the extent of the dividends paid to the NCCCPS holders. In the event of the next round of fund infusion by an external investment not occurring within the period of 24 months, then at the end of 24 (Twenty Four) months from the date of allotment of the Preference Shares, the NCCCPS would be mandatorily converted into Equity Shares at the minimum floor price of Rs. 223/- (Rupees Two Hundred and Twenty three) per NCCCPS (including a premium of Rs.213 per share).

Dividend: The holders of the NCCPs shall carry a non-cumulative dividend at the fixed rate of 0.001% per year, out of the profits of the company.

Voting and other rights: (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholdershall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

(ii) Details of shares held by the holding company and the ultimate holding company

	Number of Shares Equity Shares with Voting rights As at 31 March 2024	**Number of Shares Equity Shares with Voting rights As at 31 March 2023**
Mahindra Holdings Limited, Holding Company	**50,875,534**	48,471,363

(iii) The details of shares held by each shareholder holding more than 5% shares:

	31 March 2024		31 March 2023	
Name of the shareholder	**No. of shares**	**% held**	No. of shares	% held
Mahindra Holdings Limited	**5,08,75,534**	**54.43%**	4,84,71,363	53.40%
PHI Management Solutions Pvt Ltd	**1,61,84,054**	**17.31%**	1,61,84,054	17.83%
Valiant Mauritius Partners FDI Limited	**1,09,28,388**	**11.69%**	1,09,28,388	12.04%
Manheim Export SARL	**76,24,037**	**8.16%**	73,25,181	8.07%

(Currency : Indian rupees in lakhs)

Preference Shares

Name of the shareholder	31 March 2024 No. of shares	31 March 2024 % held	31 March 2023 No. of shares	31 March 2023 % held
Mahindra Holdings Limited	**1,26,00,000**	**100.00%**	6,62,13,008	90.86%
Manheim Export SARL	**–**	**0.00%**	66,64,492	9.14%

(iv) Shares reserved for issue under ESOP options:

ESOPs administered under two schemes by a Trust and the Company, have been granted to certain executives and senior employees which will vest in a period of time ranging from 36 months to 60 months from date of grant. The share option outstanding account is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 21A.

(v) Details of shares held by promoters:

As at 31 March 2024

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	**Equity Shares**	**5,08,75,534**	**54.43%**	**1.03%**
Mahindra Holdings Limited, Holding Company	**Convertible Preference Shares**	**1,26,00,000**	**100.00%**	**9.14%**

As at 31 March 2023

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	Equity Shares	4,84,71,363	53.40%	4.60%
Mahindra Holdings Limited, Holding Company	Convertible Preference Shares	6,62,13,008	90.86%	1.92%

(vi) Utilisation of proceeds from issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')

During the previous year Company had raised a sum of Rs 1260.00 Lakhs by alloting 1,26,00,000 shares of 0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid.

Particulars	As at 31 March 2024	As at 31 March 2023
Proceeds from the issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')	**–**	7,287.75
Utilisation during the year	**–**	7,287.75
Balance unutilised amount outstanding	**–**	–

12. Other Equity

	31 March 2024	31 March 2023
12A) Equity component of compound financial instruments		
Equity component of Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	**7,287.75**	7,287.75
Less: Conversion of NCCCPS into Equity shares	**6,027.75**	–
Total	**1,260.00**	7,287.75

12B) Reserves & Surplus	31 March 2024	31 March 2023
Retained earnings	**(42,820.64)**	(33,337.97)
Securities premium	**50,139.21**	44,381.76
Share option outstanding account	**131.87**	145.23
Total	**7,450.44**	11,189.02

Retained earnings

Balance as at the beginning of the year	**(33,337.97)**	(22,282.27)
(Loss) for the year	**(9,482.67)**	(11,055.70)
Balance at the end of year	**(42,820.64)**	(33,337.97)

Securities premium

Particulars		
Balance as at the beginning of the year	**44,381.76**	22,215.09
Shares issue at premium	**5,757.45**	22,166.67
Balance as at the end of the year	**50,139.21**	44,381.76

Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;

ii) for the purchase of its own shares or other securities;

iii) in writing off the preliminary expenses of the Company;

iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and

v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Share option outstanding account

	31 March 2024	31 March 2023
Balance as at the beginning of the year	**145.22**	101.06
Add:- (forfeiture)/allotment of shares by ESOP Trust to employees	**(13.35)**	44.16
Balance at the end of year	**131.87**	145.22

The above reserve relates to share options granted by the Company to its employees under its Employee Share Option Plan (ESOP). Further information about share-based payments to its employees is set out in note 21A.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company's revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option outstaning account.

12C) Items of other comprehensive income

	31 March 2024	31 March 2023
Equity instruments at fair value through other comprehensive income	**–**	–
Remeasurements of the defined benefit plans	**66.77**	27.01
Total other equity	**66.77**	27.01

(Currency : Indian rupees in lakhs)

	31 March 2024	31 March 2023
Equity instruments through other comprehensive income		
Balance as at the beginning of the year	**–**	12.93
Sale of long term investment	**–**	(12.93)
Balance at the end of year	**–**	–

This reserve represents the cumulative gains arising on the revaluation of equity instruments measured at fair value through other comprehensive income. (FVOCI)

	31 March 2024	31 March 2023
Remeasurements of the defined benefit plans		
Balance as at the beginning of the year	**27.01**	12.78
Remeasurements of the defined benefit plans	**39.76**	14.23
Balance at the end of year	**66.77**	27.01

This reserve represents the cumulative gains arising on remeasurement of the employee's defined benefit plan.

13. Other financial liabilities

	31 March 2024		31 March 2023	
	Non-Current	**Current**	Non-Current	Current
Other financial liabilities measured at amortised cost				
Security Deposits*	–	**2,373.98**	–	2,513.22
Monies adjusted from share capital and reserves and surplus on account of shares held by ESOP trust	**308.91**	**–**	308.91	**–**
Capital creditors	**–**	**38.19**	**–**	202.14
Other employee related liabilities	**–**	**1,012.06**	**–**	737.22
Other advances	**–**	**1,224.94**	**–**	–
Total other financial liabilities	**308.91**	**4,649.17**	308.91	3,452.58

Note:

* Deposits are re-payable on demand.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

14. Provisions

	31 March 2024		31 March 2023	
	Non-Current	**Current**	Non- Current	Current
Provision for employee benefits				
– Compensated absences	**467.55**	**153.21**	833.04	191.49
– Gratuity (Refer Note 27)	**554.11**	**74.34**	641.05	86.04
Total provisions	**1,021.66**	**227.55**	1,474.09	277.53

15. Deferred tax liablities (net)

(i) Movement of Deferred Tax

	31 March 2024		
	As at beginning of the year	**Reversed during the year**	**As at end of the year**
Tax effect of items constituting deferred tax liabilities on account of Business combination	**(20.79)**	**20.79**	**–**

(i) Movement of Deferred Tax

	31 March 2023		
	As at beginning of the year	Acquired in Business Combination and recognised in Profit and Loss	As at end of the year
Tax effect of items constituting deferred tax liabilities on account of Business combination	(20.80)	0.01	(20.79)

ii) Deferred tax assets have not been recognised in respect of following items, as it is not probable that future taxable profit will be available against which the Company can utilise the benefit therefrom.

	31 March 2024	31 March 2023
Unabsorbed depreciation	**3,529.73**	2,794.31
Unabsorbed business losses (refer details below)	**20,945.74**	16,202.49
Provision for doubtful debt and advances	**5,522.90**	1,413.16
Provision for retirement benefits	**1,249.20**	1,751.61
Pertains to Property plants & equipment and Intangibles	**446.38**	482.19

The unrecognised tax losses carried forward expire as follows:

Expiry Year	**31 March 2024**	31 March 2023
Financial year 2024-2025	**938.64**	938.64
Financial year 2025-2026	**2,191.97**	2,191.97
Financial year 2026-2027	**772.83**	772.83
Financial year 2027-2028	**783.77**	783.77
Financial year 2028-2029	**70.29**	70.29
Financial year 2029-2030	**528.96**	808.12
Financial year 2030-2031	**10,636.87**	10,636.87
Financial year 2031-2032	**5,022.41**	–
Total	**20,945.74**	16,202.49

The income tax expense for the year can be reconciled to the accounting Loss as follows :

	31 March 2024	31 March 2023
Loss before tax	**(9,496.58)**	(11,055.71)
Income tax expense calculated at 26%	**(2,469.11)**	(2,874.48)
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
Effect of unused tax losses for which no deferred tax asset is recognised	**2,469.11**	2,874.48
	2,469.11	2,874.48
Income tax expense recognised in Statement of Profit and Loss	**–**	–

(Currency : Indian rupees in lakhs)

16. Trade Payables

	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	**76.90**	10.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	**11,284.90**	11,108.51
Total Trade Payables	**11,361.80**	11,119.45

As at 31 March 2024	Outstanding for following periods from date of invoice					
	Unbilled*	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	–	76.90	–	–	–	76.90
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	6,787.75	2,091.14	1,529.23	564.61	312.17	11,284.90
(iii) Disputed dues of Micro enterprises and Small Enterprises	–	–	–	–	–	–
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	–	–	–	–	–	–
Trade Payables Ageing Schedule F24	**6,787.75**	**2,168.04**	**1,529.23**	**564.61**	**312.17**	**11,361.80**

As at 31 March 2023	Outstanding for following periods from date of invoice					
	Unbilled*	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	–	10.94	–	–	–	10.94
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	2,009.84	7,622.66	772.36	596.45	107.20	11,108.51
(iii) Disputed dues of Micro enterprises and Small Enterprises	–	–	–	–	–	–
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	–	–	–	–	–	–
Trade Payables Ageing Schedule F23	**2,009.84**	**7,633.60**	**772.36**	**596.45**	**107.20**	**11,119.45**

17. Other Non Financial Liabilities

		31 March 2024	31 March 2023
Contract liabilities		**819.67**	1,570.09
Government dues			
i)	Provident fund	**72.24**	104.14
ii)	Employees' state insurance and Profession tax	**5.35**	4.45
iii)	Tax deducted at source	**240.14**	468.53
iv)	Goods and Services Tax (GST)	**576.00**	401.96
v)	Others	**50.60**	52.08
		944.33	1,031.17
Total other liabilities		**1,764.00**	2,601.25

18. Revenue from operations

	31 March 2024	31 March 2023
Revenue from contract with customers:-		
Sale of products	**47,800.87**	82,983.39
Sale of services	**25,796.55**	26,235.91
Other operating revenues	**1,087.16**	946.82
	74,684.58	110,166.13

The management determines that the segment information reported under Note 18 above Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

Reconciliation of revenue from sale of products	31 March 2024	31 March 2023
Revenue as per contracted price	**47,800.87**	82,983.39
Sales returns	**–**	–
Rebates/ Discounts	**–**	–
Sale of products	**47,800.87**	82,983.39

Contract Balances	31 March 2024	31 March 2023
Trade receivables (Note 9)	**10,434.68**	11,483.18
Contract assets	**–**	–
Contract Liabilities (Note 17)	**819.67**	1,570.09

Significant changes in contract assets and liabilities during the period	31 March 2024	31 March 2023
Revenue recognised that was included in the contract liability balance at the beginning of the period	**1,570.09**	1,159.57

	31 March 2024	31 March 2023
Sale of services comprises of:		
– Franchisee fees	**1,980.78**	2,062.93
– Commission income	**2,261.57**	2,442.70
– Vehicle valuation fees	**7,998.97**	6,720.29
– Vehicle preinspection fees	**1,972.92**	1,797.49
– Yard management parking fees	**8,366.16**	9,491.07
– Indian blue book income	**1,409.89**	1,265.52
– Others services *	**1,806.26**	2,455.91
Revenue from rendering of services	**25,796.55**	26,235.91
Other operating revenues comprises of:		
– Warranty income	**675.87**	560.18
– Forfeiture of Earnest Money Deposits collected	**411.29**	386.65
Other operating revenues	**1,087.16**	946.82

* Company had enabled an unique feature of allowing customers to reserve specific cars online by paying a token amount which increased the chances of conversions to sale, thus adding value for dealers. The Company charged the

(Currency : Indian rupees in lakhs)

dealers a commission of Rs. 257.08 lakhs for the sale value of the car in the previous year. However, since this was a pilot program, the Company spent an equivalent amount in promoting the ECommerce program on behalf of the dealers by offering this as an incentive.

19. Other Income

	31 March 2024	31 March 2023
Interest Income (On financial assets measured at amortised cost)		
– Bank deposits	**226.76**	416.56
– Others	**113.11**	177.23
Dividend income		
– on investments carried at fair value through other comprehensive income	**–**	0.10
Operating lease rental income	**44.95**	44.95
Gain on sale/discardment of Property, plant and equipment	**–**	9.21
Net gain recorded in profit or loss on sale of Mutual Funds	**24.76**	114.77
Sundry balances written back (net)	**41.04**	**383.43**
Total Other Income	**450.62**	1,146.25

20. Changes in inventories of stock-in-trade

	31 March 2024	31 March 2023
Opening Stock-in-trade	**3,421.75**	4,170.29
Closing Stock-in-trade	**4.90**	3,421.75
Changes in inventories of stock-in-trade	**3,416.85**	748.54

21. Employee benefits expense

	31 March 2024	31 March 2023
Salaries and wages, including bonus (Refer Note 27)	**9,539.70**	10,758.33
Contribution to provident and other funds (Refer Note 27)	**524.54**	653.77
Share based payments to employees (see Note 21A)	**(13.35)**	44.16
Staff welfare expenses	**351.41**	473.51
Total Employee benefits expense	**10,402.30**	11,929.77

21A Employee share option plan of the company

1.1. Details of the employees share option plan of the Company

Mahindra First Choice Wheels Limited has share option schemes under which the employees have an option to subscribe for the Company's shares which have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Each employee share option converts into the equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria from various financial and customer service measures.

The Company has framed an Equity settled "Employee Stock Option Scheme (ESOS), 2010" for its employees. It has a trust viz. Mahindra First Choice Wheels Limited Employees' Stock Option Trust" (ESOS trust), which would hold the shares for the benefit of the eligible employees, including Directors of the Company and its subsidiaries. In addition to the above, the Company has also settled "Employee Stock Option Scheme (ESOS), 2015" for its employees.

The following share-based payment arrangements were in existence during the current and prior years.

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date (Rs per option)
1	717,655	04-Oct-10	03-Oct-15	10	0.70
2	280,023	31-Aug-12	30-Aug-17	10	2.46
3	601,781	25-Apr-13	20-Apr-18	10	2.93
4	70,043	02-Sep-13	01-Sep-18	10	2.93
5	639,328	30-Jul-15	29-Jul-20	10	0.69
6	71,010	27-Jan-16	26-Jan-21	10	0.69
7	150,837	25-Oct-16	24-Oct-21	10	1.25
8	11,311	25-Jan-17	24-Jan-22	10	1.25
9	16,805	27-Jul-17	26-Jul-22	10	2.41
10	221,310	16-Oct-17	15-Oct-22	10	2.41
11	228,138	15-Oct-18	14-Oct-23	10	2.49
12	61,348	16-Jan-19	16-Jan-24	10	2.49
13	146,513	21-Oct-19	21-Oct-24	10	4.14
14	44,015	09-Dec-19	03-Feb-25	10	4.14
15	17,227	19-Oct-20	19-Oct-25	10	4.04
16	109,669	20-Jan-21	20-Jan-26	10	4.04
17	30,059	19-Jan-21	20-Jan-22	10	4.04
18	30,839	29-Apr-21	29-Apr-26	10	7.79
19	163,358	22-Jul-21	22-Jul-26	10	7.76
20	78,081	28-Jan-22	28-Jan-27	10	15.04
21	364,080	29-Apr-22	06-May-27	10	3.73
22	139,816	28-Feb-23	28-Feb-28	10	9.46

(Currency : Indian rupees in lakhs)

1.2 Fair value of share options granted in the year

	Option series																					
Inputs into the model	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**
Grant date share price (Rs.)	**5/-**	**8/-**	**9/-**	**9/-**	**5/-**	**5/-**	**6/-**	**6/-**	**8/-**	**8/-**	**7/-**	**7/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**	**8/-**
Exercise price (Rs.)	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-
Expected volatility	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Option life (Years)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	1	5	5	5	5.5	5.5
Dividend yield	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Risk-free interest rate	7.64%-8.38%	8.16%-8.36%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	6.25%	6.25%		5.96%-6.08%			6.14%-6.77%		7.39%-7.46%	

1.3 Movements in share options during the year

The following reconciles share options outstanding at the beginning and end of the year:

	31 March 2024		31 March 2023	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at beginning of the year	**46,92,512**	**Rs. 10**	45,38,809	Rs. 10
Granted during the year	**–**	**–**	7,06,027	Rs. 10
Forfeited during the year	**4,99,266**	**–**	5,52,324	**–**
Exercised during the year	**–**	**–**	–	–
Lapsed/expired during the year	**–**	**–**	–	Rs. 10
Balance at end of the year	**41,93,246**	**Rs. 10**	46,92,512	Rs. 10

All outstanding options are exercisable at the end of the respective reporting period.

1.4 Share options outstanding at the end of the year

The share option outstanding at the end of the year had weighted average exercise price of Rs.10 (as at 31 March 2024: Rs. 10), and the weighted average remaining contractual life of 30 months (as at 31 March 2023: 33 months).

22. Finance cost

	31 March 2024	31 March 2023
Interest expense		
– On leased assets	**95.14**	64.43
Total Finance cost	**95.14**	64.43

23. Other Expenses

	31 March 2024	31 March 2023
Power and fuel	**73.08**	50.73
Repairs and maintenance - others	**74.50**	130.89
Rent - yards	**7,351.03**	8,331.55
Rent - others	**164.16**	61.00
Rates and taxes	**12.65**	4.49
Warranty related expenses	**118.61**	113.37
Vehicle valuation expenses	**3,783.22**	3,177.80
Preinspection expenses	**1,613.95**	1,497.49
Repo Management expenses	**–**	488.32
Field Inspection expenses	**–**	62.60
Printing and stationary	**15.75**	54.25
Office expenses	**86.54**	85.02
Bad debts written off (net)	**204.06**	1,401.58
Information technology costs	**1,768.11**	1,842.41
Internet charges	**94.07**	38.60
Communication charges	**137.47**	307.45
Insurance charges	**102.48**	175.74
Allowance for Expected Credit Losses	**1,330.22**	432.25
Provision for doubtful advances	**2,821.69**	818.34
Auditor's remuneration and out-of-pocket expenses (See Note below)	**39.72**	31.00
Director Sitting Fees	**11.00**	11.40
Professional fees	**1,886.71**	2,059.54
Advertisement, promotion and selling expenses	**2,634.57**	4,340.45
Travelling expenses	**849.13**	1,337.35
Loss on sale/discardment of Property, plant and equipment	**11.51**	–
Commission expenses	**402.59**	464.34
Miscellaneous expenses	**511.03**	601.94
Total Other Expenses	**26,097.85**	27,919.90

Note:

Auditor's remuneration and out-of-pocket expenses details:

Audit Fees	**38.00**	30.00
Reimbursement of expenses	**1.72**	1.00
Total	**39.72**	**31.00**

24. Earnings per share

Basic and Diluted Earnings Per Share

Particulars	**Year ended 31 March 2024 Per Share**	Year ended 31 March 2023 Per Share
Basic and Diluted loss per share (Rs.)	**(10.64)**	(13.06)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	31 March 2024	31 March 2023
Loss for the year	**(9,482.67)**	(11,055.70)
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share.	**8,91,08,260**	**8,46,82,675**
Basic loss per share (Rs.)	**(10.64)**	**(13.06)**
Weighted average number of equity shares for the purpose of dilutive earnings per share	**8,91,08,260**	8,46,82,675
Diluted loss per share (Rs.)	**(10.64)**	(13.06)

The effect of conversion of 0.001% non-cumulative compulsorily convertible preference shares ('NCCCPS') being anti-dilutive, has not been considered for the purpose of computing diluted loss per share

25. Contingent liabilities and commitments

Claims against the Company not acknowledged as debts comprise of:

Demands raised by Income tax department where the Company is in appeal	**60.31**	85.81
Demand raised by VAT & GST Department where the Company is in appeal	**824.42**	824.50
Total	**884.73**	910.31

Note: In respect of above items, till the matters are finally decided, the financial effect cannot be ascertained.

In February 2019, Supreme court of India in its judgement opined on the applicability of allowances that should be considered to measure obligation under Employee Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligation for past period.

(Currency : Indian rupees in lakhs)

26. Financials Instruments

Capital management

The company's capital management objectives are:
- to ensure the company's ability to continue as a going concern
- to maximise the shareholders value.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Categories of financial assets and financial liabilities

31 March 2024

Particulars	**Amortised Cost**	**Fair value through Profit or loss**	**Fair Value through other comprehensive income**	**Total**
Non-current Financial Assets				
Investments	**11,097.68**	**–**	**–**	**11,097.68**
Loans	**320.91**	**–**	**–**	**320.91**
Bank deposits with more than 12 months maturity	**3.79**	**–**	**–**	**3.79**
Security Deposits	**151.34**	**–**	**–**	**151.34**
Current Financial Assets				
Investments	**–**	**571.87**	**–**	**571.87**
Trade receivables	**10,434.68**	**–**	**–**	**10,434.68**
Cash and Cash equivalents	**1,730.31**	**–**	**–**	**1,730.31**
Bank balances other than cash and cash equivalents	**7.04**	**–**	**–**	**7.04**
Secutiry Deposits	**224.44**	**–**	**–**	**224.44**
Loans	**3,521.97**	**–**	**–**	**3,521.97**
Other financial assets	**1,377.26**	**–**	**–**	**1,377.26**
Non-current Financial Liabilities				
Other Financial Liabilities				
Lease Liability	**978.08**	**–**	**–**	**978.08**
Shares held by ESOS trust	**308.91**	**–**	**–**	**308.91**
Current Financial Liabilities				
Lease Liability	**410.25**	**–**	**–**	**410.25**
Trade payables	**11,361.80**	**–**	**–**	**11,361.80**
Other financial liabilities				
Deposits received from dealers	**2,373.98**	**–**	**–**	**2,373.98**
Capital creditors	**38.19**	**–**	**–**	**38.19**
Other employee related liabilities	**1,012.06**	**–**	**–**	**1,012.06**
Other advances	**1,224.94**	**–**	**–**	**1,224.94**

31 March 2023

Particulars	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	Total
Non-current Financial Assets				
Investments	10,097.68	–	–	10,097.68
Loans	326.61	–	–	326.61
Bank deposits with more than 12 months maturity	7.88	–	–	7.88
Security Deposits	182.88	–	–	182.88
Current Financial Assets				
Investments	58.09	–	–	58.09
Trade receivables	11,483.18	–	–	11,483.18
Cash and Cash equivalents	5,503.37	–	–	5,503.37
Bank balances other than cash and cash equivalents	9.44	–	–	9.44
Security Deposits	213.98	–	–	213.98
Loans	5,057.69	–	–	5,057.69
Other financial assets	4,024.71	–	–	4,024.71
Non-current Financial Liabilities				
Other Financial Liabilities				
Lease Liability	585.75	–	–	585.75
Shares held by ESOS trust	308.91	–	–	308.91
Current Financial Liabilities				
Lease Liability	602.83			602.83
Trade payables	11,119.45	–	–	11,119.45
Other financial liabilities				
Deposits received from dealers	2,513.22	–	–	2,513.22
Capital creditors	202.14	–	–	202.14
Other employee related liabilities	737.22	–	–	737.22

CREDIT RISK

(i) Credit risk management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.

Trade Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken security deposits which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

Amounts pertaining to these collaterals are as given below:-

The loss allowance provision is determined as follows:

(Currency : Indian rupees in lakhs)

As at 31 March 2024	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from date of invoice						
(i) Undisputed Trade receivables – considered good	**5,682.95**	**3,098.86**	**662.64**	**874.24**	**115.99**	**–**	**10,434.68**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**127.56**	**321.29**	**497.68**	**611.13**	**353.13**	**1,910.78**
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule FY24	**5,682.95**	**3,226.42**	**983.93**	**1,371.92**	**727.12**	**353.13**	**12,345.46**

As at 31 March 2023	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from date of invoice						
(i) Undisputed Trade receivables – considered good	2,925.34	6,530.82	1,069.87	911.44	45.71	–	11,483.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	100.00	149.73	330.84	580.57
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule FY23	2,925.34	6,530.82	1,069.87	1,011.44	195.44	330.84	12,063.74

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

Reconciliation of loss allowance provision for Trade receivables

Particulars	31 Mar 2024	31 Mar 2023
Balance as at beginning of the year	**580.57**	926.43
Impairment losses recognised in the year based on lifetime expected credit losses	**1,534.28**	432.25
Amounts written off during the year as uncollectible	**(204.06)**	(778.11)
Balance at end of the year	**1,910.79**	580.57

MARKET RISK

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which provides guidance for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by efficient management of surplus cash and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturity profile of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2024				
Non-interest bearing				
- Trade payable for goods and services	**11,361.80**	**–**	**–**	**–**
- Security Deposit	**2,373.98**	**–**	**–**	**–**
- Lease liabilities	**500.52**	**667.32**	**440.98**	**–**
- Capital creditors	**38.19**	**–**	**–**	**–**
- Shares held by ESOS trust	**–**	**–**	**–**	**308.91**
- Other employee related liabilities	**1,012.06**	**–**	**–**	**–**
- Others	**1,224.94**	**–**	**–**	**–**
Total	**16,511.49**	**667.32**	**440.98**	**308.91**
31 March 2023				
Non-interest bearing				
- Trade payable for goods and services	11,119.44	–	–	–
- Security Deposit	2,513.22	–	–	–
- Capital creditors	202.14	–	–	–
- Shares held by ESOS trust	–	–	–	308.91
- Other employee related liabilities	737.22	–	–	–
Total	14,572.02	–	–	308.91

(Currency : Indian rupees in lakhs)

27. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and other funds aggregating Rs.524.54 lakhs (31 March 2023: Rs.653.77 lakhs) has been recognised in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31 March 2024	31 March 2023
Discount rate(s)	**7.25%**	7.40%
Expected rate(s) of salary increase	**8.00%**	8.00%

	Unfunded Plan Gratuity	
	31 March 2024	31 March 2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
I. Amounts recognised in profit or loss		
Current Service Cost	**180.40**	165.32
Past service cost	**–**	–
Net interest expense	**50.62**	40.39
Total amount included in employee benefit expense	**231.02**	205.71
II. Amounts recognised in other comprehensive income		
Remeasurement (gain)/losses:		
Actuarial (gain)/losses arising from changes in -		
– financial assumptions	**7.62**	(29.28)
– experience adjustments	**(47.38)**	15.05
– demographic adjustments	**–**	–
Total amount recognised in other comprehensive income	**(39.76)**	(14.23)
III. Changes in the obligation		
Opening defined benefit obligation	**727.08**	617.74
Current service cost	**180.40**	165.32
Past service cost	**–**	–
Interest expense	**50.62**	40.39
Remeasurement gains/(losses) arising from changes in -		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**7.62**	(29.28)
iii. Experience Adjustments	**(47.38)**	15.05
Benefits paid	**(310.36)**	(82.13)
Impact of liability assumed or (settled)	**20.46**	–
Closing defined benefit obligation	**628.45**	727.08
Current portion of the above	**74.34**	86.04
Non-Current portion of the above	**554.11**	641.05
IV. Actuarial assumptions		
1. Discount rate	**7.25%**	7.40%
2. Attrition rate		
Age in Years 21-44	**18.00%**	18.00%
Age in Years 45-59	**1.00%**	1.00%

SENSITIVITY ANALYSIS	**31 March 2024**		31 March 2023	
	Discount Rate	**Salary Escalation Rate**	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on Defined Benefit obligation	**(47.93)**	**46.75**	(52.83)	51.09
Impact of decrease in 100 bps on Defined Benefit obligation	**55.20**	**(42.11)**	60.71	(47.20)

The above sensitivities analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

(Currency : Indian rupees in lakhs)

PROJECTED PLAN CASH FLOW

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	31 March 2024	31 March 2023
Expected Benefits for Year 1	**74.34**	86.04
Expected Benefits for Year 2	**70.10**	89.09
Expected Benefits for Year 3	**66.06**	105.55
Expected Benefits for Year 4	**62.05**	83.34
Expected Benefits for Year 5	**52.65**	57.71
Expected Benefits for Year 6	**45.56**	47.85
Expected Benefits for Year 7	**56.18**	43.14
Expected Benefits for Year 8	**60.32**	54.50
Expected Benefits for Year 9	**70.40**	57.47
Expected Benefits for Year 10 and above	**763.75**	888.29

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 8.17 years (31 March 2023: 7.77 years)

Experience Adjustments:	Year Ended				
	2024	2023	2022	2021	2020
	Gratuity				
1. Defined Benefit Obligation	**628.45**	727.08	617.74	529.59	526.58
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**(628.45)**	(727.08)	(617.74)	(529.59)	(526.58)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(47.38)**	15.05	(4.64)	(44.02)	(18.64)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

28. Fair Value Measurement

Fair Valuation Techiques and Inputs used - Recurring Items

Financial assets/ financial liabilities	Fair value as at 31 March 2024	Fair value as at 31 March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
1) Investment in equity instruments at amortised cost (Unquoted)	**11,097.68**	10,097.68	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.
2) Mutual Fund Investments (Quoted)	**571.87**	58.09	Level 1	Quoted bid prices in an active market	–	–

Fair value of financial assets and financial liabilities that are not measured at fair value i.e. measured using amortised cost

The carrying value of other financial assets and liabilities represent reasonable estimate of fair value.

Fair Valued Hierarchy as at 31 March 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
– Non-current investments	**–**	**–**	**11,097.68**	**11,097.68**
Current Financials Assets carried at Amortised Cost				
– Current Investments	**571.87**	**–**	**–**	**571.87**
TOTAL	**571.87**	**–**	**11,097.68**	**11,669.55**
Financial assets not carried at Fair Value				
– Trade receivables	**–**	**–**	**–**	**10,434.68**
– Cash and cash equivalents	**–**	**–**	**–**	**1,730.31**
– Bank balances other than cash and cash equivalents	**–**	**–**	**–**	**7.04**
– Loans	**–**	**–**	**–**	**3,842.88**
– Other financial assets	**–**	**–**	**–**	**1,756.83**
	–	**–**	**–**	**17,771.74**
Financial liabilities	**–**	**–**	**–**	
Financial liabilities not carried at Fair Value	**–**	**–**	**–**	
– Shares held by ESOS trust	**–**	**–**	**–**	**308.91**
– Lease liabilities	**–**	**–**	**–**	**1,388.33**
– Trade payable for goods & services	**–**	**–**	**–**	**11,361.80**
– Deposits received from Dealers	**–**	**–**	**–**	**2,373.98**
– Capital creditors	**–**	**–**	**–**	**38.19**

(Currency : Indian rupees in lakhs)

	Level 1	Level 2	Level 3	Total
– Other employee related liabilities	**–**	**–**	**–**	**1,012.06**
– Others	**–**	**–**	**–**	**1,224.94**
Total	**–**	**–**	**–**	**17,708.21**
Fair Valued Hierarchy as at 31 March 2023				
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
– Non-current investments	–	–	10,097.68	10,097.68
Current Financials Assets carried at Amortised Cost				
– Current Investments	58.09	–	–	58.09
TOTAL	58.09	–	10,097.68	10,155.77
Financial assets not carried at Fair Value				
– Trade receivables	–	–	–	11,483.18
– Cash and cash equivalents	–	–	–	5,503.37
– Bank balances other than cash and cash equivalents	–	–	–	9.44
– Loans	–	–	–	5,384.30
– Other financial assets	–	–	–	4,429.44
Total	**–**	**–**	**–**	**26,809.73**
Financial liabilities				
Financial liabilities not carried at Fair Value				
– Shares held by ESOS trust	–	–	–	308.91
– Lease liabilities	–	–	–	1,188.58
– Trade payable for goods & services	–	–	–	11,119.44
– Deposits received from Dealers	–	–	–	2,513.23
– Capital creditors	–	–	–	202.14
– Other employee related liabilities	–	–	–	737.22
Total	–	–	–	16,069.51

29. Related Party Transactions:

List of Related Parties and Relationships:

Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Holdings Limited	Holding Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Private Limited)	Fellow Subsidiary Company
Mahindra Summit Agriscience Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Mahindra Rural Housing Finance Limited	Fellow Subsidiary Company
Mahindra Lifespace Developers Limited	Fellow Subsidiary Company
Mahindra Emarket Limited	Fellow Subsidiary Company
Mahindra Accelo Limited	Fellow Subsidiary Company
Mahindra Insurance Brokers Limited	Fellow Subsidiary Company
Mahindra & Mahindra Synergy Division	Fellow Subsidiary Company
Phi Advisors Private Limited	A private company in which a director or manager or his relative is a member or director
MFCWL Employees Stock Option Trust	ESOS Trust Company
Fifth Gear Ventures Limited (w.e.f. 17 Jan 2020)	Wholly Owned Subsidiary Company
Mahindra MSTC Recycling Private Limited	Fellow Subsidiary Company
Tech Mahindra	Associates
Zoomcar India Private Limited	JV of Holding Company
Key Management Personnel (KMP)	
Rajeev Dubey	Non Independent Non Executive Chairman
Dr. Narendra Mairpady	Independent Director
Sonu Bhasin	Independent Director
Amit Kumar Sinha	Non Independent Non Executive Director

(Currency : Indian rupees in lakhs)

Ramesh Iyer	Non Independent Non Executive Director
Sanjay Labroo	Non Independent Non Executive Director
Anupam Thareja	Non Independent Non Executive Director
Vijesh Thota	Non Independent Non Executive Director
Rob Huting	Non Independent Non Executive Director
Christopher Hansen	Non Independent Non Executive Director
Ashutosh Pandey	Managing Director & Chief Executive Officer
V. Janakiraman (upto 31 December 2023)	Chief Financial Officer
Vishal Agarwal (w.e.f. 1 January 2024)	Chief Financial Officer
Anita Halbe	Company Secretary

Details of transaction between the company and other related parties are disclosed below:

	31 March 2024	31 March 2023
Trade Payables		
Ultimate holding company	**2,114.86**	1,557.00
Fellow subsidiary companies		
Mahindra Integrated Business Solutions Private Limited	**3.25**	4.15
Mahindra & Mahindra Synergy Division	**–**	13.41
Mahindra & Mahindra Financial Services Limited	**7.94**	–
Wholly owned subsidiary Company		
Fifth Gear Ventures Limited	**135.05**	(131.86)
JV of Holding Company		
Zoomcar India Private Limited	**(110.28)**	(128.04)
Director	**0.74**	–
Phi Advisors Private Limited	**81.63**	54.63
Trade Receivables		
Ultimate holding company	**32.91**	22.19
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	**289.60**	718.98
Mahindra Rural Housing Finance Limited	**1.25**	1.74
Mahindra MSTC Recycling Private Limited	**18.69**	24.80
Mahindra Emarket Limited	**5.78**	–
JV of Holding Company		
Zoomcar India Private Limited	**139.43**	–
Loan Given		
MFCWL Employees Stock Option Trust	**319.44**	319.19
Investments		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**11,097.68**	10,097.68
Investment during the year		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**999.99**	3,599.99
Purchases		
Ultimate holding company	**109.65**	146.95
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	**267.64**	18,011.80
Mahindra Lifespace Developers Limited	**66.16**	4.00
Mahindra & Mahindra Synergy Division	**37.14**	–
Mahindra Summit Agriscience Limited	**1.20**	–
Mahindra Insurance Brokers Ltd	**2.60**	–
NBS International Limited	**75.09**	–
Mahindra MSTC Recycling Private Limited	**0.79**	–
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	–	44.58
JV of Holding Company		
Zoomcar India Private Limited	–	161.24
Equity shares issued during the year		
Holding Company	**–**	22,743.30
Preference shares issued during the year		
Holding Company	**–**	1,260.00
Expenditure		
Rent		
Ultimate holding company	**9.78**	25.59
Sales Promtion Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**1,113.13**	2,563.80
Reimbursement of Cost		
Fellow subsidiary companies		
Mahindra Emarket Limited	**5.78**	–
Mahindra & Mahindra Synergy Division	**–**	53.21
Mahindra Accelo Limited	**0.29**	–
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**481.82**	558.58
Amortisation and Finance Cost		
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	**61.14**	13.93
Refurbishment Expenses		
Fellow subsidiary companies		
NBS International Limited	**–**	5.62
Professional Fees		
Ultimate holding company	**967.64**	721.52
Fellow subsidiary companies		

(Currency : Indian rupees in lakhs)

	31 March 2024	31 March 2023
Mahindra Integrated Business Solutions Private Limited	**15.04**	42.98
Tech Mahindra	**–**	10.59
A private company in which a director or manager or his relative is a member or director		
Phi Advisors Private Limited	**44.25**	50.00
Interest Received from Subsidiary		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**–**	95.67
Income from Services		
Ultimate holding company	**364.34**	298.71
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	**2,430.37**	1,896.93
NBS International Limited	**8.36**	6.99
Mahindra MSTC Recycling Pvt Ltd	**18.69**	2.78
Mahindra Rural Housing Finance Limited	**26.09**	25.42
Wholly owned subsidiary company		
Fifth Gear Ventures Limited	**497.35**	44.95
Receivable from Group Companies		
Wholly owned subsidiary company		
Fifth Gear Ventures Limited	**–**	2,869.42
Receivable from Group Companies		
Key Management Personnel Remuneration (inclusive of long term employment benefits)		
Managing Director & CEO; Chief Financial Officer; Company Secretary	**506.88**	433.32
Reimbursement of expense	**5.60**	6.80
Director Sitting Fees		
Narendra Mairpady	**5.30**	4.70
Rajeev Dubey	**2.10**	2.10
Sangeeta Talwar	**–**	4.60
Sonu Bhasin	**3.40**	–

(All transactions with related parties disclosed above for FY 23-24 are inclusinve of taxes)

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	31 March 2024	31 March 2023
i. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	**76.90**	10.94
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
vi. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	**–**	–

31. Ratio Analysis

Sr No	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.2	1.8	-32%	During the current year, the Company has taken decision to scale down procurement business. With reduction in inventory/ advances pertaining to these businesses, the current ratio has seen reduction in the current year
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity		Not applicable since company does not have any borrowings		
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments		Not applicable since company does not have any borrowings		
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-42%	-54%	-22%	
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	27.37	21.47	27%	During the current year, the Company has scaled down inventory led businesses. Accordingly with minimal closing inventory, average inventory days appearing higher

Sr No	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
6	Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.81	9.57	-29%	With lowering of revenue of procurement business, which had a lower share of debtors, the ratio has shown a reduction in the current year
7	Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.87	7.77	-50%	With lowering of revenue of procurement business, which had a lower share of payables, the ratio has shown a reduction in the current year
8	Net Capital Turnover Ratios	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	17.79	7.43	139%	Working Capital has been lower in the year end as inventory/ advance based businesses have scaled down
9	Net Profit/ Loss Ratio	Net Profit/ Loss	Net sales = Total sales - sales return	-13%	-10%	30%	Company has incurred certain costs pertaining to scaling down procurement business. This has led to the loss ratio increasing which has partially been offsetted by reduction in operating costs
10	Return on Capital Employeed Ratio	Loss before interest and taxes	Capital Employed = Tangible Net Worth+Total Debt-Deferre Tax Liability	-53%	-40%	31%	With reduction in capital base due to current year losses, the return on capital employed has been impacted
11	Return on Investment Ratio	Net Loss (+/-) Non Trade Adjustment (Not Depreciation)+Interest on Long Term Debts+Provision for Tax-Interest/Dividend from Non Trade Investments	Capital Employed = Tangible Net Worth+Total Debt-Deferre Tax Liability	-55%	-43%	28%	With decline in networth due to current year losses, the return on investment has been impacted

32. Struck-off Companies details:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st Mar 2024	Balance outstanding as at 31st Mar 2023	Relationship with the struck off company, if any, to be disclosed
Elite Enterprises	Receivables	**–**	2.28	Not Applicable
Retona Motors Private Limited	Payables	**(0.98)**	–	Not Applicable
Birdcube Travel Private Limited	Payables	**0.01**	–	Not Applicable
Gansai Martech Private Limited	Payables	**(0.02)**	–	Not Applicable
Corgence Solution Private Limited	Payables	**(1.62)**	–	Not Applicable
Acme D' Ace Marketing Solutions	Payables	**–**	0.68	Not Applicable

33. Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2014 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2023	Investment made during the year	Investment sold during the year	Equity instruments through other comprehensive income	As at 31 March 2024
		31-Mar-24	10,097.68	999.99	-	-	**11,097.68**
1	Fifth Gear Ventures Limited	31-Mar-23	6,497.69	3,599.99	-	-	**10,097.68**
		31-Mar-22	3,497.71	2,999.98	-	-	**6,497.69**

34. Segment Information

The Company is engaged in providing various value added services to their customers in the used vehicle segment. The information reported to the Chief Operating Decision Maker (CODM) primarily revolves around the revenue generated by each area of business, while he evaluates operational performance on an overall company basis, both from cost and profitability perspectives. Similarly the Board reviews the results from an organizational perspective as well.

Manpower, which is a critical resource, is fungible between the areas of business to maximize effectiveness. Similarly, the Company leverages its product and service delivery structures for offering a suite of services to its customers across all areas of business. Additionally, there are costs incurred towards advertisement, which is another major cost driver, such that its impact permeates across all areas of the Company's. Thus, considering the high interchangeability of its resources and processes for delivering its objective of serving the used car eco market and the fact that its results are reviewed at an organizational level, the company is a single operating segment.

35. Other matters

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Other than amount shown below, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Details of Funds received by the Company

	31 March 2024		31 March 2023	
Funding Party	Date of Transaction	Amount (Rs. In Lakhs)	Date of Transaction	Amount (Rs. In Lakhs)
(i) Equity Shares				
Mahindra Holdings Limited	–	–	01-07-2022	17,134.18
Brij Mohan Kataria	–	–	06-07-2022	4.80
Sanjay Labroo jointly with Leena Labroo	–	–	07-07-2022	167.98
Sanjay Labroo jointly with Leena Labroo	–	–	16-08-2022	83.91
Mahindra Holdings Limited	–	–	18-08-2022	5,606.74
Sanjay Labroo jointly with Leena Labroo	–	–	14-09-2022	0.02
Mahindra Holdings Limited	–	–	15-09-2022	2.38
		–		**23,000.00**
(ii) Preference Shares				
Mahindra Holdings Limited	–	–	22/04/2022	1,260.00
Total (i+ii)	–	**–**		**24,260.00**

Details of investment made from the funds received

	31 March 2024		31 March 2023	
Ultimate Beneficiary	Date of Transaction	Amount (Rs. In Lakhs)	Date of Transaction	Amount (Rs. In Lakhs)
Fifth Gear Ventures Limited	11-05-2023	999.99	07-12-2022	3,599.99

Above transactions are in compliance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act, 2013 and Prevention of Money-Laundering Act, 2002.

36. Merger of Fifth Gear Ventures Limited (FGVL) with Mahindra First Choice Wheels Ltd (MFCWL)

The Board at its Meeting held on 24 January, 2024 approved the Merger of the Company with its Subsidiary Company, Fifth Gear Ventures Limited (FGVL), subject to the approval of National Company Law Tribunal. An application for this purpose has been filed with National Company Law Tribunal (NCLT), Mumbai Bench, on 23 February, 2024

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kaushal Mehta
Partner
Membership number: 118321

Place : Mumbai
Date : 1 May 2024

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Sudhakar Pandey
Managing Director & Chief Executive Officer
DIN: 08166731

Amit Kumar Sinha
Director
DIN: 09127387

Vishal Agarwal
Chief Financial Officer
PAN: AEDPA0253L

Anita Anant Halbe
Company Secretary
Membership number: A13962
PAN: ABHPH4969H

Place : Mumbai
Date : 1 May 2024

Form AOC-1

(Pursuant to First Proviso to sub-section (3) of section 129 read with rule 5 of companies [Accounts] Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate Companies/joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	Fifth Gear Ventures Limited
2.	Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	31st March 2024 (Same as Holding Company)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share Capital	Rs. 33.74
5.	Reserves & Surplus	Rs. 1500.20
6.	Total assets	Rs. 2837.40
7.	Total Liabilities	Rs. 1303.24
8.	Investments	Rs. 100.00
9.	Turnover	Rs. 2956.14
10.	Profit / (Loss) before taxation	(Rs. 1397.30)
11.	Provision for Taxation	0.31
12.	Profit / (Loss) after Taxation	(Rs. 1397.61)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operation – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. Not Applicable

Part "B": Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Sudhakar Pandey
Managing Director & Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN 09127387

Vishal Agarwal
Chief Financial Officer
PAN: AEDPA0253L

Anita Halbe
Company Secretary
Membership Number: A13962
PAN ABHPH4969H

Place : Mumbai
Date : 1 May 2024

Place : Mumbai
Date : 1 May 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS
OF FIFTH GEAR VENTURES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fifth Gear Ventures Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 33(a) to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN: 24136565BKGQXG9368

Place: Mumbai
Date: 01 May 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Fifth Gear Ventures Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering content and digital marketing services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Paid under Protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	35.36	35.36	AY 2020-21	Commisioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not have any subsidiaries, joint ventures or associate company and hence clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 1070.60 lakhs in the current financial year and Rs. 2,414.38 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN: 24136565BKGQXG9368

Place: Mumbai
Date: 01 May 2024

Annexure B to the Independent Auditor's Report on the financial statements of Fifth Gear Ventures Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Fifth Gear Ventures Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nupur Ashar
Partner
Membership No.: 136565
ICAI UDIN: 24136565BKGQXG9368

Place: Mumbai
Date: 01 May 2024

BALANCE SHEET AS AT 31 MARCH 2024

(Currency :Indian rupees in lakhs)

	Note	**As at 31 March 2024**	As at 31 March 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**25.65**	52.17
Other intangible assets	4	**1,040.94**	1,347.00
Intangible assets under development	4	**–**	–
Income tax assets (net)	5	**126.18**	197.32
		1,192.77	1,596.49
CURRENT ASSETS			
Inventories	6	**–**	69.88
Financial assets			–
Trade receivables	7	**689.27**	1,133.27
Cash and cash equivalents	8	**139.12**	262.31
Bank balances other than above	9	**100.00**	60.00
Other current financial assets	10	**24.56**	26.88
Other current assets	11	**691.68**	681.45
		1,644.63	2,233.79
TOTAL ASSETS		**2,837.40**	3,830.28
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**33.74**	30.71
Other equity	13	**1,500.42**	1,897.62
		1,534.16	1,928.33
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	14(a)	**38.55**	36.20
		38.55	36.20
CURRENT LIABILITIES			
Financial liabilities			
Trade payables			
– total outstanding dues of micro enterprises and small enterprises	15	**14.25**	32.58
– total outstanding dues of creditors other than micro enterprises and small enterprises	15	**1,108.07**	1,450.08
Other current financial liabilities	16	**103.52**	173.21
Provisions	14(b)	**16.35**	17.77
Other current liabilities	17	**22.50**	192.11
		1,264.69	1,865.75
		1,303.24	1,901.95
TOTAL EQUITY AND LIABILITIES		**2,837.40**	3,830.28

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 1 May 2024

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh
Director
DIN : 06994031

Place: Mumbai
Date: 1 May 2024

Ashish Diwanji
CFO

Place: Mumbai
Date: 1 May 2024

Rajeev Dubey
Director
DIN : 00104817

Place: Mumbai
Date: 1 May 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

	Note	**For the year ended 31 March 2024**	For the year ended 31 March 2023
INCOME			
Revenue from operations	18	**2,910.71**	6,308.20
Other income	19	**45.43**	5.48
Total income		**2,956.14**	6,313.68
EXPENSES			
Purchase of Stock-in-trade		**18.46**	782.86
Changes in inventories of Stock-in-trade	20	**69.88**	(49.80)
Employee benefits expense	21	**1,027.23**	1,756.49
Finance costs	22	**2.14**	98.58
Depreciation and amortisation expense	23	**326.71**	225.86
Other expenses	24	**2,909.02**	6,156.50
Total Expenses		**4,353.44**	8,970.49
(Loss) before tax		**(1,397.30)**	(2,656.81)
Tax Expense			
Current tax		**–**	–
Tax for earlier years		**0.31**	–
Deferred tax		**–**	–
Total tax expenses		**0.31**	–
(Loss) after tax for the year		**(1,397.61)**	(2,656.81)
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss and its related income			
Re-measurement of the defined benefit plans		**3.44**	21.48
Total other comprehensive (loss) / income		**3.44**	21.48
Total comprehensive (loss) for the year		**(1,394.17)**	(2,635.33)
(Loss) per equity share: Basic and Diluted (in Rs.)	27	**(419.78)**	(1,163.73)
(Face value Rs. 10/- per share) (Rupees)			

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 1 May 2024

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Ashish Diwanji**	**Rajeev Dubey**
Director	CFO	Director
DIN : 06994031		DIN : 00104817
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 1 May 2024	Date: 1 May 2024	Date: 1 May 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
(Loss) before tax	**(1,397.30)**	(2,656.81)
Adjustments for:		
Finance costs	**2.14**	98.58
Interest income on fixed deposits	**(9.11)**	(0.85)
Loss allowance on trade receivables	**19.23**	16.57
Bad Debts	**19.00**	–
Loss on sale of property, plant and equipment (net)	**9.98**	(0.22)
Liabilities no longer required written back	**(1.90)**	–
Depreciation and amortisation expense	**326.71**	225.86
	(1,031.25)	(2,316.87)
Movements in working capital		
(Increase)/Decrease in trade receivables	**405.77**	138.53
(Increase)/Decrease in inventories	**69.88**	(49.80)
(Increase)/Decrease in other assets	**(8.54)**	(181.19)
Increase/(Decrease) in trade payables	**(360.34)**	(47.57)
Increase/(Decrease) in other financial liabilities	**(69.69)**	20.39
Increase/(Decrease) in other liabilities	**(169.61)**	79.14
Increase/(Decrease) in provisions	**4.37**	(14.62)
	(128.16)	(55.12)
Cash used in operation	**(1,159.41)**	(2,371.99)
Income tax refund (net)	**71.14**	(135.49)
Net cash used in operating activities (A)	**(1,088.27)**	(2,507.48)
Cash flows from investing activities		
Purchase of Property, Plant and Equipments (including Intangible assets and Intangible assets under development)	**(5.61)**	(740.96)
Proceed from Sale of Property, Plant and Equipments	**1.51**	0.65
Bank deposit placed (Net)	**(40.00)**	(60.00)
Interest received	**9.11**	0.85
Net cash used in investing activities (B)	**(34.99)**	(799.46)
Cash flows from financing activities		
Proceeds from issue of equity shares	**999.99**	3,599.99
Loan received from Holding Company	**–**	2,939.41
Loan repaid to Holding Company	**–**	(2,939.41)
Interest paid	**0.08**	(98.58)
Net cash generated from financing activities (C)	**1,000.07**	3,501.41
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(123.19)**	194.47
Cash and cash equivalents at the beginning of the year	**262.31**	67.84
Cash and cash equivalents at the end of the year (refer note 8)	**139.12**	262.31

(Currency : Indian rupees in lakhs)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Notes to the statement of cash flows:		
(a) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.		
(b) Cash and cash equivalents		
Balance with banks:		
– In current accounts	**139.12**	262.31
Balances as per statement of cash flows	**139.12**	262.31
(c) Movement in financial liabilities		
Opening balance		
Finance cost paid	**–**	(98.58)
Closing Balance	**–**	(98.58)

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 1 May 2024

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Ashish Diwanji**	**Rajeev Dubey**
Director	CFO	Director
DIN : 06994031		DIN : 00104817
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 1 May 2024	Date: 1 May 2024	Date: 1 May 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian rupees in lakhs)

I) Equity share capital

Particulars	Amounts
Balance as at 1 April 2022	**19.81**
Issue of Share Capital	10.90
Balance as at 31 March 2023	**30.71**
Issue of Share Capital	3.03
Balance as at 31 March 2024	**33.74**

II) Other equity

Particulars	Reserves and Surplus: Securities premium reserve	Reserves and Surplus: General Reserve	Reserves and Surplus: Retained earnings	Items of OCI: Remeasurements of defined benefit obligations	Total
Balance as at 31 March 2022	5,144.94	1,290.59	(5,480.03)	(11.64)	943.87
Loss for the year	–	–	(2,656.81)	–	(2,656.81)
Other comprehensive income/ (loss), net of tax	–	–	–	21.48	21.48
Total comprehensive income/ (loss) for the year	**–**	**–**	**(2,656.81)**	**21.48**	**(2,635.33)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	3,589.09	–	–	–	3,589.09
Total transactions with owners	**3,589.09**	**–**	**–**	**–**	**3,589.09**
Balance as at 31 March 2023	**8,734.03**	**1,290.59**	**(8,136.84)**	**9.84**	**1,897.62**
Loss for the year	–	–	(1,397.61)	–	(1,397.61)
Other comprehensive income/ (loss), net of tax	–	–	–	3.44	3.44
Total comprehensive income/ (loss) for the year	**–**	**–**	**(1,397.61)**	**3.44**	**(1,394.17)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	996.97	–	–	–	996.97
Total transactions with owners	**996.97**	–	–	–	996.97
Balance as at 31 March 2024	**9,731.00**	**1,290.59**	**(9,534.45)**	**13.28**	**1,500.42**

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 1 May 2024

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh
Director
DIN : 06994031

Place: Mumbai
Date: 1 May 2024

Ashish Diwanji
CFO

Place: Mumbai
Date: 1 May 2024

Rajeev Dubey
Director
DIN : 00104817

Place: Mumbai
Date: 1 May 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

1 Basis of Preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs Pursuant to section 133 of the Companies Act, 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Company has incurred losses in current and previous year, however Company continues to maintain positive net worth as at 31 March 2024. The Company is 100% subsidiary of Mahindra First Choice Wheels Limited (“the Holding Company”). Holding Company will support by additional funding as and when required to enable the Company to continue its operations and to meet its financial obligations. In view of the above, the use of going concern assumption has been considered appropriate in the preparation of these financial statements and assets and liabilities have been recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The financial statements were authorized for issue by the Company’s Board of Directors on **1 May 2024**

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Certain Financial assets	Fair value
Certain financial liabilities	Fair value

d. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

(ii) Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management’s best estimate about future developments.

e. Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Management.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further the information about the assumptions made in measuring fair values is included in the note on financial instruments.

2 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of financial statements. The accounting policies adopted are consistent with those of the previous financial year, except if mentioned otherwise.

a. Foreign currency

Foreign currency transactions:

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rate at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

b. Financial instruments

Financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- FVOCI – fair value through other comprehensive income
- FVTPL – fair value through profit and loss account

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI, if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in the profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

(iv) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

c. Property, plant and equipment

(i) Recognition and measurement:

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

(ii) Subsequent expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the Statement of Profit and Loss.

The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following classes of assets where different useful lives have been used:

Asset Class	Useful life (in years)
Computers	3-5
Office equipments	2
Furniture and fixtures	5
Plant and Equipments	8

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets

(i) Recognition and measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangibles assets under development:

The company expenses cost incurred during research phase to profit or loss in the year in which they are incurred.Development phase expenses are initially recognized as intangible assets under development until the development phase is complete upon which the amount is capitalised as intangible asset.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iv) Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset Class	Useful life (in years)
Computer Software	6
Website	5
Trade Mark	3
Copy Rights	3

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(v) Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

e. Impairment

(i) Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, these assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(ii) Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

- a breach of contract such as a default or being past due for 365 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount at least equal to the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet:

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(iii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

f. Employee benefits

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense on the net defined benefit liability

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability , taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employment benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment.The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

(v) Termination benefits:

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

g. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

h. Revenue from contracts with customers

The Company earns revenue primarily from income from services relating to advertisement and sale of products.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Advertisement revenue - the Company recognizes revenue from the display of graphical advertisements ("display advertising") on the website as "impressions" are delivered. An "impression" is delivered when an advertisement appears in pages herein viewed by users. The Company recognizes revenue from the display of text based links to the websites of its advertisers ("search advertising") which are placed on the website. Search advertising revenue is recognized as "click through" occur. A "click-through" occurs when a user clicks on an advertiser's listing.
- Affiliate revenue is recognized as per the terms of the contract with customers once the services are rendered.
- Sale of Products - The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Revenue is measured based on the transaction price, which is the consideration and excludes taxes collected from customers.

Revenue from holding company is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities primarily relate to the consideration received from customers in advance for the Company's performance obligations which is classified as advance from customers and deferred revenue which is recognised when there is billings in excess of revenues.

i. Lease

(i) Determining whether an arrangement contains a lease:

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straightline basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

j. Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

(i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for :

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

l. Cash and cash equivalent

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

m. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

n. Earnings per share

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o. Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized, however, are disclosed in the financial statements where an inflow of economic benefit is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

p. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3. Property, plant and equipment

Particulars	Plant and Equipments	Computers	Office equipment	Furniture and fixtures	Total
Gross Block					
Balance as at 1 April 2022	**14.36**	**71.27**	**13.97**	**11.40**	**111.00**
Additions	0.96	7.24	2.23	2.32	12.75
Disposals	–	8.85	–	–	8.85
Balance as at 31 March 2023	**15.32**	**69.66**	**16.20**	**13.72**	**114.90**
Additions	–	0.53	5.08	–	–
Disposals	4.99	–	0.40	13.49	18.88
Balance as at 31 March 2024	**10.33**	**70.19**	**20.88**	**0.23**	**101.63**

Accumulated depreciation

Particulars	Plant and Equipments	Computers	Office equipment	Furniture and fixtures	Total
Balance as 1 April 2022	**1.08**	**35.82**	**8.91**	**0.87**	**46.68**
Depreciation for the year	1.75	16.24	4.15	2.33	24.47
Deletion / adjustments	–	8.42	–	–	8.42
Balance as at 31 March 2023	**2.83**	**43.64**	**13.06**	**3.20**	**62.73**
Depreciation for the year	1.86	13.83	2.39	2.56	20.64
Deletion / adjustments	1.48	–	0.38	5.53	7.39
Balance as at 31 March 2024	**3.21**	**57.47**	**15.07**	**0.23**	**75.98**
Carrying amount (net)					
Balance as at 31 March 2023	**12.49**	**26.02**	**3.14**	**10.52**	**52.17**
Balance as at 31 March 2024	**7.12**	**12.72**	**5.81**	**–**	**25.65**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Note 4A. Other intangible assets

Particulars	Website	Computer Software	Trade Mark	Copy Rights	Total
Gross Block					
Balance as at 1 April 2022	161.31	22.31	10.00	10.00	203.62
Additions	1,528.78	–	–	–	1,528.78
Balance as at 31 March 2023	1,690.09	22.31	10.00	10.00	1,732.40
Additions	–	–	–	–	–
Balance as at 31 March 2024	**1,690.09**	**22.31**	**10.00**	**10.00**	**1,732.40**

Accumulated amortization

Particulars	Website	Computer Software	Trade Mark	Copy Rights	Total
Balance at 1 April 2022	151.29	18.27	7.22	7.22	184.01
Amortization for the year	192.10	3.73	2.78	2.78	201.39
Balance at 31 March 2023	343.39	22.00	10.00	10.00	385.40
Amortization for the year	305.76	0.31	-	-	306.07
Deletion / adjustments	–	–	–	–	–
Balance at 31 March 2024	**649.15**	**22.31**	**10.00**	**10.00**	**691.46**
Carrying amount (net)					
Balance at 31 March 2023	1,346.69	0.31	–	–	1,347.00
Balance at 31 March 2024	**1,040.94**	**–**	**–**	**–**	**1,040.94**

Note 4B Intangible Assets under development

Carrying amount of :-	As at 31 March 2024	As at 31 March 2023
Opening Balance	**–**	992.73
Additions during the year	**–**	536.05
Less: Capitalisation during the year	**–**	1528.78
Closing Balance	**–**	–

Note 5. Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets (Net of provision)	**126.18**	197.32
	126.18	197.32

Note 6. Inventories

(Valued at the lower of cost or net realizable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Stock-in-trade (Goods in transit Rs.0.88 lakhs, PY: Rs. NIL)	**–**	69.88
	–	69.88

Note 7. Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured		
Trade receivables considered good - unsecured	**689.27**	1,133.27
Trade receivables - credit impaired	**27.97**	56.63
	717.24	1,189.90
Less: Allowance for expected credit loss	**(27.97)**	(56.63)
	689.27	1,133.27

Refer note 26 and 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related party disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Trade Receivables Ageing Schedule for the year ended 31 March 2024

Particulars	Unbilled	Outstanding for following periods from date of invoice					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	353.66	285.77	11.86	37.98	–	–	689.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	27.97	–	–	–	27.97
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**353.66**	**285.77**	**11.86**	**65.95**	**–**	**–**	**717.24**

Trade Receivables Ageing Schedule for the year ended 31 March 2023

Particulars	Unbilled	Outstanding for following periods from date of invoice					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	407.82	576.91	148.54	–	–	–	1,133.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	19.02	22.73	14.88	–	56.63
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**407.82**	**576.91**	**167.56**	**22.73**	**14.88**	**–**	**1,189.90**

Note 8. Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with banks		
– in current accounts	**139.12**	262.31
	139.12	262.31

Note 9. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with bank having maturity within 12 months of the reporting date	**100.00**	60.00
	100.00	60.00

Note 10. Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured considered good		
Interest accrued on fixed deposits	**0.42**	0.74
Security Deposits	**24.14**	26.14
	24.56	26.88

Note 11. Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured considered good		
Dues recoverable from government	**667.79**	633.41
Employee advances	**0.05**	1.76
Prepaid expenses	**14.00**	6.69
Advance to vendors	**9.54**	36.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Other Advances	**0.30**	2.63
	691.68	681.45

Note 12. Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorized		
500,000 (previous year 500,000) equity shares of INR 10 each	**50.00**	50.00
	50.00	50.00
Issued		
337,405 (previous year 307,131) equity shares of INR 10 each	**33.74**	30.71
	33.74	30.71
Subscribed and fully paid up		
337,405 (previous year 307,131) equity shares of INR 10 each	**33.74**	30.71
	33.74	30.71

A. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount
As at 1st April 2022	**198,144**	19.81
Issued during the year	**108,987**	10.90
As at 31 March 2023	**307,131**	30.71
Issued during the year	**30,274**	3.03
As at 31 March 2024	**337,405**	33.74

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion of the number of equity shares held.

C. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2024		As at 31 March 2023	
Name of shareholder	**No. of shares**	**% holding**	**No. of shares**	**% holding**
Mahindra First Choice Wheels Limited	337,405	100.00%	307,131	100.00%

D. Details of shareholding of its promoters of the Company

Shares held by promoters as at 31 March 2024

Promoter Name	No. of share	% of Total Share	% change during the year
Mahindra First Choice Wheels Limited	337,405	100.00%	NIL

E. Utilisation of Proceeds from issue of equity shares

During the year company has raised Rs. 999.99 lakhs by alloting 30,274 equity shares of Rs.10/- each for cash at a premium of Rs. 3,293.14 per Equity Share.

Particulars	For the year ended
Proceeds from the issue of equity shares	999.99
Utilisation during the year	760.87
Balance available with Company	239.12

Note 13. Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
General reserve[a]	**1,290.59**	1,290.59
Retained earnings[b]	**(9,521.17)**	(8,127.00)
Securities premium[c]	**9,731.00**	8,734.03
	1,500.42	1,897.62

a) General reserve

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	**1,290.59**	1,290.59
Additions during the period	**–**	–
Balance at the end of year	**1,290.59**	1,290.59

b) Retained earnings

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	**(8,127.00)**	(5,491.67)
Loss for the year	**(1,394.17)**	(2,635.33)
Closing balance	**(9,521.17)**	(8,127.00)

Retained earnings are the profits/ (loss) that the Company has earned till date and it includes remeasurements of defined benefit obligations.

c) Securities premium

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	**8,734.03**	5,144.94
Additions during the year	**996.97**	3,589.09
Balance at the end of year	**9,731.00**	8,734.03

Securities premium is used to record the premium received on issue of shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Note 14(a). Non Current Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Compensated absences	**15.57**	17.69
- Gratuity (Refer Note 29)	**22.98**	18.51
	38.55	36.20

Note 14(b). Current Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Compensated absences	**7.97**	10.85
- Gratuity (Refer Note 29)	**8.38**	6.92
	16.35	17.77

Note 15. Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see note below)	**14.25**	32.58
- total outstanding dues of creditors other than micro enterprises and small enterprises *	**1,108.07**	1,450.08
	1,122.32	1,482.66

Trade Payable ageing schedule for the year ended 31 March 2024

Particulars	Unbilled/ Provisions	Outstanding for following periods from posting date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.15	7.10	–	–	–	14.25
(ii) Others	396.02	443.59	189.51	78.95	–	1,108.07
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**403.17**	**450.69**	**189.51**	**78.95**	**–**	**1,122.32**

Trade Payable ageing schedule for the year ended 31 March 2023

Particulars	Unbilled/ Provisions	Outstanding for following periods from posting date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	32.58	–	–	–	32.58
(ii) Others	459.34	873.13	111.76	5.85	–	1,450.08
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**459.34**	**905.71**	**111.76**	**5.85**	**–**	**1,482.66**

*** Refer Note 28 for related party diclosure**

Note:

Micro and Small Enterprises under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) have been determined based on the information available with the Company and the required disclosures are given below:

	Particulars	As at 31 March 2024	As at 31 March 2023
(i)	the principal amount remaining unpaid to any supplier as at the end of the year;	**13.67**	32.58
(ii)	the interest due on the principal remaining outstanding as at the end of the year;	**0.58**	0.07
(iii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
(iv)	the amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year;	**–**	–
(v)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**–**	–
(vi)	the amount of interest accrued and remaining unpaid at the end of the year;	**–**	–
(vii)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Note 16. Other Current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Payable to employees	**103.52**	169.62
Capital creditors	**–**	3.59
	103.52	173.21

Note 17. Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable		
i) Provident fund	**5.19**	9.40
ii) Profession tax	**0.05**	0.06
iii) Tax deducted at source	**16.92**	36.60
iv) Goods and Services Tax (GST)	**–**	6.70
Advances from customers*	**0.34**	139.35
	22.50	192.11

*** Refer Note 28 for disclosure of related parties**

Note 18. Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of Services	**2,831.62**	5,434.23
Sale of products	**79.09**	873.97
Total revenue from operations	**2,910.71**	6,308.20

Notes:

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per Contracted Price for sale of products	**79.09**	886.14
Sales returns	**–**	(12.17)
Revenue from contracts with customers for sale of products	**79.09**	873.97

b) Contract balances

	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade receivables (Note 7)	**689.27**	1,133.27
Contract assets (Note 11)	**9.54**	36.96
Contract liabilities (Note 17)	**0.34**	139.35

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of service at the reporting date.

Note 19. Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income measured at amortized cost:		
- Fixed deposits	**9.11**	0.85
- Income tax refund	**8.82**	4.08
Rental income	**25.60**	–
Liabilities no longer required written back	**1.90**	–
Profit on sale of property, plant and equipment	**–**	0.22
Miscellaneous income	**–**	0.33
	45.43	5.48

Note 20. Changes in inventories of Stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Inventories		
Stock-in-trade	**69.88**	20.08
Less: Closing Inventories		
Stock-in-trade	**–**	69.88
	69.88	(49.80)

Note 21. Employee benefits expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	**959.02**	1,648.87
Gratuity (refer note 29)	**9.36**	16.01
Contribution to provident and other funds	**39.34**	60.86
Staff welfare expenses	**19.51**	30.75
	1,027.23	1,756.49

Note 22. Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense		
- On others	**2.14**	98.58
	2.14	98.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Note 23. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	**20.64**	24.47
Amortisation on intangible assets	**306.07**	201.39
	326.71	225.86

Note 24. Other expenses

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Business Support Expense		**1,601.62**	3,800.61
Production, Consultancy Expenses		**548.05**	483.98
Marketing and distribution expenses		**273.86**	1,216.84
Rent (refer note 30)		**106.73**	101.02
Electricity and water		**16.19**	19.36
Printing and stationery		**1.64**	6.33
Postage and courier		**0.15**	7.37
Office and Admin expense		**1.03**	9.32
Travelling expenses		**30.84**	65.44
Advertisement and sales promotion		**–**	0.15
Repairs and maintenance - computers		**24.68**	13.70
Auditor's remuneration (excluding tax) [a]		**7.93**	7.82
Bank charges		**1.26**	9.24
Insurance		**6.51**	5.81
Communication		**36.88**	31.08
Software & Information Technology		**171.84**	234.33
Legal and professional fees		**26.50**	56.25
Bad debts w/off	**66.88**	**–**	–
Less: Utilised against provision	**(47.88)**	**19.00**	–
Allowance for Doubtful Receivables		**19.23**	63.35
Profit/Loss on Sale of Fixed Asset		**9.98**	–
Foreign exchange fluctuations (net)		**0.39**	–
Miscellaneous expenses		**4.71**	24.50
		2,909.02	6,156.50

a) Auditor's remuneration

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditors:		
Audit fee	**7.50**	7.50
Out of pocket expense	**0.43**	0.32
	7.93	7.82

Note: 25A. Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's objective for capital management is to manage its capital so as to safeguard its ability to continue as a going concern and to support the growth of the Company. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The funding requirements are met through equity and operating cash. The Company is not subject to any externally imposed capital requirements.

Note: 25B. Key Financial Ratios of the Company:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.30	1.20	**9%**	Funding of Rs.999.99 lakhs has resulted in reduction of Current liabilities coupled with improvement in operational capabilities
Debt-Equity Ratio Debt Service Coverage Ratio	Not applicable since company doesn't carry any debt for this financial year.					
Return on Equity Ratio	Profit after tax	Average Shareholders Equity	-81%	-184%	**128%**	Closure of loss making business (M2ALL) and continuous focus on margin improvement
Inventory Turnover Ratio	Sales	Average inventory	2.26	19.43	**-88%**	Mainly on account of closure of Accessories business
Trade Receivables Turnover Ratio	Sales	Average receivable	3.19	5.21	**-39%**	Improvement in ratio is mainly due to focused efforts in collections
Trade Payables Turnover Ratio	Purchase and other expenses (excluding provision for doubtful debts)	Average payable	2.22	4.56	**-51%**	Funding of Rs.999.99 Lakhs has resulted in reduction in Payables

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Net Capital Turnover Ratios	Net sales	Working capital	7.66	17.14	-124%	Ratio is impacted due to reduction in turnover
Net Profit Ratio	Net profit	Total Income	-47%	-42%	-11%	Ratio has not improved much on account of M2all loss impact in Q1 resulted in poor ratio Vs previous year
Return on Capital Employeed Ratio	EBIT	Capital Employed	-91%	-133%	46%	Closure of loss making business (M2ALL) and continuous focus on profitability
Return on Investment Ratio	Interest (Finance Income)	Not applicable since company doesn't have any investment activities during this financial year.				

Note 26. Financial instruments - fair value measurements and financial risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2024

		Carrying value			Fair value measurement using	
Particulars	**Note**	**FVTPL/ FVOCI**	**Amortized cost**	**Total**	**Level 1/ Level 2**	**Level 3**
Financial assets						
Trade receivables*	7	–	689.27	689.27	–	689.27
Cash and cash equivalents*	8	–	139.12	139.12	–	139.12
Bank balances other than cash and cash equivalents*	9	–	100.00	100.00	–	100.00
Other Current Financial assets*	10	–	24.56	24.56	–	24.56
Total		–	952.95	952.95	–	952.95
Financial liabilities						
Trade payables*	15	–	1,122.32	1,122.32	–	1,122.32
Payable to employees*	16	–	103.52	103.52	–	103.52
Total		–	1,225.84	1,225.84	–	1,225.84

As on 31 March 2023

		Carrying value			Fair value measurement using	
Particulars	**Note**	**FVTPL/ FVOCI**	**Amortized cost**	**Total**	**Level 1/ Level 2**	**Level 3**
Financial assets						
Trade receivables*	7	–	1,133.27	1,133.27	–	1,133.27
Cash and cash equivalents*	8	–	262.31	262.31	–	262.31
Bank balances other than cash and cash equivalents*	9	–	60.00	60.00	–	60.00
Other Current Financial assets*	10	–	26.88	26.88	–	26.88
Total		–	1,482.46	1,482.46	–	1,482.46
Financial liabilities						
Trade payables*	15	–	1,482.66	1,482.66	–	1,482.66
Payable to employees*	16	–	169.62	169.62	–	169.62
Capital creditors*	16	–	3.59	3.59	–	3.59
Total		–	1,655.87	1,655.87	–	1,655.87

* The carrying amounts of security deposit, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents mentioned above, interest accrued on fixed deposit, trade payables, payable against fixed assets, payable to employees and interest payable on loan and others approximates the fair values due to their short-term nature.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2024 and for the previous year ended 31 March 2023.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk - interest rate

(i) Risk management framework

The Company's key management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market condition and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles and obligations.

(ii) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	**689.27**	1,133.27
Cash and cash equivalents	**139.12**	262.31
Bank balances other than cash and cash equivalents mentioned above	**100.00**	60.00
Other financial assets	**24.56**	26.88

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally deals with banks with high credit ratings assigned by domestic credit rating agencies.

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Trade receivables as at year end includes INR 545.07 lakhs (previous year INR 1048.22 lakhs) as amount recoverable from others and INR 172.17 lakhs (previous year INR 141.68 lakhs) recoverable from related parties .

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	**56.63**	40.06
Loss allowance on trade receivables	**19.23**	63.35
Utilized	**47.89**	46.78
Balance as at the end of the year	**27.97**	56.63

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable equity investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2024	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	**1,122.32**	**1,122.32**	**–**	**–**	**1,122.32**
Other financial liabilities	**103.52**	**103.52**	**–**	**–**	**103.52**
	1,225.84	**1,225.84**	**–**	**–**	**1,225.84**

As at 31 March 2023	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	1,482.66	1,482.66	–	–	1,482.66
Other financial liabilities	173.21	173.21	–	–	173.21
	1,655.87	1,655.87	–	–	1,655.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Company operated domestically and not exposed to foreign currency fluctuation risk for the financial year ended 31 March 2024.

The Company does not have any borrowing during the financial year ended 31 March 2024, accordingly not exposed to interest rate risk.

Note 27. Earnings per share ('EPS')

The calculations of profit / (loss) attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings / (loss) per share calculations are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss for the year - (A)	**(1,397.61)**	(2,656.81)
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	**307,131**	198,144
Number of equity shares outstanding at the end of the year	**337,405**	307,131
Weighted average number of shares outstanding during the year - (B)	**332,938**	228,302
Face value of each equity share (INR)	**10**	10
Basic and diluted loss per equity share (INR) - (A)/(B)	**(419.78)**	(1,163.73)

Note 28. Related party disclosures

(a) List of related parties and nature of relationship

Ultimate Holding Company

Mahindra and Mahindra Limited

Holding Company

Mahindra First Choice Wheels Limited

Fellow subsidiary of Holding Company

Mahindra Two Wheelers Limited

Mahindra Emarket Limited

Gromax Agri Equipment Limited

Mahindra Insurance Brokers Limited

Mahindra Logistics Limited

Mahindra & Mahindra Financial Services Limited

Mahindra Intergrated Business Solutions Private Limited

Mahindra Electric Automobile Limited

Entities over which key management personnel have significant influence

Classic Legends Private Limited

Zoomcar India Private Limited

Key management personnel

Rajeev Bidyanand Dubey	Director
Anupam Thareja	Director
Kavinder Singh	Director
Ashish Nilkanth Diwanji	CFO (effective 18 October 2022)
Amit Kumar Sinha	Director (Resigned w.e.f. 28 March 2023)
Nalin Kapoor	CEO (Resigned w.e.f. 13 July 2022)

(b) Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties, in the ordinary course of business:

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2024	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Sale of Services						
Mahindra & Mahindra Limited	**509.67**	847.04		–	**–**	–
Gromax Agri Equipment Limited	**–**	–	**1.77**	18.04	**–**	–
Mahindra Electric Automobile Limited	**–**	–	**16.02**	–	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**–**	6.00	**–**	–
Mahindra & Mahindra Financial Services Limited	**–**	–	**1.81**	0.84	**–**	–
Mahindra First Choice Wheels Limited	**1,594.95**	2,563.81	**–**	–	**–**	–
Sale of Goods						
Mahindra Logistics Limited	**–**	–	**–**	0.38	**–**	–
Mahindra First Choice Wheels Limited	**–**	44.62	**–**	–	**–**	–
Mahindra Insurance Brokers Limited	**–**	–	**–**	0.86	**–**	–
Sale of Leads						
Mahindra & Mahindra Limited	**122.81**	–	**–**	–	**–**	–
Zoomcar India Private Limited	**–**	–	**–**	–	**–**	7.41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2024	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Website Development & Call Center Income						
Classic Legends Pvt Limited\	**–**	–	**–**	–	**25.79**	113.56
Purchase of Goods						
Mahindra & Mahindra Limited	**26.67**	678.01	**–**	–	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**–**	38.49	**–**	–
IT Expense & Platform License Fees						
Mahindra & Mahindra Limited	**6.78**	8.31	**–**	–	**–**	–
Mahindra eMarket Limited	**–**	–	**7.08**	12.00	**–**	–
Issue of Shares						
Mahindra First Choice Wheels Limited	**999.99**	3,599.99	**–**	–	**–**	–
Cost of Service						
Mahindra Intergrated Business Solutions Private Limited	**–**	–	**4.17**	10.87	**–**	–
Professional & Consultancy Charges						
Mahindra First Choice Wheels Limited	**452.40**	558.58	**–**	–	**–**	–
Interest Expense						
Mahindra First Choice Wheels Limited	**–**	95.61	**–**	–	**–**	–
Mahindra & Mahindra Limited	**1.86**	–	**–**	–	**–**	–
Rent						
Mahindra First Choice Wheels Limited	**44.95**	44.95	**–**	–	**–**	–
Loan taken						
Mahindra First Choice Wheels Limited	**–**	2,939.41	**–**	–	**–**	–
Loan repaid						
Mahindra First Choice Wheels Limited	**–**	2,939.41	**–**	–	**–**	–

(c) Key management personnel compensation

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Short term employee benefits	**10.05**	92.09

(d) Outstanding balances

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2024	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Trade payable			–	–	–	–
Mahindra First Choice Wheels Limited	139.43	49.14	–	–	–	–
Mahindra & Mahindra Limited	5.22	76.51	–	–	–	–
Mahindra Intergrated Business Solutions Private Limited	**–**	–	**–**	0.81	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**–**	–	**–**	–
Mahindra eMarket Limited	**–**	–	**6.48**	–	**–**	–
Trade receivable						
Classic Legends Private Limited	**–**	–	**–**	–	**6.87**	7.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2024	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Gromax Agri Equipment Limited	**–**	–	**–**	5.35	**–**	–
Mahindra & Mahindra Limited	**3.81**	113.87	**–**	–	**–**	–
Mahindra Electric Mobility Limited	**–**	–	**14.66**	–	**–**	–
Mahindra First Choice Wheels Limited	**135.05**	–	**–**	–	**–**	–
Mahindra & Mahindra Financial Services Limited	**–**	–	**–**	0.99	**–**	–
Mahindra Two Wheelers Limited	**–**	–	**3.03**	4.21	**–**	–
Mahindra Insurance Brokers Limited	**–**		**–**	1.09	**–**	–
Zoomcar India Private Limited	**–**	–	**–**	–	**8.75**	8.75
Advance from Customer						
Mahindra First Choice Wheels Limited	**–**	82.72				

Note: All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Note 29. Employee Benefits

(i) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(a) Changes in present value of defined benefit obligation:

Particulars	Present value of obligation
Balance as at 1 April 2022	41.61
Current service cost	13.87
Interest expense / (income)	2.14
Total amount recognized in profit or loss	**16.01**
Remeasurements:	
(Gain) / loss from change in demographic assumptions	(4.30)
(Gain) / loss from change in financial assumptions	(1.25)
Experience (gains) / losses	(15.93)
Total amount recognized in other comprehensive income	**(21.48)**
Benefit payments	(10.71)
Balance as at 31 March 2023	**25.43**

Particulars	Present value of obligation
Current service cost	7.77
Interest expense / (income)	1.59
Total amount recognized in profit or loss	**9.37**
Remeasurements:	
(Gain) / loss from change in demographic assumptions	–
(Gain) / loss from change in financial assumptions	0.06
Experience (gains) / losses	(3.51)
Total amount recognized in other comprehensive income	**(3.45)**
Benefit payments	**–**
Balance as at 31 March 2024	**31.36**

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	**As at 31 March 2024**	As at 31 March 2023
Present value of obligations	**31.36**	25.43
Deficit of gratuity plan	**31.36**	25.43

(b) Assumptions:

1. Economic assumptions

Particulars	**As at 31 March 2024**	As at 31 March 2023
Discount rate	**7.20%**	7.25%
Salary growth rate	**8.00%**	8.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

2. Demographic assumptions:

Particulars	As at 31 March 2024	As at 31 March 2023
Withdrawal rate as on 31 Mar 2024		20%
Age in years 21 - 30	**29%**	29%
Age in years 31 - 40	**37%**	37%
Age in years 41 - 50	**23%**	23%
Age in years 51 - 59	**4%**	4%

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Discount rate	**1.0%**	1.0%	**-1.24**	-1.00	**1.35**	1.08
Salary growth rate	**1.0%**	1.0%	**1.30**	1.06	**(1.24)**	(1.00)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(d) Projected Plan Cash Flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	As at 31 March 2024	As at 31 March 2023
Within 1 year	**8.38**	6.92
Between 2 and 5 years	**19.29**	15.63
Between 6 and 9 years	**6.86**	6.25
10 years and above	**10.22**	7.40

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 4.12 years (31 March 2023: 4.08 years)

Note 30. Lease commitments

Non-cancellable operating leases

The Company has taken a commercial premises under cancellable operating lease. The rental expense for the current year, in respect of operating leases is INR 106.73 lakhs (previous year INR 101.02 lakhs). The future minimum lease payments in respect of such leases is Nil.

Note 31. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") as required under Ind AS 108. The CODM is considered to be Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The principal activities of the Company comprises of e-commerce market place connecting buyers and sellers in respect of products related to cars and bikes, accordingly, the Company has one reportable segment.

Note 32. Taxation

A) The reconciliation of estimated income tax to income tax expense is as follows:

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
Loss before taxes		(1,397.61)		(2,656.81)
Tax using the Company's applicable tax rate	25.17%	(351.75)	25.17%	(668.67)
Tax effect of :				–
Non deductible expenses	-0.19%	2.68	-0.01%	0.24
Change in temporary differences	0.26%	(3.60)	1.89%	(50.29)
Current year losses for which no deferred tax asset was recognized	-25.23%	352.67	-27.05%	718.72
Effective tax rate	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

B) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of following items:

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liability		
- Deductible temporary differences	**(4.75)**	(39.45)
Deferred tax assets		
- Tax loss carry forwards	**352.67**	718.72
- Deductible temporary differences	**8.35**	39.01
Total deferred tax assets	**361.02**	757.73

As at 31 March 2024, the Company did not recognize deferred tax assets on tax losses and other temporary differences because a trend of future profitability is not yet clearly discernible.

C) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to following:

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
- Property, plant and equipments and intangible asset	**(4.75)**	(39.45)
Total deferred tax liabilities	**(4.75)**	(39.45)
Deferred tax assets		–
- Deductible temporary differences	**4.75**	39.45
Total deferred tax assets	**4.75**	39.45
Net deferred tax assets/(liability)	**–**	–

D) Movement in deferred tax assets/(liabilities) during the year:

Movement in deferred tax assets during the year	Balance as at 1 April 2022	Recognized in profit or loss	Balance as at 31 March 2023	Recognized in profit or loss	Balance as at 31 March 2024
- Deductible temporary differences	5.73	(39.45)	(33.72)	(4.75)	(38.47)
- Tax loss carry forwards	(5.73)	39.45	33.72	4.75	38.47
Total	**–**	**–**	**–**	**–**	**–**

(ii) Deferred tax assets have not been recognised in respect of following items, as it is not probable that future taxable profit will be available against which the Company can utilise the benefit therefrom.	As at 31 March 2024	As at 31 March 2023
Unabsorbed depreciation	**932.67**	624.82
Unabsorbed business losses	**5,743.15**	4,649.69
Total	**6,675.82**	5,274.51

The unrecognised tax losses carried forward expire as follows:	As at 31 March 2024	As at 31 March 2023
Financial year 2027-2028	**94.93**	94.93
Financial year 2028-2029	**395.20**	395.20
Financial year 2029-2030	**1,650.04**	1,650.04
Financial year 2030-2031	**2,509.52**	2,509.52
Financial year 2031-2032	**1,093.46**	–
Total	**5,743.15**	4,649.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

(Currency : Indian rupees in lakhs)

Note 33. Contingent liabilities and commitments

a) Contingent liabilities

Claims against the Company not acknowledged as debts comprise of Rs. 35.36 lacs pertains to demand raised by Income tax Department where the company is in appeal.

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) INR NIL (Previous year INR NIL).

34. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

36. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

37. The Board at its Meeting held on 24 January,2024 approved the Merger of the Company with its Holding Company, Mahindra First Choice Wheels Limited (MFCWL), subject to the approval of National Company Law Tribunal, An application for this purpose has been filed with National Company Law Tribunal (NCLT), Mumbai Bench, on 23 February, 2024.

The accompanying notes 1 to 37 are an integral part of these financial statements

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In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Nupur Ashar
Partner
Membership Number: 136565

Place: Mumbai
Date: 1 May 2024

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Ashish Diwanji**	**Rajeev Dubey**
Director	CFO	Director
DIN : 06994031		DIN : 00104817
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 1 May 2024	Date: 1 May 2024	Date: 1 May 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Integrated Business Solutions Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Integrated Business Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policy information and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Michigan, USA and Banbury, UK.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate financial statements of the branches referred to in the Other Matters section below, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Financial Statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of two branches included in the Financial Statements of the Company whose financial statements reflect total assets of Rs. 19,576 Lakhs as at March 31, 2024 and total revenue of Rs. 31,669 Lakhs for the year ended on that date, as considered in the Financial Statements. The financial statements of these branches have been audited by the branch auditors and other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.

Our opinion on the Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company and its branches so far as it appears from our examination of those books and the reports of the branch auditors and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
   (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
   (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account.
   (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.

(i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(es), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(es), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDB4005
Place: Mumbai

Date: April 19, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Integrated Business Solutions Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDB4005
Place: Mumbai
Date: April 19, 2024

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the financial statements for the year ended March 31, 2024

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 4 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDB4005
Place: Mumbai
Date: April 19, 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rupees lakhs

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**3,804.21**	4,715.92
(b) Capital Work-in-Progress	28	**4.70**	2.35
(c) Intangible assets	5	**22.53**	40.24
(d) Financial Assets		**–**	–
(i) Other Financial Assets	6	**256.00**	264.14
(e) Deferred Tax Assets (Net)	8	**679.22**	470.01
(f) Income Tax assets (net)		**1,984.25**	1,100.99
(g) Other Non-current Assets	7	**34.03**	32.61
SUB-TOTAL		**6,784.94**	6,626.27
CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	9	**1,130.64**	702.90
(ii) Trade Receivables	10	**9,863.43**	10,231.62
(iii) Cash and Cash Equivalents	11	**5,399.86**	6,120.80
(iv) Other Bank Balances	11	**3,769.66**	793.66
(v) Other Financial Assets	6	**175.44**	433.66
(b) Other Current Assets	7	**745.27**	1,592.40
SUB-TOTAL		**21,084.30**	19,875.03
TOTAL ASSETS		**27,869.24**	26,501.30
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	12	**977.95**	977.95
(b) Other Equity		**18,132.38**	17,473.77
SUB-TOTAL		**19,110.33**	18,451.72
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease liabilities	13	**1,589.96**	1,911.92
(b) Provisions	14	**446.74**	301.14
SUB-TOTAL		**2,036.70**	2,213.06
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	15		
Total outstanding dues of Micro and small Enterprises		**11.83**	11.86
Total outstanding dues of creditors other than Micro and small Enterprises (including acceptances)		**3,211.44**	1,983.65
(ii) Lease Liability	13	**590.21**	778.67
(iii) Other Financial Liabilities	13	**0.23**	0.23
(b) Provisions	14	**331.67**	464.64
(c) Other Current Liabilities	16	**2,576.83**	2,597.45
SUB-TOTAL		**6,722.21**	5,836.52
TOTAL		**27,869.24**	26,501.30

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No.00501029

Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Mumbai
19th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 2023-24

Rupees lakhs

	Particulars	Note No.	For the Year 2023-24	For the Year 2022-23
	Continuing Operations			
I	Revenue from operations	17	**56,372.53**	47,465.05
II	Other Income	18	**483.57**	1,637.62
III	**Total Revenue (I + II)**		**56,856.10**	49,102.68
IV	**EXPENSES**			
	(a) Employee benefit expense	19	**30,518.11**	28,859.48
	(b) Finance costs	20	**136.96**	100.71
	(c) Depreciation and amortisation expense	21	**1,367.78**	1,318.16
	(d) Other expenses	22	**22,610.77**	15,441.37
	Total Expenses (V)		**54,633.63**	45,719.72
	Profit/(loss) before exceptional items and tax (I - IV)		**2,222.47**	3,382.96
	Exceptional Items			
VI	**Share of profit / (loss) of joint ventures and associates**		**–**	–
VII	**Profit/(loss) before tax (VII - VIII)**		**2,222.47**	3,382.96
VIII	**Tax Expense**			
	(1) Current tax	23	**759.62**	997.93
	(2) Deferred tax	23	**(200.27)**	(304.99)
	Total tax expense		**559.35**	692.94
IX	**Profit/(loss) after tax from continuing operations (IX - X)**		**1,663.12**	2,690.01
X	Discontinued Operations			
	(1) Profit/(loss) from discontinued operations		**–**	–
	(2) Tax Expense of discontinued operations		**–**	–
XI	**Profit/(loss) after tax from discontinued operations (XII + XIII)**		**–**	–
XII	**Profit/(loss) for the period (XI + XIV)**		**1,663.12**	2,690.01
XIII	**Other comprehensive income**		**(26.56)**	8.82
	A (i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities/(asset)		**(35.50)**	11.78
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**8.93**	(2.96)
XIV	**Total comprehensive income for the period (XII + XIII)**		**1,636.56**	2,698.83
XV	**Earnings per equity share:**			
	(1) Basic	24	**16.73**	27.60
	(2) Diluted	24	**16.73**	27.60

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
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Rahul D Asthana
Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Mumbai
19th April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR 2023-24

Particulars	Year ended 31 March 2024	Rupees lakhs Year ended 31 March 2023
Cash flow from operating activities		
Profit after tax	**1,663.12**	2,690.01
Adjustments for:		
Income tax expenses	**559.35**	692.94
Finance cost	**136.96**	100.71
Investment income recognised in profit or loss	**(217.71)**	(34.66)
Dividend income	**(77.74)**	(3.64)
Depreciation and amortisation expenses	**1,367.78**	1,318.16
(Profit)/Loss on sale of assets	**(1.33)**	(719.79)
Write down of CWIP	**–**	–
Write back of liabilities	**–**	–
Operating profit before working capital changes	**3,430.43**	4,043.74
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	**1,614.18**	(175.00)
(Decrease)/Increase in trade and other payables	**1,219.75**	(54.66)
Cash generated from operations	**6,264.37**	3,814.07
Income taxes paid	**(1,642.89)**	1,065.34
Net cash generated by operating activities	**4,621.48**	4,879.41
Cash flow from investing activities		
Maturity/(Investments) of Fixed Deposits	**(2,976.01)**	(120.73)
Proceeds from disposal of Mutual Fund investments	**(350.00)**	(684.86)
Proceeds from disposal of property, plant & equipment	**2.68**	1,215.74
Payments for acquisition of property, plant & equipment and intangible assets	**(262.32)**	(1,768.09)
Payments for acquisition of CWIP	**(2.35)**	(1.18)
Interest received	**44.64**	29.31
Net cash (used in)/generated by investing activities	**(3,543.37)**	(1,329.81)
Cash flow from financing activities		
Interest paid on borrowings	**–**	–
Transfer from/To General Reserve	**–**	(0.00)
Proceeds from borrowings	**–**	–
Dividends including dividend distribution tax	**(977.95)**	(70.00)
Repayments of lease liabilities (including interest thereon)	**(821.10)**	(649.18)
Net cash used in financing activities	**(1,799.05)**	(719.18)
Net increase in cash and cash equivalents	**(720.94)**	2,830.42
Cash and cash equivalents at the beginning of the year	**6,120.80**	2,912.67
add acquistion date balance		–
add Exchange Gain/(loss)	–	377.72
Cash and cash equivalents at the end of the year	**5,399.86**	6,120.80

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
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Director
DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Mumbai
19th April 2024

SEGMENT REPORTING FOR THE YEAR 2023-24

Rs. In lakhs

Sr. No.	Particulars	For the year 2023-24 Revenue (INR Lakhs)	For the year 2023-24 % of revenue	For the year 2022-23 Revenue (INR Lakhs)	For the year 2022-23 % of revenue
1	Segmental Revenue from operations				
	India	24,962	44.3%	22,157	46.7%
	United States of America	21,679	38.5%	17,934	37.8%
	United Kingdom	9,731	17.3%	7,373	15.5%
	Revenue from operations	**56,373**	**100%**	47,465	100%
2	Segment results	**Margin (INR Lakhs)**	**Margin %**	Margin (INR Lakhs)	Margin %
	India	719	22.2%	582	18.4%
	United States of America	1,164	35.9%	1,575	49.8%
	United Kingdom	1,361	42.0%	1,007	31.8%
	Total	**3,244**	**100%**	3,164	100%
3	Unallocable expenses (net)*	–		–	
	Other Income	484		1,638	
	Finance costs	137		101	
	Depreciation & amortisation expense	1,368		1,318	
	Profit before tax	**2,222**		3,383	

		For the year 2023-24		For the year 2022-23	
4	**Segment Revenue- Geography-wise**	**Revenue (INR Lakhs)**	**% of revenue**	Revenue (INR Lakhs)	% of revenue
	India	25,187	44.3%	22,224	42.2%
	United States of America	21,845	38.4%	19,595	50.9%
	United Kingdom	9,824	17.3%	7,284	6.9%
	Rest of the world (ROW)	–		–	
	Revenue from operations	**56,856**	**100.0%**	49,103	100.0%

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

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DIN No.00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Mumbai
19th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital

(1) As at 31 March 2024

Rupees lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
977.95	–	977.95	–	977.95

Shares held by Promoters at the end of the year

Promoters Name	No. of shares	% of total Shares	% Change during the year
Mahindra & Mahindra Ltd	8,279,511	84.66	–
Mahindra Holdings Limited	1,500,000	15.34	–

(2) As at 31 March 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
977.95	–	977.95	–	977.95

Shares held by Promoters at the end of the year

Promoters Name	No. of shares	% of total Shares	% Change during the year
Mahindra Vehicle Manufacturers Limited	–	–	(84.66)
Mahindra & Mahindra Ltd	8,279,511	84.66	84.66
Mahindra Holdings Limited	1,500,000	15.34	–

	Rupees lakhs	India	US Branch	UK Branch
As at 31 March 2019	150.00	150.00	–	–
Changes in equity share capital during the year	–			
As at 31 March 2020	150.00	150.00	–	–
Changes in equity share capital during the year	827.95	–	827.95	–
As at 31 March 2021	977.95	150.00	827.95	–
Changes in equity share capital during the year	–	–	–	–
As at 31 March 2022	977.95	150.00	827.95	–
Changes in equity share capital during the year	–	–	–	–
As at 31 March 2023	977.95	150.00	827.95	–
Changes in equity share capital during the year	–	–	–	–
As at 31 March 2024	**977.95**	**150.00**	**827.95**	**–**

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

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Riten Chakrabarty
CFO

Place: Mumbai
19th April 2024

STATEMENT OF CHANGES IN OTHER EQUITY FOR THE YEAR ENDED MARCH 31, 2024

B. Other Equity

Rupees lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income		Total
	Retained Earnings	General Reserve	Capital Reserve	Remeasurements of the defined benefit liabilities/ (asset)	Foreign currency translation reserve	
As at 31 March 2022	2,447.36	12,359.18	–	38.17	251.67	15,096.38
Profit / (Loss) for the period	2,690.25	(0.00)	–	8.82	(251.67)	2,447.39
Other Comprehensive Income / (Loss)	–	–	–	–	–	
Total Comprehensive Income for the year	2,690.25	(0.00)	–	8.82	(251.67)	2,447.39
Movement						
Issue of shares	–	–	–	–	–	–
Dividend paid on Equity Shares	(70.00)	–	–	–	–	(70.00)
Dividend Distribution Tax	–	–	–	–	–	–
As at 31 March 2023	5,067.61	12,359.18	–	46.99	–	17,473.77
Profit / (Loss) for the period	1,663.12	–	–	(26.56)	–	1,636.56
Other Comprehensive Income / (Loss)	–	–	–	–	–	–
Total Comprehensive Income for the year	1,663.12	–	–	(26.56)	–	1,636.56
Movement						
Issue of shares	–	–	–	–	–	–
Dividend paid on Equity Shares	(977.95)	–	–	–	–	(977.95)
Dividend Distribution Tax	–	–	–	–	–	–
As at 31 March 2024	**5,752.78**	**12,359.18**	**–**	**20.42**	**–**	**18,132.38**

The accompanying notes 1 to 33 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

For and on behalf of the Board of Directors

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Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Mumbai
19th April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No.

1 **Company overview**

Mahindra Integrated Business Solutions Private Limited is a Private Limited Company incorporated and domiciled in India on 18th January 2011 and it started its operations from 1st May 2011. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company. The Company is rendering back office accounting & payroll services. Currently though a captive service provider, it intends to extend the services to corporate sector at large**.**

The immediate parent Company and Ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in India.

2 Material Accounting Policy Information

2.1 **Statement of compliance and basis for preparation**

a. These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

c. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

d. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation
- provision for warranty claims
- income taxes - current and deferred taxes
- fair value of unlisted securities
- impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

f. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

g. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

h. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 **Significant accounting policies**

a. Operating Cycle :

Assets and Liabilities are classified as Current or Non – Current as per the provisions of the Schedule III notified under the Companies Act, 2013 and Company's normal operating cycle. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non – Current classification of Assets & Liabilities.

b. Property, plant and equipment:

i. Property, plant and equipment are carried at their original cost less accumulated depreciation and accumulated impairment losses.

ii. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life used to determine depreciation is:

Building	24 - 30 years
Leasehold improvements	3 – 15 years or the lease period
Machinery & equipment	3 - 10 years
Furniture & fixtures	5 - 10 years
Computers	3 - 5 years
Vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

iii. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c. Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life considered for assets in this class is 3 - 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e. Investments:

Investment held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Current investments are valued at the lower of cost and fair value.

f. Revenue Recognition:

i. Sale of services is recognized when the services are rendered.

ii. Revenues on time & material contracts are recognized as the related services are performed and revenues from the end of the last billing to the Balance sheet date is recognized as Unbilled revenues. The unbilled revenues primarily consists of cost which needs to be billed to client on cost plus margin basis where there is no uncertainty as to measurement or collectability of consideration.

iii. Fee based income is accounted for on achieving specified milestones as per mutual agreement.

iv. Further, revenue is recognised when there is no uncertainty as to the measurement or collectability of consideration.

v. Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

g. Employee Benefits:

Retirement benefit costs and termination benefits
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

h. Taxes on Income:

Tax expense comprises of both current and deferred tax only.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Provision for Current tax is measured at the amount computed under section 115BAA of the Income Tax Act, 1961 and hence provision of MAT under section 115JB is not applicable.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

i. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

i. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

ii. Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

j. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

k. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:
The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

l. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

m. Government incentive

The Branch receives incentives in the form of reimbursement of expenses incurred under the New Jobs Training Program agreement with Oakland Community College. These grants are netted off against the training expenses in the statement of income when there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

3.1 Pursuant to acquisition of US Branch from Mahindra Vehicle Manufacturing Limited w.e.f. January 1, 2022, the amounts pertaining to year from April 2020 to March 2021 includes amounts for 3 Months from January 2021 to March 2021 related to US Branch operations. UK branch has started their operations from October 2021. Accordingly, no amount related to UK Branch was included in amounts for the year from April 2020 to March 2021. Consequently, the amounts for the year from April 2020 to March 2021 are not comparable to amounts for the year from April 2021 to March 2022.

3.2 **Segment Reporting** - The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geography. Accordingly, segment information has been presented for geography. Each segment item is presented at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance. CODM does not review assets and liabilities at reportable segments level, hence Management believes that it is currently not practicable to provide disclosure of assets by geographical location.

3.3 **Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which is applicable from April 1, 2024.

3.4 Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares, if any, issued during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Note No. 4 Property, Plant and Equipment

Property, plant and equipment comprise of owned and leased assets.

Rupees lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Property, Plant and Equipment Owned	**1,505.13**	1,757.15
(b) Right of Use asset	**2,299.09**	2,958.77
Total	**3,804.22**	4,715.92

Note No. 4 (a) Property, Plant and Equipment Owned

Rupees lakhs

Particulars	Land – Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Cost								
Balance as at March 31, 2022	**93.51**	**374.04**	**–**	**2,177.29**	**107.66**	**596.79**	**205.37**	**3,554.65**
Ind	–	–	–	255.74	96.52	30.39	28.87	411.52
US	93.51	374.04	–	1,855.00	–	554.28	176.50	3,053.33
UK	–	–	–	66.55	11.13	12.12	–	89.80
Additions	**–**	**–**	**758.98**	**705.05**	**142.70**	**186.99**	**–**	**1,793.73**
Ind	–	–	–	63.54	8.60		–	72.14
US	–	–	–	66.16	–	–	–	66.16
UK	–	–	758.98	575.35	134.10	186.99	–	1,655.43
Disposals	**(93.51)**	**(374.04)**	**–**	**(88.32)**	**(1.53)**	**(105.34)**	**(23.46)**	**(686.20)**
Ind		–		–	(1.53)		–	(1.53)
US	(93.51)	(374.04)	–	(88.32)	–	(105.34)	(23.46)	(684.68)
UK	–	–	–	–	–	–	–	–
Balance as at March 31, 2023	**–**	**–**	**758.98**	**2,794.02**	**248.83**	**678.44**	**181.90**	**4,662.18**
Ind	–	–	–	319.28	103.60	30.39	28.87	482.14
US	–	–	–	1,832.84	–	448.94	153.04	2,434.82
UK	–	–	758.98	641.90	145.24	199.11	–	1,745.23
Additions	**–**	**–**	**–**	**234.16**	**26.61**	**0.95**	**0.66**	**262.39**
Ind	–	–	–	–	1.22	–	0.66	1.88
US	–	–	–	–	–	–	–	–
UK	–	–	–	234.16	25.39	0.95	–	260.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Rupees lakhs

Particulars	Land – Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Disposals	**–**	**–**	**–**	**(150.26)**	**(0.06)**	**(9.96)**	**(22.23)**	**(182.52)**
Ind				(53.70)	–	–	(13.19)	(66.89)
US	–	–	–	(96.56)	–	(9.96)	(9.04)	(115.57)
UK	–	–	–	–	(0.06)	–	–	(0.06)
Balance as at March 31, 2024	**–**	**–**	**758.98**	**2,877.92**	**275.38**	**669.43**	**160.33**	**4,742.04**
Ind	–	–	–	265.58	104.82	30.39	16.33	417.12
US	–	–	–	1,736.28	–	438.97	144.00	2,319.25
UK	–	–	758.98	876.06	170.56	200.06	–	2,005.67
Accumulated depreciation								
Balance as at March 31, 2022	**–**	**89.35**	**–**	**1,918.12**	**69.21**	**531.17**	**147.23**	**2,755.07**
Ind	–	–	–	239.19	69.03	21.44	16.25	345.91
US	–	89.35	–	1,664.95	–	508.21	130.98	2,393.49
UK	–	–	–	13.98	0.18	1.52	–	15.67
Additions	**–**	**7.82**	**90.47**	**244.26**	**34.51**	**59.49**	**28.08**	**464.64**
Ind				12.72	16.16	2.45	5.48	36.81
US		7.82		148.76		33.14	22.60	212.33
UK		–	90.47	82.78	18.35	23.90	–	215.50
Disposals	**–**	**(97.17)**	**–**	**(88.32)**	**(1.27)**	**(105.34)**	**(22.58)**	**(314.68)**
Ind					(1.27)			(1.27)
US		(97.17)	–	(88.32)	–	(105.34)	(22.58)	(313.41)
UK								–
Balance as at March 31, 2023	**–**	**0.00**	**90.47**	**2,074.06**	**102.44**	**485.31**	**152.73**	**2,905.03**
Ind	–	–	–	251.91	83.91	23.89	21.73	381.44
US	–	0.00	–	1,725.39	–	436.01	131.01	2,292.41
UK	–	–	90.47	96.76	18.53	25.41	–	231.18
Additions	**–**	**–**	**144.60**	**261.38**	**37.28**	**44.19**	**22.76**	**510.22**
Ind	–	–	–	21.74	8.38	1.73	5.33	37.17
US	–	–	–	68.10	–	4.46	17.43	89.99
UK	–	–	144.60	171.55	28.90	38.00	–	383.05
Disposals	**–**	**–**	**–**	**(147.58)**	**(0.01)**	**(9.99)**	**(20.74)**	**(178.32)**
Ind	–	–	–	(51.02)	–	–	(11.72)	(62.74)
US	–	–	–	(96.56)	–	(9.99)	(9.02)	(115.58)
UK	–	–	–	–	(0.01)	–	–	(0.01)
Balance as at March 31, 2024	**–**	**0.00**	**235.08**	**2,187.86**	**139.71**	**519.51**	**154.76**	**3,236.92**
Ind	–	–	–	222.63	92.29	25.62	15.34	355.88
US	–	0.00	–	1,696.92	–	430.47	139.42	2,266.82
UK	–	–	235.08	268.30	47.43	63.42	–	614.22
Net carrying amount								–
As at March 31, 2022	**93.51**	**284.69**	**–**	**259.17**	**38.45**	**65.62**	**58.14**	**799.58**
Ind	–	–	–	16.55	27.49	8.95	12.62	65.61
US	93.51	284.69	–	190.05	–	46.07	45.52	659.84
UK	–	–	–	52.57	10.96	10.60	–	74.13
As at March 31, 2023	**–**	**(0.00)**	**668.51**	**719.96**	**146.39**	**193.13**	**29.17**	**1,757.15**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Rupees lakhs

Particulars	Land – Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Ind	–	–	–	67.37	19.69	6.50	7.14	100.69
US	–	(0.00)	–	107.45	–	12.93	22.03	142.41
UK	–	–	668.51	545.14	126.70	173.70	–	1,514.05
As at March 31, 2024	**–**	**(0.00)**	**523.91**	**690.06**	**135.67**	**149.92**	**5.58**	**1,505.13**
Ind	–	–	–	42.95	12.53	4.77	1.00	61.25
US	–	(0.00)	–	39.35	–	8.50	4.58	52.43
UK	–	–	523.91	607.76	123.14	136.65	–	1,391.45

Note No. 4 (b) Right of use Assets

Rupees lakhs

Particulars	Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
<u>Cost</u>							
Balance as at March 31, 2022	**–**	**1,251.32**	**179.44**	**632.05**	**1,041.27**	**0.00**	**3,104.09**
Ind	–	533.56	–	–	–	–	533.56
US	–	717.76	179.44	632.05	1,041.27	0.00	2,570.53
UK	–	–	–	–	–	–	–
Additions	**–**	**2,396.46**	**–**	**47.99**	**–**	**–**	**2,444.45**
Ind		976.10					976.10
US				47.99			47.99
UK		1,420.36	–	–	–	–	1,420.36
Disposals	**–**	**(533.56)**	**(79.90)**	**(178.16)**	**(43.78)**	**–**	**(835.40)**
Ind		(533.56)					(533.56)
US			(79.90)	(178.16)	(43.78)	–	(301.84)
UK							–
Balance as at March 31, 2023	**–**	**3,114.22**	**99.54**	**501.89**	**997.49**	**0.00**	**4,713.14**
Ind	–	976.10	–	–	–	–	976.10
US	–	717.76	99.54	501.89	997.49	0.00	2,316.68
UK	–	1,420.36	–	–	–	–	1,420.36
Additions	**–**	**–**	**–**	**179.25**	**–**	**68.90**	**248.15**
Ind	–	–	–	–	–	68.90	68.90
US	–	–	–	179.25	–	–	179.25
UK	–	–	–	–	–	–	–
Disposals	**–**	**(717.76)**	**(72.96)**	**(428.33)**	**(189.59)**	**–**	**(1,408.64)**
Ind	–	–	–	–	–	–	–
US	–	(717.76)	(72.96)	(428.33)	(189.59)	–	(1,408.64)
UK	–	–	–	–	–	–	–
Balance as at March 31, 2024	**–**	**2,396.46**	**26.58**	**252.81**	**807.90**	**68.90**	**3,552.65**
Ind	–	976.10	–	–	–	68.90	1,045.00
US	–	(0.00)	26.58	252.81	807.90	0.00	1,087.28
UK	–	1,420.36	–	–	–	–	1,420.36
Accumulated depreciation							
Balance as at March 31, 2022	**–**	**900.28**	**132.83**	**326.90**	**393.31**	**(0.00)**	**1,753.32**
Ind	–	464.28	–	–	–	–	464.28
US	–	436.00	132.83	326.90	393.31	(0.00)	1,289.04
UK	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Rupees lakhs

Particulars	Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Additions	**–**	**507.73**	**34.69**	**168.50**	**121.89**	**–**	**832.81**
Ind		182.25	–	–	–	–	182.25
US		158.31	34.69	168.50	121.89	–	483.40
UK		167.16	–	–	–	–	167.16
Disposals	**–**	**(533.56)**	**(79.90)**	**(178.16)**	**(40.15)**	**–**	**(831.76)**
Ind	–	(533.56)	–	–	–	–	(533.56)
US	–	–	(79.90)	(178.16)	(40.15)	–	(298.20)
UK	–	–	–	–	–	–	–
Balance as at March 31, 2023	**–**	**874.44**	**87.62**	**317.24**	**475.06**	**(0.00)**	**1,754.37**
Ind	–	112.97	–	–	–	–	112.97
US	–	594.31	87.62	317.24	475.06	(0.00)	1,474.24
UK	–	167.16	–	–	–	–	167.16
Additions	**–**	**600.31**	**8.60**	**95.15**	**118.13**	**17.66**	**839.86**
Ind	–	192.78	–	–	–	17.66	210.45
US	–	123.45	8.60	95.15	118.13	–	345.34
UK	–	284.07	–	–	–	–	284.07
Disposals	**–**	**(717.76)**	**(72.96)**	**(360.36)**	**(189.59)**	**–**	**(1,340.68)**
Ind	–	–	–	–	–	–	–
US	–	(717.76)	(72.96)	(360.36)	(189.59)	–	(1,340.68)
UK	–	–	–	–	–	–	–
Balance as at March 31, 2024	**–**	**756.99**	**23.26**	**52.04**	**403.60**	**17.66**	**1,253.55**
Ind	–	305.76	–	–	–	17.66	323.42
US	–	0.00	23.26	52.04	403.60	(0.00)	478.90
UK	–	451.23	–	–	–	–	451.23
Net Carrying Amount							–
As at March 31, 2022	**–**	**351.04**	**46.61**	**305.15**	**647.96**	**0.00**	**1,350.76**
Ind	–	69.28	–	–	–	–	69.28
US	–	281.76	46.61	305.15	647.96	0.00	1,281.48
UK	–	–	–	–	–	–	–
As at March 31, 2023	**–**	**2,239.78**	**11.92**	**184.64**	**522.43**	**0.00**	**2,958.77**
Ind	–	863.13	–	–	–	–	863.13
US	–	123.45	11.92	184.64	522.43	0.00	842.44
UK	–	1,253.20	–	–	–	–	1,253.20
As at March 31, 2024	**–**	**1,639.47**	**3.32**	**200.77**	**404.30**	**51.24**	**2,299.09**
Ind	–	670.35	–	–	–	51.24	721.58
US	–	(0)	3.32	200.77	404.30	0.00	608.38
UK	–	969.13	–	–	–	–	969.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 5 Other Intangible Assets

Rupees lakhs

Particulars	Computer Software	Total
Cost		
Balance as at March 31, 2022	**1,307.76**	**1,307.76**
Ind	124.49	124.49
US	1,183.27	1,183.27
UK	–	–
Additions	–	–
Ind	–	–
US	–	–
UK	–	–
Additions	–	–
Ind		–
US	–	–
UK	–	–
Balance as at March 31, 2023	**1,307.76**	**1,307.76**
Ind	124.49	124.49
US	1,183.27	1,183.27
UK	–	–
Additions	–	–
Ind	–	–
US	–	–
UK	–	–
Disposals	(663.11)	(663.11)
Ind	–	–
US	(663.11)	(663.11)
UK	–	–
Balance as at March 31, 2024	**644.65**	**644.65**
Ind	124.49	124.49
US	520.16	520.16
UK	–	–
Accumulated amortisation		
Balance as at March 31, 2022	**1,246.89**	**1,246.89**
Ind	63.62	63.62
US	1,183.27	1,183.27
UK	–	–
Additions	20.63	20.63
Ind	20.63	20.63
US	–	–
UK	–	–
Additions	–	–
Ind	–	–
US	–	–
UK	–	–
Balance as at March 31, 2023	**1,267.51**	**1,267.51**
Ind	84.25	84.25
US	1,183.27	1,183.27
UK	–	–
Additions	17.71	17.71
Ind	17.71	17.71
US	–	–
UK	–	–
Disposals	(663.11)	(663.11)
Ind	–	–
US	(663.11)	(663.11)
UK	–	–
Balance as at March 31, 2024	**622.12**	**622.12**
Ind	101.96	101.96
US	520.16	520.16
UK	–	–
Net carrying amount		–
As at March 31, 2022	**60.87**	**60.87**
Ind	60.87	60.87
US	–	–
UK	–	–
As at March 31, 2023	**40.24**	**40.24**
Ind	40.24	40.24
US	–	–
UK	–	–
As at March 31, 2024	**22.53**	**22.53**
Ind	22.53	22.53
US	–	–
UK	–	–

Note:
Amortisation of the assets are done in a span of 5 years from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 6 Other Financial Assets

Rupees lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
Financial assets at amortised cost				
(a) Security Deposits	**–**	**256.00**	–	264.14
(b) Interest accrued on Fixed Deposits	**70.92**	**–**	12.48	–
(c) Unbilled Debtors	**104.52**	**–**	421.18	
Total	**175.44**	**256.00**	433.66	264.14

Note No. 7 Other assets (Non Financial)

Rupees lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
(a) Advances other than capital advances				
(i) Prepaid rent	**–**	**34.03**	12.82	32.61
(ii) Prepaid expenses	**629.52**	**–**	720.54	–
(iii) VAT Receivable	**92.10**	**–**	162.10	–
(iv) Advance to Suppliers	**23.65**	**–**	584.36	–
(v) Others	**–**	**–**	112.58	–
Total	**745.27**	**34.03**	1,592.40	32.61

Note No. 8 Current Tax and Deferred Tax

(i) Movement in deferred tax balances

Rupees lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
	As at 31 March, 2024			
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	**9.10**	**–**	**(8.93)**	**0.16**
	9.10	**–**	**(8.93)**	**0.16**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**355.64**	**159.03**		**514.67**
Property, Plant and Equipment and Intangible assets	**53.73**	**39.16**		**92.89**
Other Temporary Differences	**69.74**	**2.09**		**71.83**
				–
	479.11	**200.28**	**–**	**679.38**
Net Tax Asset (Liabilities)	**470.01**	**200.28**	**8.93**	**679.22**

Rupees lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
	As at March 31, 2023			
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	6.13	–	2.96	9.10
	6.13	–	2.96	9.10
Tax effect of items constituting deferred tax assets				
Employee Benefits	117.20	238.44		355.64
Property, Plant and Equipment and Intangible assets	29.65	24.08		53.73
Other Temporary Differences	27.27	42.47		69.74
				–
	174.12	304.99	–	479.11
Net Tax Asset (Liabilities)	167.99	304.99	(2.96)	470.01

Note No. 9 Investments

Rupees lakhs

Particular	As at March 31, 2024 Amounts* Current	As at March 31, 2024 Amounts* Non-Current	As at March 31, 2023 Amounts* Current	As at March 31, 2023 Amounts* Non-Current
Designated as Fair Value Through Profit and Loss				
I. Quoted Investments				
Investments in Mutual Funds	**1,130.64**	**–**	702.90	–
Total	**1,130.64**	**–**	702.90	–
Aggregate amount of quoted investments	**1,130.64**	**–**	702.90	–
Aggregate amount of market value of investments	**1,130.64**	**–**	702.90	–
Total investment carrying value	**1,130.64**	**–**	702.90	–

Note No. 10 Trade Receivable

Rupees lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
(a) Trade receivables considered good - Secured	**–**			
(b) Trade receivables considered good - Unsecured	**9,863.43**	**–**	10,231.62	–
(c) Trade receivables which have significant increase in credit risk				
(d) Trade receivables - credit impaired.	**23.19**		23.42	**–**
Less: Provision for doubtful debt	**(23.19)**		(23.42)	–
Total	**9,863.43**	**–**	**10,231.62**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Rupees lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
Of the above, trade receivables from:				
- Related Parties	**9,715.95**		10,053.19	–
- Others	**147.48**		178.44	–
Total	**9,863.43**	**–**	10,231.62	–

Note No. 11 Cash and Bank Balances

Rupees lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
(a) Balances with banks	**5,390.10**	3,898.02
(b) Funds in Transit	**9.76**	2,222.78
Total Cash and cash equivalent	**5,399.86**	6,120.80
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**3,769.66**	793.66
Total Other Bank balances	**3,769.66**	793.66

Reconcliation of Cash and Cash Equivalents

Rupees lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Total Cash and Cash Equivalents as per Balance Sheet	**5,399.86**	6,120.80
Add: Bank Overdraft	**–**	–
Add: Cash and bank balances included in a disposal group held for sale	**–**	–
Total Cash and Cash Equivalents as per Statement of Cashflow	**5,399.86**	6,120.80

Note No. 12 Equity Share Capital

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Value	As at March 31, 2023 No. of shares	As at March 31, 2023 Value
Authorised:				
Equity shares of Rs. 10 each with voting rights	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**97,79,511**	**977.95**	97,79,511	977.95
Total	**97,79,511**	**977.95**	97,79,511	977.95

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Period Ended March 31, 2024			
No. of Shares	**97,79,511**	**–**	**97,79,511**
Amount	**977.95**	**–**	**977.95**
Year Ended March 31, 2023			
No. of Shares	97,79,511	–	97,79,511
Amount	977.95	–	977.95

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Direcors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) There is only one class of Equity shares valued at Rs. 10 and there are no preference shares.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No of shares: Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at March 31, 2024			
Mahindra & Mahindra Ltd	**82,79,511**	**–**	**–**
Mahindra Holdings Limited	**15,00,000**	**–**	**–**
As at March 31, 2023			
Mahindra & Mahindra Ltd	82,79,511	–	–
Mahindra Holdings Limited	15,00,000	–	–

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2024 Number of shares held	As at March 31, 2024 % holding in that class of shares	As at March 31, 2023 Number of shares held	As at March 31, 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Ltd	**82,79,511**	**84.66**	82,79,511	84.66
Mahindra Holdings Limited	**15,00,000**	**15.34**	15,00,000	15.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(v) Shareholding of Promoters

Shares held by Promoters at the end of the year			% Change during the year
Promoters Name	No. of Shares	% of total Shares	
As at 31 March 2024			
Mahindra & Mahindra Ltd	**82,79,511**	84.66	
Mahindra Holdings Limited	**15,00,000**	15.34	
As at 31 March 2023			
Mahindra & Mahindra Ltd	**82,79,511**	84.66	
Mahindra Holdings Limited	**15,00,000**	15.34	

Note No. 13 Other Financial Liabilities

Rupees lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(a) Lease liability	**1,589.96**	1,911.92
	1,589.96	1,911.92
Current		
(a) Current maturities of finance lease obligations	**590.21**	778.67
(c) Other liabilities	**0.23**	0.23
Total other financial liabilities	**2,180.40**	2,690.83

Note No. 14 Provisions

Rupees lakhs

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
(a) Provision for employee benefits				
(1) Long-term Employee Benefits	**–**	**446.74**	–	301.14
(2) Short-term Employee Benefits	**331.67**	**–**	464.64	–
Total Provisions	**331.67**	**446.74**	464.64	301.14

Note No. 15 Trade Payables

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
(a) (i) Trade payable - Micro and small enterprises	**11.83**	**–**	11.86	–
(ii) Trade payable - Other than micro and small enterprises	**2,270.25**	**–**	761.57	–
(iii) Others - Accrued Expenses	**941.19**	**–**	1,222.08	–
Total Trade Payables	**3,223.27**	**–**	1,995.51	–

Note No. 16 Other Liabilities

Particulars	As at March 31, 2024 Current	As at March 31, 2024 Non-Current	As at March 31, 2023 Current	As at March 31, 2023 Non-Current
(a) Statutory dues	**759.81**	**–**	687.50	–
(b) Salary & Wages Payable	**1,745.04**	**–**	1,866.05	–
(c) Others	**71.98**	**–**	43.90	–
Total Other Liabilities	**2,576.83**	**–**	2,597.45	–

(i) Debtors Ageing Schedule

Where no due date of payment is specified

(Note 10)

	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	8,252.03	1,594.84	15.31	(0.00)	1.26	9,863.43
(ii)	Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv)	Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
	Total	**8,252.03**	**1,594.84**	**15.31**	**(0.00)**	**1.26**	**9,863.43**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(ii) Creditors Agening schedule

Where no due date of payment is specified

(Note 15)

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	11.56	0.27	–	–	11.83
(ii)	Others	3,021	41.46	85.91	63.14	3,211.44
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	**3,032.49**	**41.73**	**85.91**	**63.14**	**3,223.27**

Notes to the Financial statements for the Year 2022-23

(i) Debtors Ageing Schedule

Where no due date of payment is specified

(Note 10)

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	10,200.42	22.00	4.14	1.68	3.38	10,231.62
(ii)	Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv)	Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
	Total	**10,200.42**	**22.00**	**4.14**	**1.68**	**3.38**	**10,231.62**

(ii) Creditors Agening schedule

Where no due date of payment is specified

(Note 15)

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	11.86444	–	–	–	11.86
(ii)	Others	1,892	39.95	37.28	14.76	1,983.65
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	**1,903.53**	**39.95**	**37.28**	**14.76**	**1,995.51**

Note No. 17 Revenue from Operations

Rupees lakhs

Particulars	**For the Year 2023-24**	For the Year 2022-23
(a) Revenue from rendering of services	**56,068.33**	47,029.31
(b) Revenue from Sale	**304.20**	435.74
Total Revenue from Operations	**56,372.53**	47,465.05

Note No. 18 Other Income

Rupees lakhs

Particulars	**For the Year 2023-24**	For the Year 2022-23
(a) Interest Income		
(1) On Fixed Deposits with Bank	**103.08**	34.66
(2) On Income tax refund	**104.01**	139.78
(b) Dividend Income	**–**	
(1) on Mutual funds	**77.74**	3.64
(c) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	**1.33**	719.79
(d) Net Gain on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	**–**	629.43
(e) Income from sub-lease	**103.46**	97.73
(f) Other income	**83.33**	0.42
(g) Interest Income on Security Deposit - Ind AS adjustment	**10.63**	12.18
Total Other Income	**483.57**	1,637.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 19 Employee Benefits Expense

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
(a) Salaries and wages, including bonus	**27,575.63**	26,052.12
(b) Contribution to provident and other funds	**2,051.53**	1,681.70
(c) Gratuity expense	**66.36**	64.11
(d) Leave salary	**750.26**	984.21
(e) Training	**5.82**	8.86
(f) Staff welfare expenses	**68.51**	68.47
Total Employee Benefit Expense	**30,518.11**	28,859.48

Note No. 20 Finance Costs

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
(a) Ind AS: Interest Expense on Security Deposit	**11.41**	13.21
Less: Amounts included in the cost of qualifying assets	**–**	–
(b) Ind AS 116: Interest Expense	**125.55**	87.50
Total Finance Costs	**136.96**	100.71

Note No. 21 Depreciation and amortisation expense

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
(a) Depreciation on tangible assets	**510.22**	464.74
(b) Depreciation on Right of Use of assets	**839.86**	832.81
(c) Amortisation on intangible assets	**17.71**	20.62
Total depreciation and Amortisation Expenses	**1,367.78**	1,318.16

Note No. 22 Other Expenses

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
(a) Power & Fuel	**207.38**	144.30
(b) Rent including lease rentals	**359.87**	400.47
(c) Rates and taxes	**320.50**	162.80
(d) Insurance	**641.14**	755.12
(e) Travelling and Conveyance Expenses	**3,126.02**	2,628.84
(f) Net loss on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	**159.42**	–
(g) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**44.11**	39.01
(ii) For Taxation matters	**1.02**	1.02
(iii) For Other services	**1.50**	1.00
(h) Other expenses		
(i) Legal and other professional costs	**11,905.94**	6,223.93
(ii) Postage, Telephone and Communication	**246.74**	225.60
(iii) IT Expenses	**630.26**	590.12
(iv) Service contracted	**2,028.52**	1,475.03
(v) Stores consumed	**2,181.52**	2,149.74
(vi) R&D cost	**319.96**	338.37
(vii) Commission to directors	**11.00**	11.00
(viii) Directors Fees - Board/Committee Meeting	**8.10**	10.40
(ix) Miscellaneous expenses	**417.77**	284.62
Total Other Expenses	**22,610.77**	15,441.37

Note No. 23 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Current Tax:		
In respect of current year	**759.62**	997.93
In respect of prior years		–
	759.62	997.93
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(200.27)**	(304.99)
Others		
Total income tax expense on continuing operations	**559.35**	692.94

(b) Income tax recognised in other Comprehensive income

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Deferred Tax :		
Related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligaitons	**(8.93)**	2.96
Total income tax expense recognised in other comprehensive income	**(8.93)**	2.96

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rupees lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Profit before tax from continuing operations	**2,222.47**	3,382.96
Applicable Tax Rate	**25.17%**	25.17%
Expected income tax expenses	**559.35**	851.42
Effect of income that is exempt from taxation	**–**	(158.50)
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
Others	**–**	0.02
	559.35	692.94
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
	559.35	692.94
Total income tax expense reported	**559.35**	692.94

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 23 Deferred Tax Assets (Net)

Rupees in lakhs

Particulars	For the Year ended March 31, 2024			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
on remeasurements of the defined benefit plans	9.10	–	(8.93)	0.16
	9.10	**–**	**(8.93)**	**0.16**
Tax effect of items constituting deferred tax assets				
Employee Benefits	355.64	159.03	–	514.67
Property, Plant and Equipment and Intangible assets	53.73	39.16	–	92.89
Other Temporary Differences	69.74	2.09	–	71.83
	479.11	200.28	–	679.38
Net Tax Asset (Liabilities)	**470.01**	**200.28**	**8.93**	**679.22**

Rupees in lakhs

Particulars	For the Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	6.13	–	2.96	9.10
	6.13	**–**	**2.96**	**9.10**
Tax effect of items constituting deferred tax assets				
Employee Benefits	117.20	238.44	–	355.64
Property, Plant and Equipment and Intangible assets	29.65	24.08	–	53.73
Other Temporary Differences	27.27	42.47	–	69.74
	174.12	304.99	–	479.11
Net Tax Asset (Liabilities)	**167.99**	**304.99**	**(2.96)**	**470.01**

Note No. 24 Earnings per share

Rupees lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**16.73**	27.60
From discontinuing operations		
Total basic earnings per share	**16.73**	27.60
Diluted Earnings per share		
From continuing operations	**16.73**	27.60
From discontinuing operations		
Total diluted earnings per share	**16.73**	27.60
Net Profit After Tax including Total comprehensive income for the period	**1,636.56**	2,698.83
Weighted Average no. of Shares	**97.795**	97.795

Note No. 25 Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the Company.

Rupees lakhs

	March 31, 2024	March 31, 2023
Equity	**19,110.33**	18,451.72
Net Debt	**–**	–
Less: Cash and cash equivalents	**5,399.86**	6,120.80
Net Debt		
Total Capital	**13,710.47**	**12,330.92**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Categories of financial assets and financial liabilities

As at March 31, 2024 — **Rupees lakhs**

Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Other Financial Assets				
Security deposits	**256.00**			**256.00**
	256.00	**–**	**–**	**256.00**
Current Assets				
Investments		**1,130.64**		**1,130.64**
Trade Receivables	**9,863.43**			**9,863.43**
Other Bank Balances	**3,769.66**			**3,769.66**
Other Financial Assets				
- Interest accrued on Fixed Deposits	**70.92**			**70.92**
- Unbilled Debtors	**104.52**			**104.52**
Current Liabilities				
Borrowings	**–**			
Trade Payables	**3,223.27**			**3,223.27**

As at March 31, 2023 — **Rupees lakhs**

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets				
Security deposits	264.14			264.14
	264.14	**–**	**–**	**264.14**
Current Assets				
Investments		702.90		702.90
Trade Receivables	10,231.62			10,231.62
Other Bank Balances	793.66			793.66
Other Financial Assets				
- Interest accrued on Fixed Deposits	12.48			12.48
- Unbilled Debtors	421.18			
	11,458.94	**702.90**	**–**	**11,740.65**
Current Liabilities				
Borrowings				
Trade Payables	1,995.51			1,995.51

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at March 31, 2024 — **Rupees lakhs**

Particulars	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	0.0%	-100.0%	-0.2%
Gross carrying amount	9,840.24	23.19	9,863.43
Loss allowance provision	–	(23.19)	(23.19)

As at March 31, 2023 — Rs. In lakhs

Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	-100.0%	-0.2%
Gross carrying amount	10,208.20	23.42	10,231.62
Loss allowance provision	–	(23.42)	(23.42)

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**Rupees lakhs**	
	31-Mar-24	31-Mar-23
Balance as at beginning of the year	**23.19**	23.42
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
Amounts written off during the year as uncollectible	**–**	–
Amounts recovered during the year	**–**	–
Impairment losses reversed / written back	**–**	–
Balance at end of the year	**23.19**	23.42

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Rupees lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-24				
Trade Payables	3,223.27	–	–	–
Finance Lease	590.21	1,589.96		
Total	**3,813.48**	**1,589.96**	**–**	**–**
31-Mar-23				
Trade Payables	1,995.51	–	–	–
Finance Lease	778.67	1,911.92		
Total	2,774.19	1,911.92	–	–

(iii) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees lakhs

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31-Mar-24				
Non-current Assets				
Other Financial Assets				
– Security deposits		**256.00**	**–**	**–**
Current Assets				
Investments	**1,130.64**	**–**	**–**	**–**
Trade Receivables	**9,863.43**	**–**	**–**	**–**
Other Bank Balances	**3,769.66**	**–**	**–**	**–**
Other Financial Assets		**–**	**–**	**–**
– Interest accrued on Fixed Deposits	**70.92**	**–**	**–**	**–**
– Interest accrued on Fixed Deposits	**104.52**			
Total	**14,939.17**	**256.00**	**–**	**–**
31-Mar-23				
Non-current Assets				
Other Financial Assets				
– Security deposits		264.14	–	–
Current Assets				
Investments	702.90	–	–	–
Trade Receivables	10,231.62	–	–	–
Other Bank Balances	793.66	–	–	–
Other Financial Assets				
– Interest accrued on Fixed Deposits	12.48	–	–	–
– Unbilled Debtors	421.18	–	–	–
Total	12,161.83	264.14	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rupees lakhs

Particulars	Currency	31-Mar-24	31-Mar-23
Trade Receivables	USD	**15.22**	15.00
	GBP	**0.78**	0.75
	AUD	**1.38**	1.40
Trade Payables	USD	**–**	–
	AUD	**–**	–
Other Financial Assets	USD	**–**	0
	AUD	**–**	–
Other Financial Liabilities	USD	**–**	0
	AUD	**–**	–

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

Rupees lakhs

Particulars	Currency	31-Mar-24	31-Mar-23
Trade Receivables	USD	**15.22**	15.00
	GBP	**0.78**	0.75
	AUD	**1.38**	1.40
Trade Payables	USD	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

			Rupees lakhs
Particulars	**Currency**	**31-Mar-24**	**31-Mar-23**
	AUD	–	–
Other Financial Assets	USD	–	0
	AUD	–	–
Other Financial Liabilities	USD	–	0
	AUD	–	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

				Rupees lakhs
Particulars	**Currency**	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-Mar-24	USD	+10%	1.52	1.52
	USD	-10%	(1.52)	(1.52)
	GBP	+10%	0.08	0.08
	GBP	-10%	(0.08)	(0.08)
	AUD	+10%	0.14	0.14
	AUD	-10%	(0.14)	(0.14)
31-Mar-23	USD	+10%	1.50	1.50
	USD	-10%	(1.50)	(1.50)
	GBP	+10%	0.08	0.08
	GBP	-10%	(0.08)	(0.08)
	AUD	+10%	0.14	0.14
	AUD	-10%	(0.14)	(0.14)

Note No. 26 Fair Value Measurement

Fair Valuation Techiques and Inputs used – recurring Items

Rupees lakhs

Financial assets/ financial liabilities measured at Fair value	**Fair value as at**	Fair value as at	Fair value hierarchy*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-24	31-Mar-23				
Financial assets						
Investments						
1) Equity investments						
2) Mutual fund investments	1,130.64	702.90	Level 1	As declared from the fund houses	N.A.	N.A.
Total financial assets	**1,130.64**	702.90				

There were no transfers between level 1, level 2 and level 3 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

Fair value hierarchy as at 31 March 2023

Particulars	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Financial assets carried at Amortised Cost						
– trade and other receivables	**9,863.43**	**9,863.43**		**9,863.43**		**9,863.43**
– deposits and similar assets	**256.00**	**256.00**		**256.00**		**256.00**
– Others	**175.44**	**175.44**		**175.44**		**175.44**
Total	**10,294.87**	**10,294.87**		**10,294.87**		**10,294.87**
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	**3,223.27**	**3,223.27**		**3,223.27**		**3,223.27**
Total	**7,071.60**	**7,071.60**		**7,071.60**		**7,071.60**

Fair value hierarchy as at 31 March 2022

Particulars	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
Financial assets						
Financial assets carried at Amortised Cost						
– trade and other receivables	10,231.62	10,231.62		10,231.62		10,231.62
– deposits and similar assets	264.14	264.14		264.14		264.14
– Others	433.66	433.66		433.66		433.66
Total	10,929.43	10,929.43		10,929.43		10,929.43
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	1,995.51	1,995.51		1,995.51		1,995.51
Total	8,933.91	8,933.91	–	8,933.91	–	8,933.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 27 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and ESIC aggregating Rs. 1376.35 Lacs (2023 : Rs. 1225.06 Lacs) has been recognised in the Statement of Profit or Loss for period ended March 31, 2024 under the head Employee Benefits Expense.

The Company has voluntary contributed in 401(k) retirement plans covering substantially all the employees of US branch. The Branch may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Branch's contributions charged to expense related to 401(k) contributions was Rs 22.96 lacs for the period ended March 31, 2024. (2023 :Rs.54.89 Lacs)

The Company has contributed towards workplace pension plans covering substantially all the employees of UK branch. The cost of the Branch's contributions charged to expense related to employee was Rs 656.36 lacs for the period ended March 31, 2024. (2023 :Rs.401.75 Lacs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

<u>Asset volatility</u>

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

<u>Changes in bond yields</u>

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

<u>Inflation risk</u>

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

<u>Life expectancy</u>

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-24	31-Mar-23
Discount rate(s)	**7.20%**	7.35%
Expected rate(s) of salary increase	**8.50%**	8.50%

Defined benefit plans – as per actuarial valuation on 31st March, 2024

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Rupees lakhs

		Particulars	Funded Plan Gratuity 2024	2023
I		**Expenses recognised in statement of profit and loss for the year**		
		Current Service Cost	**53.62**	51.32
		Past service cost and (gains)/losses from settlements	**–**	–
		Net interest expense	**7.35**	3.88
		Components of defined benefit costs recognised in profit or loss	**60.97**	55.20
II		**Recognised in Other comprehensive income for the year**		
		Remeasurement on the net defined benefit liability		
		Return on plan assets (excluding amunt included in net interest expense)	**32.31**	(1.18)
		Actuarial gains and loss arising form changes in financial assumptions	**3.94**	(12.18)
		Actuarial gains and loss arising form experience adjustments	**(0.75)**	1.58
		Actuarial gains and loss arising form changes in demographic assumptions	**–**	–
		Componenets of defined benefit costs recognised in other comprehensive income	**35.50**	(11.78)
		Total	**96.46**	43.42
III		**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**		
	1	Present value of defined benefit obligation as at 31st March	**388.48**	330.87
	2	Fair value of plan assets as at 31st March	**201.70**	220.86
	3	Surplus/(Deficit)	**186.78**	110.01
	4	Current portion of the above	**–**	–
	5	Non current portion of the above	**186.78**	110.01
IV		**Change in the obligation during the year ended 31st March**		
	1	Present value of defined benefit obligation at the beginning of the year	**330.87**	295.95
	2	Add/(Less) on account of Scheme of Arrangement/ Business Transfer		
	3	Expenses Recognised in Profit and Loss Account		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

		Rupees lakhs Funded Plan Gratuity	
Particulars		**2024**	2023
	- Current Service Cost	**53.62**	51.32
	- Interest Expense (Income)	**22.07**	18.32
4	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
-	Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	**–**	–
ii.	Financial Assumptions	**3.94**	(12.18)
iii.	Experience Adjustments	**(0.75)**	1.58
5	Benefit payments	**(21.27)**	(24.11)
6	Others (Specify)	**–**	–
7	Present value of defined benefit obligation at the end of the year	**388.48**	330.87
V	**Change in fair value of assets during the year ended 31st March**		
1	Fair value of plan assets at the beginning of the year	**220.86**	229.35
2	Add/(Less) on account of Scheme of Arrangement/ Business Transfer		
3	Expenses Recognised in Profit and Loss Account		
	- Expected return on plan assets	**14.72**	14.44
4	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		–
	- Actual Return on plan assets in excess of the expected return	**(32.31)**	1.18
	- Others (specify)		
5	Contributions by employer (including benefit payments recoverable)	**19.69**	–
6	Benefit payments	**(21.27)**	(24.11)
7	**Fair value of plan assets at the end of the year**	**201.70**	220.86
VI	**The Major categories of plan assets**		
-	List the plan assets by category here		
	Insurer Managed Fund	**201.70**	220.86
VII	**Actuarial Assumptions**		
1	Discount rate	**7.20%**	7.35%
2	Expected rate of return on plan assets	**7.20%**	6.85%

VIII The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1.00%**	**-6.39%**	**7.34%**
	2023	1.00%	-6.64%	7.64%
Salary growth rate	**2024**	**1.00%**	**6.97%**	**-6.20%**
	2023	1.00%	7.37%	-6.62%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 2,000,000 to the gratuity trusts during the next financial year.

IX Maturity profile of defined benefit obligation:

	2024	2023
Within 1 year	**72.41**	61.28
1 - 2 year	**73.81**	30.07
2 - 3 year	**30.67**	62.28
3 - 4 year	**34.29**	25.00
4 - 5 year	**22.28**	27.49
above 5 years	**488.19**	451.70

X Plan Assets

The fair value of Company's pension plan asset as of 31 March 2024 and 2023 by category are as follows:

	2024	2023
Asset category		
Deposits with Insurance companies	**201.70**	220.86
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 6.84 years (2023: 7.11 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit orloss of the expense for the year.

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 28 Fair Value Measurement

(a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	2.35	2.35	–	–	4.70
Projects temporarily suspended	–	–	–	–	–

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan

Note No. 29 Related Party Transactions

Name of the parent Company	Mahindra & Mahindra Limited
Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Fellow Subsidiary:	
AUTOMOBILI PININFARINA GMBH	MAHINDRA MANULIFE INVESTMENT MANAGEMENT PRIVATE LIMITED
BRISTLECONE INDIA LIMITED	MAHINDRA MANULIFE TRUSTEE PRIVATE LIMITED
CLASSIC LEGENDS PRIVATE LIMITED	MAHINDRA MIDDLEEAST ELECTRICAL STEEL SERVICE CENTRE
FIFTH GEAR VENTURES LIMITED	MAHINDRA MSTC RECYCLING PRIVATE LIMITED
GROMAX AGRI EQUIPMENT LIMITED	MAHINDRA NORTH AMERICAN TECHNICAL CENTER, INC.
MAHINDRA ACCELO LIMITED (FORMERLY KNOWN AS MAHINDRA INTERTRADE LIMITED)	MAHINDRA RACING UK LIMITED
MAHINDRA AEROSTRUCTURES PRIVATE LIMITED	MAHINDRA RURAL HOUSING FINANCE LIMITED
MAHINDRA AGRI SOLUTIONS LIMITED	MAHINDRA SOLARIZE PRIVATE LIMITED
MAHINDRA AIRWAYS LIMITED	MAHINDRA STEEL SERVICE CENTRE LIMITED
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED	MAHINDRA SUMMIT AGRISCIENCE LIMITED
MAHINDRA AUTO STEEL PRIVATE LIMITED	MAHINDRA SUSTEN PRIVATE LIMITED
MAHINDRA AUTOMOTIVE AUSTRALIA PTY. LIMITED	MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED
MAHINDRA AUTOMOTIVE NORTH AMERICA INC.	Mahindra TEQO Private Limited
MAHINDRA BLOOMDALE DEVELOPERS LIMITED	MAHINDRA TWO WHEELERS LIMITED
MAHINDRA DEFENCE SYSTEMS LIMITED	MAHINDRA USA INC.
MAHINDRA ELECTRIC AUTOMOBILE LIMITED	MAHINDRA VEHICLE SALES AND SERVICE INC.
MAHINDRA EMARKET LIMITED	BLUE PLANET INTEGRATED WASTE SOLUTIONS LIMITED (FORMERLY KNOWN AS MAHINDRA WASTE TO ENERGY SOLUTIONS LIMITED)
MAHINDRA EMIRATES VEHICLE ARMOURING FZ-LLC	
MAHINDRA EPC IRRIGATION LIMITED	MAHINDRA WORLD CITY (JAIPUR) LIMITED
MAHINDRA FIRST CHOICE WHEELS LIMITED	MAHINDRA WORLD CITY DEVELOPERS LIMITED
MAHINDRA HAPPINEST DEVELOPERS LIMITED	MARVEL SOLREN PRIVATE LIMITED
MAHINDRA HEAVY ENGINES LIMITED	NBS INTERNATIONAL LIMITED
MAHINDRA HOLDINGS LIMITED	SWARAJ ENGINES LIMITED
MAHINDRA HOLIDAYS AND RESORTS INDIA LIMITED	MAHINDRA & MAHINDRA CONTECH LIMITED
MAHINDRA HOMES PRIVATE LIMITED	MAHINDRA CONSULTING ENGINEERS LIMITED ESOP TRUST
MAHINDRA HZPC PRIVATE LIMITED	MAHINDRA INTEGRATED TOWNSHIP LIMITED
MAHINDRA INDUSTRIAL PARK CHENNAI LIMITED	Mahindra Marine Private Limited
MAHINDRA INDUSTRIAL PARK PRIVATE LIMITED	MUMBAI MANTRA MEDIA LIMITED
MAHINDRA INSURANCE BROKERS LIMITED	SUNRISE INITIATIVES TRUST
MAHINDRA LIFESPACE DEVELOPERS LIMITED	M.I.T.R.A AGRO EQUIPMENTS PRIVATE LIMITED
MAHINDRA LOGISTICS LIMITED	MLL MOBILITY PRIVATE LIMITED (FORMERLY KNOWN AS MERU MOBILITY TECH PRIVATE LIMITED)
CARNOT TECHNOLOGIES PRIVATE LIMITED	
MAHINDRA LAST MILE MOBILITY LIMITED	
Associate Of M & M	
Mahindra CIE Automotive Ltd.	PSL MEDIA & COMMUNICATIONS LIMITED
TECH MAHINDRA FOUNDATION	MEDWELL VENTURES PRIVATE LIMITED
TECH MAHINDRA LIMITED	Mera Kisan Pvt. Ltd.
The Indian and Eastern company	
Joint Venture	
Aquasail Distribution Co.Pvt Ltd	
Directors	**KMP**
S DURGASHANKAR	JAYDIP DHAR
NEERA SAGGI	RITEN CHAKRABARTY
RAHUL ASTHANA	
SANJAY JOGLEKAR	
VINAY DESHPANDE	
RAJESHWAR TRIPATHI	
Others	
Mahindra Education Society, Mahindra Academy	
M & M CJP Employees Coop Canteen Soc Ltd	
M & M Ltd Tractor Div Employee Co-op Canteen Soc Ltd	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of transaction between the Company and its related parties are disclosed below: **Rupees lakhs**

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
Nature of transactions with related parties					
Rendering of services	March 31, 2024	26,832.42	–	28,904.55	15.00
	March 31, 2023	37,952.51	–	7,760.41	48.60
Sale of goods	March 31, 2024	304.20	–	–	–
	March 31, 2023	435.74	–	–	–
Receiving of services	March 31, 2024	35.59	–	10,158.22	–
	March 31, 2023	31.08	–	3,034.33	–
Lease expenses	March 31, 2024	146.98	–	23.90	–
	March 31, 2023	146.98	–	119.39	–
Purchase of goods	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–
Purchase of property and other assets	March 31, 2024	–	–	–	–
	March 31, 2023	77.38	–	–	–
Loans taken / (repaid)	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–
Interest Paid on Borrowings	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–
Dividend paid	March 31, 2024	827.95	–	150.00	–
	March 31, 2023	59.26	–	10.74	–
Issue of shares	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–
Reimbursement of expenses made to parties	March 31, 2024	639.61	–	477.67	–
	March 31, 2023	721.86	–	239.14	3.60
Reimbursement of expenses made by parties	March 31, 2024	–	–	305.50	–
	March 31, 2023	–	–	47.52	–
Others	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–

Details of transaction between the Company and its related parties are disclosed below : **Rupees lakhs**

Particulars	For the year ended	Directors	KMP
Sitting Fee paid during the year	March 31, 2024	8.10	–
	March 31, 2023	10.40	–
Commission paid during the year	March 31, 2024	11.00	–
	March 31, 2023	11.00	–
Other Remuneration paid during the year	March 31, 2024	–	165.43
	March 31, 2023	32.08	134.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of outstanding balances with related parties

Particulars	Balance as on	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
Trade Receivable	March 31, 2024	1,395.39	–	8,320.56	0.19
	March 31, 2023	9,532.50	–	509.64	11.05
Trade Payable	March 31, 2024	80.07	–	1,933.47	–
	March 31, 2023	176.33	–	157.76	3.67
Loans & advances taken	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–
Other balances (Interest accrued but not due on Borrowing)	March 31, 2024	–	–	–	–
	March 31, 2023	–	–	–	–

Note No. 30 - Ratios

	Ratios	Description of Ratios	As at 31 March 2024	As at 31 March 2023	Variance (%)	Explanation for Change in ratio by more than 25% compared to previous year
1	Current ratio	Current Asset/Current Liability	3.14	3.41	(7.89)	
2	Debt Equity Ratio	Lease liability/Total Equity	0.11	0.15	21.76	
3	Debt Service coverage Ratio	Earning available for debt Service/Debt Service	3.86	6.33	(39.04)	Extra ordinary income in PY from sale of L&B
4	Return on Equity Ratio	Profit after Tax/Total Equity	8.70	14.58	(40.30)	Extra ordinary income in PY from sale of L&B
5	Inventory Turnover ratio	NA	–	–	–	–
6	Trade Receivables turnover ratio	Turnover/Trade Receivables	5.72	4.64	(23.20)	
7	Trade payables turnover ratio	Total Purchase cost/ Trade Payables	16.48	22.20	(25.75)	lower Trade payables
8	Net capital turnover ratio	Turnover/(Total Asset - Current & Non Current Liabilities)	2.95	2.57	14.67	
9	Net profit ratio	Net profit After Tax/ Turnover	0.03	0.06	(47.94)	Extra ordinary income in PY from sale of L&B
10	Return on Capital employed	EBIT/Capital Employed	12.35	18.88	(34.61)	Extra ordinary income in PY from sale of L&B
11	Return on investment	(Interest Income+Dividend received)/Closing Balance of Investment	3.69	2.56	44.20	Investments increased

Note No. 31 Other Statutory Information's

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company does not have transactions with any struck off entity.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 32 Leases

The Company has entered into non cancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Non-lease components

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company has used the following policies and/or assumptions in evaluating the lease population

Lease determination:

The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property and equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate :

When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments :

The Copmany includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options :

Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options :

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants :

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases :

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to other expenses in Profit and loss account.

The table below presents the classification of leasing assets and liabilities

	Rupees in lakhs	
Particulars	**As at March 31, 2024**	As at March 31, 2023
Assets		
Right-of-use of assets	**2,958.77**	1,350.76
Liabilities		
Current Lease liabilities	**590.21**	778.67
Non-current lease liabilities	**1,589.96**	1,911.92

The table below presents the classification of lease related expenses as reported in the Profit and loss account

Particulars	**For the Year 2023-24**	For the Year 2022-23
Rent Expenses	**359.87**	400.47

Note No. 33 Additional Disclosures

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Rupees lakhs	
Particulars	**As at March 31, 2024**	As at March 31, 2023
(i) Principal amount remaining unpaid to MSME suppliers	**11.83**	11.86
(ii) Interest due on unpaid principal amount to MSME suppliers	**3.51**	1.27
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v) The amount of interest accrued and remaining unpaid	**3.51**	1.27
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**3.51**	1.27

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Comparatives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 19th April 2024

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No. 00501029

Rahul D Asthana
Director
DIN No. 00234247

Jaydip Dhar
COO

Riten Chakrabarty
CFO

Place: Mumbai
Date: 19th April 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **Mahindra EMarket Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra EMarket Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Material Uncertainty related to going concern

We draw attention to Note 26 in the financial statements. As on 31st March 2024, the Company's current liabilities exceeded its total assets by Rs. 109.06 lakhs. As stated in Note 26, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on management plans as stated in the note referred above, these financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors)

Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The Company has not declared/paid/declared and paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUM7225

Place: Mumbai
Date: 15th April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

1. According to information and explanation given to us, the Company does not have any Plant, Property and equipment and intangible assets at the end of the year. Accordingly, the reporting under Clause 3 (i) (a), (b), (c), (d), (e) is not applicable to the Company.

2. (a) According to the information and explanations given to us, the Company does not hold any inventory at the end of the year. Accordingly, the reporting under Clause 3{ii) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services tax, Income-tax, Cess and other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix}{a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) In our opinion and according to the information and explanations given to us, no term loans were raised during the year and hence reporting under clause 3 (ix) (c) is not applicable to the Company.

(d) According to the information and explanations given to us and based on the audit procedures performed by us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not utilised funds raised on short-term basis for long-term purposes.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3{ix}{e) and 3(ix){f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3{x){a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies

17. The Company has incurred cash losses of Rs 10.73 Lakhs in the current financial year and Rs 4.47 Lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. As more fully explained in Note 26 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial

assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUM7225

Place: Mumbai
Date: 15th April 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date].

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra E Market Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company consideririg the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit iri accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Nate") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit ta obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUM7225

Place: Mumbai
Date: 15th April 2024

BALANCE SHEET AS AT 31ST MARCH 2024

Amount in Lakhs

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I. ASSETS			
NON-CURRENT ASSETS			
(a) Current Tax Assets	3	**1.84**	1.24
SUB-TOTAL		**1.84**	1.24
CURRENT ASSETS			
(b) Financial Assets			
(i) Trade Receivables	4	**6.48**	3.85
(ii) Cash and Cash Equivalents	5	**2.17**	10.22
(iii) Other Bank Balances	5	**60.00**	75.00
(c) Other Current Assets	6	**7.82**	8.49
SUB-TOTAL		**76.47**	97.56
TOTAL ASSETS		**78.31**	98.80
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	**79.97**	79.97
(b) Other Equity	8	**(189.03)**	(178.30)
SUB-TOTAL		**(109.06)**	(98.33)
LIABILITIES			
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
- dues of micro enterprises and small enterprises			
- dues of creditors other than micro enterprises and small enterprises	9	**139.22**	144.61
(b) Provisions	10	**50.78**	50.98
(c) Other Current Liabilities	11	**(2.64)**	1.55
SUB-TOTAL		**187.36**	197.13
TOTAL LIABILITIES		**78.31**	98.80

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 15th April 2024

For and on behalf of the Board of Directors

Mahindra EMarket Limited

ASHUTOSH PANDEY
Director
DIN: 08166731

NOZAR BHARUCHA
Director
DIN: 03315303

Place: Mumbai
Date: 15th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Amount in Lakhs

	Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
	Continuing Operations			
I	Revenue from operations	12	**6.00**	12.00
II	Other Income	13	**19.13**	3.16
III	**Total Revenue (I + II)**		**25.13**	15.16
IV	**EXPENSES**			
	Finance costs	14	**0.15**	0.14
	Other expenses	15	**35.71**	19.49
	Total Expenses (IV)		**35.86**	19.63
V	**Profit before tax (III - IV)**		**10.73**	4.47
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Income Tax Adjustment of earlier years		**–**	3.96
	Total tax expense (VI)		**–**	3.96
VII	**Profit for the year (V-VI)**		**(10.73)**	(0.51)
VIII	**Profit from continuing operations for the year attributable to:**			
	Owners of the Company		**(10.73)**	(0.51)
IX	**Other comprehensive income**		**–**	–
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	- Remeasurements of the defined benefit liabilities/(asset)		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
X	**Total comprehensive income for the year (VII+IX)**		**(10.73)**	(0.51)
XI	**Earnings per equity share (for continuing operation):**			
	(1) Basic	16	**(1.34)**	(0.06)
	(2) Diluted	16	**(1.34)**	(0.06)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 15th April 2024

For and on behalf of the Board of Directors

Mahindra EMarket Limited

ASHUTOSH PANDEY
Director
DIN: 08166731

NOZAR BHARUCHA
Director
DIN: 03315303

Place: Mumbai
Date: 15th April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

Amount in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Cash flows from operating activities		
Profit before tax for the year	**(10.73)**	(4.47)
Adjustments for:		
Depreciation and amortisation of non-current assets	**–**	**–**
Interest Income	**–**	**–**
	(10.73)	(4.47)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**(2.63)**	2.66
(Increase)/decrease in inventories	**–**	–
(Increase)/decrease in other assets	**0.07**	38.68
Increase/(decrease) in provision	**(0.20)**	(1.73)
Increase/(decrease) in other liabilities	**(4.19)**	(0.21)
Increase/(decrease) in trade and other payables	**(5.39)**	6.10
	(12.32)	45.49
Cash generated from operations	**(23.05)**	41.03
Income taxes paid (adjustment)	**–**	**4.79**
Net cash generated by operating activities	**(23.05)**	45.82
Cash flows from investing activities		
Acquisition of assets	**–**	–
Sale of Asset	**–**	–
Investment in / (Withdrawl) of Fixed Deposits with Bank	**(15.00)**	75.00
Net cash used in investing activities	**(15.00)**	75.00
Cash flows from financing activities	**–**	–
Net cash used in financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**(8.05)**	(29.18)
Cash and cash equivalents at the beginning of the year	**10.22**	39.40
Effects of exchange rate changes on the balance of cash held in foreign currencies	**–**	–
Cash and cash equivalents at the end of the year	**2.17**	10.22

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 15th April 2024

For and on behalf of the Board of Directors

Mahindra EMarket Limited

ASHUTOSH PANDEY
Director
DIN: 08166731

NOZAR BHARUCHA
Director
DIN: 03315303

Place: Mumbai
Date: 15th April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1 Corporate information:

Mahindra EMarket Limited is a public limited company incorporated in Mumbai, India under the Companies Act 2013. The company is engaged, inter-alia, deals in automobile business through their online e-commerce portal. During the year, the company has allowed its e-commerce portal to be used by a Group Company dealing in the similar business activities.

2 Significant Accounting Policies followed by the Company:

2.1 Statement of compliance and basis of preparation and presentation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were authorized for issue by the Company's Board of Directors on 15th April 2024

2.2 Financial Assets and Financial Liabilities:

Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities and Equity Instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual agreements and the definitions of an equity instrument.

Equity Instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities:

All the financial liabilities are subsequently measured at either amortised cost using the effective interest method or at fair value through profit and loss, depending on the classification of the financial liabilities.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

2.4 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

2.5 Leases:

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

2.6 Revenue Recognition:

In view of INDAS 115, Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, Company apply the following five step approach:

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

(4) allocate the transaction price to the performance obligations in the contract

(5) recognize revenues when a performance obligation is satisfied.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their selling price.

2.7 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2.8 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.9 Measurement of fair values:

The company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.10 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

2.11 Cash and cash equivalents:

Cash comprises demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.12 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period.

Note No. 3 - Current Tax Assets (Net)

Amount in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
Current Tax:		
In respect of current year	**1.84**	21.13
In respect of prior years	**–**	**19**
Total	**1.84**	40.07

Note No. 4 - Trade receivables

Amount in Lakhs

Particulars	**As at 31 March 2024**		As at 31 March 2023	
	Current	**Non Current**	Current	Non Current
Trade receivables				
(a) Secured, considered good	**–**	**–**	–	–
(b) Unsecured, considered good	**6.48**	**–**	3.85	–
(c) Doubtful	**–**	**–**	–	–
Less: Allowance for Credit Losses	**–**	**–**	–	–
TOTAL	**6.48**	**–**	3.85	–
Of the above, trade receivables from:				
- Related Parties	**6.00**		6.00	–
- Others	**0.48**	–	(2.15)	–
TOTAL	**6.48**	**–**	3.85	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Trade Receivables Ageing Schedule F24

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment 1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	6.48	–	(0.73)	5.75
(ii) Undisputed Trade Receivables – which have significant increase in credit risk				
(iii) Undisputed Trade Receivables – credit impaired				
(iv) Disputed Trade Receivables– considered good				
(v) Disputed Trade Receivables – which have significant increase in credit risk				
(vi) Disputed Trade Receivables – credit impaired				

Trade Receivables Ageing Schedule F23

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment 1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	(0.02)	3.97	(0.11)	3.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk				
(iii) Undisputed Trade Receivables – credit impaired				
(iv) Disputed Trade Receivables– considered good				
(v) Disputed Trade Receivables – which have significant increase in credit risk				
(vi) Disputed Trade Receivables – credit impaired				

Note No. 5 - Cash and Bank Balances

Amount in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
(a) Balances with banks	**2.17**	10.22
(b) Cash on hand	**–**	–
Other Bank Balances		
(a) Balances with banks		
- Fixed Deposits maturing within 12 months from the reporting date	**60.00**	75.00
Total Cash and cash equivalent	**62.17**	85.22

Note No. 6 - Other Current Assets

Amount in Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Advances receivable in cash or kind		
(i) Other advances	**–**	
(ii) Balances with government authorities (other than income taxes)	**7.82**	8.48
Nodal balance for Advance	**–**	–
Other Happycard balance	**–**	0.01
Prepaid Expenses	**–**	–
Prepaid Rent on Security Deposits		
Unbilled Revenue	**–**	–
Advance to Vendor		
Total	**7.82**	8.49

Note No. 7 - Equity Share Capital

Amount in Lakhs

Particulars	As at 31 March 2024 No. of shares	As at 31 March 2024 Amount	As at 31 March 2023 No. of shares	As at 31 March 2023 Amount
Authorised:				
Equity shares of 10 each with voting rights	**10,00,000**	**100.00**	10,00,000	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of 10 each with voting rights	**7,99,700**	**79.97**	7,99,700	79.97
Total	**7,99,700**	**79.97**	7,99,700	79.97

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars		Opening Balance	Closing Balance
(a) Equity Shares with Voting rights*			
Year Ended 31 March 2023			
	No. of Shares	**7,99,700**	**7,99,700**
	Amount	**79.97**	**79.97**
Year Ended 31 March 2022			
	No. of Shares	7,99,700	7,99,700
	Amount	79.97	79.97

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(ii) Details of shares held by the holding company, the ultimate holding company, subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2024	**7,99,700**
As at 31 March 2023	7,99,700

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024 Number of shares held	% holding in that class of shares	As at 31 March 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**3,59,860**	**45.00%**	3,59,860	45.00%
Mahindra Holdings Limited	**1,91,928**	**24.00%**	1,91,928	24.00%
Mahindra & Mahindra Contech Limited	**2,47,907**	**31.00%**	2,47,907	31.00%

Note 8 - Statement Of Changes In Equity

A. Equity share capital	Rupees
As at 31 March 2023	**7,99,700**
Changes in equity share capital during the year	
As at 31 March 2022	7,99,700

B. Other Equity

Amount in lakhs

Particulars	Reserves & Surplus Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
As at 31 March 2022			(177.79)		(177.79)
Profit/(Loss) for the year			(0.51)		(0.51)
Other Comprehensive Income for the year					–
Total Comprehensive Income for the year	–	–	(0.51)	–	(0.51)
Dividend paid on Equity Shares			–		–
Dividend Distribution Tax			–		
Transfers to Reserves			–		–
Transfers from retained earnings			–		–
As at 31 March 2023	–	–	(178.30)	–	(178.30)
As at 31 March 2023			(178.30)		(178.30)
Profit/(Loss) for the year			**(10.73)**		**(10.73)**
Other Comprehensive Income for the year					
Total Comprehensive Income for the year	–	–	**(10.73)**	–	**(10.73)**
Dividend paid on Equity Shares			–		–
Dividend Distribution Tax			–		
Transfers to Reserves			–		–
Transfers from retained earnings			–		–
As at 31 March 2024	–	–	**(189.03)**	–	**(189.03)**

Note No. 9 - Trade Payables

Amount in Lakhs

Particulars	As at 31 March 2024 Current	Non Current	As at 31 March 2023 Current	Non Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**139.22**		144.61	
Total trade payables	**139.22**	**–**	144.61	–

Trade Payables Ageing Schedule F24
Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	10.50	4.47	119.99	4.27	139.23
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

Trade Payables Ageing Schedule F23

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	6.13	77.6	38.47	22.41	144.61
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note 10 - Provisions

Amount in Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-Current	As at 31 March 2023 Current	As at 31 March 2023 Non-Current
Provision for employee benefits				
Compensated Absences	**4.88**		4.88	
Gratuity	**20.58**	**–**	20.58	–
Other Provision				
Provision for Expenses	**25.32**	**–**	25.52	–
Total Provisions	**50.78**	**–**	50.98	–

Note 11 - Other Liabilities

Amount in Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-Current	As at 31 March 2023 Current	As at 31 March 2023 Non-Current
a. Advances received from customers	**–**	**–**	2.14	–
b. Lease Liability	**–**	**–**	–	–
c. Statutory dues				
Taxes payable (other than income taxes)	**(3.37)**	**–**	(0.59)	–
Employee Recoveries and Employer Contributions	**–**	**–**	–	–
d. Other Payables	**0.72**	**–**	–	–
TOTAL OTHER LIABILITIES	**(2.64)**	**–**	1.55	–

Note No. 12 - Revenue from Operations

Amount in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Revenue from sale of products	**–**	–
(b) Revenue from rendering of services	**–**	–
(c) Revenue from License Fees	**6.00**	12.00
Total Revenue from Operations	**6.00**	12.00

Note No. 13 - Other Income

Amount in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Other Operating income	**–**	–
(b) Other income	**19.13**	3.16
Total Other Income	**19.13**	3.16

Note 14 - Finance Cost

Amount in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
- Interest Expense (Lease liability)	**–**	–
- Bank Charges	**0.15**	0.14
Payment Gateway Charges	**–**	–
Total finance costs	**0.15**	0.14

Note 15 - Other Expenses

Amount in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Auditors remuneration	**–**	–
- For Statutory Audit	**2.00**	2.00
- For Taxation matters	**–**	–
Recruitment Charges	**–**	
Other Expense	**15.81**	6.40
Bad Debts Written off	**6.45**	–
Rates & Taxes	**0.03**	0.03
Total Other Expenses	**35.71**	19.49

Note No. 16 - Earnings per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**(1.34)**	0.06
From discontinuing operations	**–**	–
Total basic earnings per share	**(1.34)**	0.06
Diluted Earnings per share		
From continuing operations	**(1.34)**	0.06
From discontinuing operations	**–**	–
Total diluted earnings per share	**(1.34)**	0.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(loss) for the year attributable to owners of the Company	**(10.73)**	(0.51)
Less: Preference dividend and tax thereon		
Profit / (loss) for the year used in the calculation of basic earnings per share	**(10.73)**	(0.51)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**(10.73)**	(0.51)
Weighted average number of equity shares	**7.997**	7.997
Earnings per share from continuing operations - Basic and Diluted	**(1.34)**	(0.06)

Profit reconciliation for the calculation of Basic and Diluted earning per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit / (loss) for the year used in the calculation of basic earnings per share	**(10.73)**	(0.51)
Add: Interest expense and exchange fluctuation on convertible bonds (net) - adjusted for attributable taxes	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**(10.73)**	(0.51)
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations	**–**	–
Profits used in the calculation of diluted earnings per share from continuing operations	**(10.73)**	(0.51)

Note No. 17 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-24	31-Mar-23
Equity	**(109.06)**	(98.33)

Categories of financial assets and financial liabilities

Amount in Lakhs

As at 31 March 2024

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	**–**	**–**	**–**	**–**
Current Assets				
Trade Receivables	**6.48**	**–**	**–**	**6.48**
Cash and Cash Equivalents	**2.17**	**–**	**–**	**2.17**
Non-current Liabilities				
Trade Payables	**–**	**–**	**–**	**–**
Current Liabilities				
Trade Payables	**139.22**	**–**	**–**	**139.22**

Categories of financial assets and financial liabilities

As at 31 March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	–	–	–	–
Current Assets				
Trade Receivables	3.85	–	–	3.85
Cash and Cash Equivalents	10.22	–	–	10.22
Non-current Liabilities				
Trade Payables	–	–	–	–
Current Liabilities				
Trade Payables	144.61	–	–	144.61

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Three largest Trade Receivable constitute more than 10% of outstanding exposure and together more than 50% of the outstanding exposure.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial liabilities				
31-Mar-24	**139.22**			
Non-interest bearing				
Non-derivative financial liabilities				
31-Mar-23				
Non-interest bearing	144.61			

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial assets				
31-Mar-24				
Non-interest bearing	**8.65**			
Fixed interest rate instruments				
Total	**8.65**			
Non-derivative financial assets				
31-Mar-23				
Non-interest bearing	14.07			
Fixed interest rate instruments				
Total	14.07			

Note No. 18 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Lakhs

Particulars	**31-Mar-24 Carrying amount**	**31-Mar-24 Fair value**	31-Mar-23 Carrying amount	31-Mar-23 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties				
– trade and other receivables	**6.48**	**6.48**	3.85	3.85
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from related parties				
– trade and other payables	**139.22**		144.61	
Total	**145.70**		148.46	

Fair value hierarchy as at 31 March 2024

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties				
– trade and other receivables		**6.48**		**6.48**
Total		**6.48**		**6.48**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans from related parties				
– trade and other payables		**139.22**		**139.22**
Financial lease payables		**139.22**		**139.22**
Total				

Fair value hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties				
– trade and other receivables		3.85		3.85
Total		3.85		3.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

	Fair value hierarchy as at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans from related parties				
– trade and other payables		138.51		138.51
Total		138.51		138.51

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 19 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		Amount in Lakhs
Particulars	**As at 31st March, 2024**	As at 31st March, 2023
(i) the principal amount and the interest due theron remaining unpaid to any supplier as at the end of each accounting year		
Principal	**NIL**	NIL
Interest	**NIL**	NIL
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**NIL**	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act,2006	**NIL**	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	**NIL**	NIL
(v) the amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise , for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006	**NIL**	NIL

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note No. 20- Related Party Transactions

Name of the ultimate parent Company Mahindra & Mahindra Ltd

Name of the parent Company Mahindra Holdings Ltd

Name of the fellow subsidiary Company Fifth Gear Ventures Limited

Mahindra Integrated Business Solutions Pvt Ltd, Mahindra First Choice Wheels Limited

Details of transaction between the Company and its related parties are disclosed below:

							Amount in Lakhs
Particulars	**For the year ended**	**Parent Company**	**Entities having joint control/ significant influence over Company**	**Fellow Subsidiaries**	**Associates**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
Nature of transactions with Related Parties							
Sale of goods	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–
Purchase of goods	**31-Mar-24**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-23	–	–	–	–	–	–
Rendering of services	**31-Mar-24**			**6.00**	**–**	**–**	**–**
	31-Mar-23			12.00	–	–	–
Receiving of services	**31-Mar-24**	**5.43**		**9.69**	**–**	**–**	**–**
	31-Mar-23	4.89		6.00	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Nature of Balances with Related Parties	Balance as on	Parent Company	Entities having joint control/ significant influence over Company	Subsidiaries	Associates	Joint ventures	KMP of the Company and KMP of parent Company
Other payables	**31-Mar-24**	**117.93**		**21.30**	**–**	**–**	**–**
	31-Mar-23	126.67		15.60	–	–	–
Other receivables	**31-Mar-24**	**(0.36)**		**6.48**	**–**		**–**
	31-Mar-23	3.04		0.30	–	–	–

Information of transaction and balances outstanding with related parties (secured/ unsecured/ nature of consideration for settlement of dues etc.)

Note No. 21 - Disclosures under Ind AS 115

Country-wise break up of Revenue **Amount in Lakhs**

Country	Revenue from contracts with customers (Ind AS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India - 31st March, 2024	**6.00**	**–**	**6.00**	**19.13**	**25.13**
India - 31st March, 2023	12.00	–	12.00	3.16	15.16

Breakup of Revenue into contracts entered in previous year and in current year

	Amount in Lakhs	
Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Revenue from PO/ contract / agreement entered into previous year	**–**	–
Revenue from New PO/ contract / agreement entered into current year	**6.00**	12.00
Total revenue recognised during the year	**6.00**	12.00

Reconciliation of revenue from contract with customer

	Amount in Lakhs	
Particulars	**As at 31st March, 2024**	As at 31st March, 2023
Revenue from contract with customer as per the contract price	**6.00**	12.00
		–
Total revenue recognised during the year	**6.00**	12.00

Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place at the end of reporting year.

Note No. 22 - Segment Reporting

The company business activity falls within a single business segment. All other activities of the company revolve around its main business. Hence, there are no separate reportable primary segments.

Note No. 23 - Analytical ratios

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Debt Service Coverage Ratio	NA	79.97	**NA**	**NA**	**NA**	All the Variances are due to significant reduction of Operating Income from Rs.12 L for 2022-23 to Rs.6 L for the year 2023-24
2	Return on Equity	PBT	Average Capital + Average Reserves	**0.058**	**0.005**	**-8562%**	
3	Inventory Turnover Ratio	Revenue from Operations	Inventory	**0.00**	**0.00**	**0%**	
4	Trade receivable turnover ratio	Revenue from Operations	Average Receivables	**1.16**	**2.32**	**-115%**	
5	Trade Payable Turnover ratio	Revenue from Operations	Average Payables	**0.04**	**0.08**	**-4%**	
6	Net Capital turnover ratio	Revenue from Operations	Total Assets Less Current Liab	**(0.06)**	**(0.12)**	**7%**	
7	Net profit ratio	PBT	Revenue from Operations		**0.00**	**0%**	
8	Return on Capital Employed	PBT+Finance Cost	Total Assets Less Current Liab		**0.00**	**0%**	
9	Return on Investment	PBT	Investments		**0.00**	**0%**	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 24- The Company has used certain significant accounting estimates which have been disclosed in the financial statements.

These includes fair valuation of financial and non-financial assets and liabilities, going concern assessment etc. requiring significant management judgement in estimating the same.

Note No. 25 - As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.For the year 2022-23, the CSR activities was not applicanle to the company as it didn't satisfied any of the criteria for applicability of CSR activities.

During the period, the Company has incurred an expenditure of Rs. NIL Lakhs (31 March 2023: Rs.NIL) towards CSR activities which includes contribution / donations made to the trusts

Detail of amount spent towards CSR activities:

a) Gross amount required to be spent by the Company during the period is Rs. NIL (31 March 2023: Rs. NIL).

b) Amount spent by the Company during the period:

Amount in Lakhs

		For the year Ended 31 March 2024			For the year Ended 31 March 2023		
Particulars		**In cash**	**Yet to be paid in cash**	**Total**	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset						
ii)	On purpose other than (i) above	**NIL**			NIL		

Note No. 26 - Going Concern

The accumulated losses of the Company as on 31 March 2023 exceeds the paid-up share capital of the Company. Though the sources of Revenue are limited in the present day scenario, the Company does not intend to wind up its operations. The Company is exploring some business opportunities and may consider restructuring with support from its parent companies.

In the opinion of the management, the Company will be able to continue as a going concern for the foreseeable future. Having regard to the above, the accounts are prepared on a going concern basis.

Note No. 27 - Inventories

The company during the year had no closing inventory as on 31st March, 2024.

Note No. 28 - Regrouping

Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year..

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 15th April 2024

For and on behalf of the Board of Directors

Mahindra EMarket Limited

ASHUTOSH PANDEY
Director
DIN: 08166731

NOZAR BHARUCHA
Director
DIN: 03315303

Place: Mumbai
Date: 15th April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA AIRWAYS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Airways Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUO1837

Place: Mumbai
Date: April 17, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets. Accordingly, the reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the Company is in the business of rendering services and consequently does not hold any inventory during the year. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

    (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

    (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

    (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

    (b) We have considered the Internal Audit report of the Company issued till date for the period under audit.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 73.35 Lakhs in the current financial year and Rs. 160.77 Lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUO1837

Place: Mumbai
Date: April 17, 2024

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Airways Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUO1837

Place: Mumbai
Date: April 17, 2024

BALANCE SHEET AS AT 31 MARCH 2024

Rs. In Lakhs

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**0.17**	0.17
(b) Other Non-current Assets	4	**12465.98**	6022.63
SUB-TOTAL		**12466.15**	6022.80
CURRENT ASSETS			
(a) Financial Assets			
(i) Fixed deposit in bank	5	**23.00**	–
(ii) Cash and Cash Equivalents	6	**0.08**	14.68
(b) Current Tax Assets (Net)	7	**36.03**	33.04
(c) Other Current Assets	8	**0.10**	2.33
SUB-TOTAL		**59.21**	50.05
TOTAL ASSETS		**12525.36**	6072.85
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	**13300.00**	6775.00
(b) Other Equity	10	**(781.73)**	(708.38)
SUB-TOTAL		**12518.27**	6066.62
LIABILITIES			
CURRENT LIABILITIES			
(a) Financial Liabilities			
Trade Payables	11		
(i) Micro and Small Enterprises		**–**	–
(ii) Other than Micro and Small Enterprises		**4.93**	4.24
(b) Provisions	12	**1.53**	1.70
(c) Other Current Liabilities	13	**0.63**	0.29
SUB-TOTAL		**7.09**	6.23
TOTAL		**12525.36**	6072.85

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 17th April 2024

For and on behalf of the Board of Directors

Abhaya Mahajan
Director
DIN 08322044

Manaswini Goel
Director
DIN 08142619

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS:38069

Place: Mumbai
Date : 17th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In Lakhs

	Particulars	**Note No.**	**For the year ended 31st March, 2024**	For the year ended 31st March, 2023
I	Revenue from operations	**14**	**–**	–
II	Other Income	**15**	**0.19**	6.00
III	**Total Revenue (I + II)**		**0.19**	6.00
IV	**EXPENSES**			
	(a) Finance Cost	**16**	**1.19**	42.44
	(b) Other expenses	**17**	**72.35**	124.33
	Total Expenses		**73.54**	166.77
V	**Loss before tax (III - IV)**		**(73.35)**	(160.77)
VI	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax		**–**	–
	Total tax expense		**–**	–
VII	**Loss for the year (V - VI)**		**(73.35)**	(160.77)
VIII	**Other comprehensive income**		**–**	–
	Total comprehensive loss for the year (VII + VIII)		**(73.35)**	(160.77)
IX	**Earnings per equity share:**	**18**		
	Basic		**(0.06)**	(0.24)
	Diluted		**(0.06)**	(0.24)

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 17th April 2024

For and on behalf of the Board of Directors

Abhaya Mahajan
Director
DIN 08322044

Manaswini Goel
Director
DIN 08142619

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS:38069

Place: Mumbai
Date : 17th April 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

Rs. In Lakhs

Particulars	**Year ended 31st March 2024**	Year ended 31st March 2023
Cash flows from operating activities		
Loss before tax for the year	**(73.35)**	(160.77)
Adjustments for:		
Depreciation and amortisation of non-current assets	**–**	–
	(73.35)	(160.77)
Movements in working capital:		
(Increase)/decrease in other assets	**2.23**	(1.91)
Decrease in trade and other payables	**0.34**	(1.93)
Increase/(decrease) in provisions	**(0.17)**	0.20
Decrease/(increase) in tax assets	**(2.99)**	1.43
(Decrease)/increase in other liabilities	**0.69**	(5.05)
Cash generated from operations	**0.10**	(7.25)
Income taxes paid	**(0.01)**	–
Net cash generated by operating activities	**(73.26)**	(168.03)
Cash flows from investing activities		
Investment in Bank deposits	**(23.00)**	(14.00)
Purchase of PPE/Intangible assets	**(6,443.35)**	(6,022.63)
Net cash (used in)/generated by investing activities	**(6,466.35)**	(6,036.63)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**6,525.00**	6,190.00
Net cash used in financing activities	**6,525.00**	6,190.00
Net increase in cash and cash equivalents	**(14.61)**	13.35
Cash and cash equivalents at the beginning of the year	**14.69**	1.34
Cash and cash equivalents at the end of the year	**0.08**	14.69

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 17th April 2024

For and on behalf of the Board of Directors

Abhaya Mahajan
Director
DIN 08322044

Manaswini Goel
Director
DIN 08142619

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS:38069

Place: Mumbai
Date : 17th April 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024.

1. General Information

Mahindra Airways Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P K Kurne Chowk, Worli, Mumbai, Maharashtra, India. These financial statements correspond to the financial statements of the Company. The Company is primarily involved in Providing Aircraft Chartering Services under Non-Scheduled Operators Permit (NSOP) issued by Director General Civil Aviation.

2. Significant Accounting Policies

a. Statement of compliance and basis of preparation

These financial statements of Mahindra Airways Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These are the standalone financial statement of the Company. The Ministry of Corporate Affairs has, vide its Notification G.S.R 742(E) dated 27th July, 2016, exempted a wholly owned subsidiary Company from preparation and presentation of Consolidated Financial Statements provided the Company meets the conditions as mentioned in the said Notification

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid Notification.

These financial statements have been approved by the Company's Board of Directors and authorised for issue on 17th April 2024

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Property, Plant and equipment

Property, Plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Asset Class	Useful Lives
Furniture & Fixtures	10 years
Computer	3 years

Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

h. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

i. Revenue Recognition

The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("hereinafter referred to as Ind AS 115") effective from 01 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

- **Service Income**

  Income from Chartering Services are recognised on satisfaction of performance obligation towards rendering of such services.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- **Interest income**

  Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

- **Dividend Income**

  Dividend from investments are recognised in profit or loss when the right to receive payment is established.

j. Investments

Investments are classified under Non-current and current categories.

Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution other than temporary on an individual basis.

Current Investments' are carried at fair value on an individual basis.

k. Employee Benefits

Defined Contribution schemes

Company's contributions to the Provident Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

l. Taxation

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that have been enacted and substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax asset are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

m. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

n. Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

– it has been acquired principally for the purpose of selling it in the near term; or

– on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments.

Dividend on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

o. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

p. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

q. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment
- estimation of defined benefit obligation
- income taxes - current and deferred taxes
- fair value of unlisted securities

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are evaluated based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 3 - Property, Plant and Equipment

Rs. In Lakhs

Description of Assets	Computer & Accessories	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2023	0.74	0.18	0.92
Additions	–	–	–
Disposals	–	–	–
Balance as at 31 Mar 2024	**0.74**	**0.18**	**0.92**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2023	0.71	0.04	0.75
Depreciation expense for the year	–	–	–
Balance as at Mar 2024	**0.71**	**0.04**	**0.75**
III. Net carrying amount (I-II)	0.03	0.14	0.17

Rs. In Lakhs

Description of Assets	Plant and Equipment	Furniture and Fixtures	Total
I. Gross Carrying Amount			
Balance as at 1 April 2022	0.74	0.18	0.92
Additions	–	–	–
Disposals	–	–	–
Balance as at 31 Mar 2023	0.74	0.18	0.92
II. Accumulated depreciation and impairment			
Balance as at 1 April 2022	0.71	0.04	0.75
Depreciation expense for the year	–	–	–
Balance as at Mar 2023	0.71	0.04	0.75
III. Net carrying amount (I-II)	**0.03**	**0.14**	**0.17**

Note: The depreciation methods used and the useful lives or the depreciation rates used are disclosed in Note. 2 (g).

Note No. 4 - Other Non-current assets

Rs. In lakhs

Particulars	**As at 31st March 2024**		As at 31st March 2023	
	Current	**Non- Current**	Current	Non- Current
Advance	**–**	**12,464.82**	–	6,021.52
Security Deposits	**–**	**1.16**		1.11
	–	**12,465.98**	–	6,022.63

Note No. 5- Other Non-current Financial Assets

Rs. In Lakhs

	As at 31st March 2024		As at 31st March 2023	
Particulars	**Current**	**Non- Current**	Current	Non-Current
- Deposit with bank less than 3 months maturity	**23.00**	**–**	–	–
Total	**23.00**	**–**	–	–

Ageing of trade receivables

Rs. In lakhs

Particulars	**Outstanding for following periods from due date of payment**						
	Not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31st March 2024							
Undisputed trade receivables — considered good	**–**	**23.00**	**–**	**–**	**–**	**–**	**23.00**
Undisputed trade receivables - credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed Trade Receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed trade receivables - credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**23.00**	**–**	**–**	**–**	**–**	**23.00**
As at 31st March, 2023							
Undisputed trade receivables — considered good	–	–	–	–	–	–	–
Undisputed trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
Disputed trade receivables - credit impaired	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 6 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with banks in current account	**0.08**	14.68
Total Cash and cash equivalent	**0.08**	14.68

Note No. 7 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rs. In Lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Current Tax:		
Others		
Balance with Government Authority		
i. GST Receivable	**35.83**	31.93
ii. TDS Receivable	**0.20**	1.11
Total income tax expense on continuing operations	**36.03**	33.04

Note No. 8 - Other current assets

Rs. In Lakhs

Particulars	As at 31 March 2024 Current	As at 31 March 2024 Non-Current	As at 31 March 2023 Current	As at 31 March 2023 Non-Current
Interest accrued on fixed deposits	**0.10**	–	–	–
Others	–	–	2.33	–
	0.10	–	2.33	–

Note no. 9 - Share capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised Capital		
13,65,00,000 **(2023: 8,65,00,000)** Equity Shares of Rs.10/- each	**13650.00**	8,650.00
Issued, subscribed and paid up		
13,30,00,000 **(2023: 6,77,50,000)** Equity Shares of Rs.10/- each, fully paid up	**13300.00**	6,775.00
	13300.00	6,775.00

a. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of the Companies Act, 2013

b. Details of shares held by the holding company, its subsidiaries and associates:

Name of Shareholder	Relationship	As at 31st March 2024 No of Equity shares held	As at 31st March 2023 No of Equity shares held
Mahindra Holdings Limited	Holding Company	**13,30,00,000**	6,77,50,000

c. Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company.

Name of Shareholder	As at 31st March 2024 No of Equity shares held	As at 31st March 2024 Percentage holding	As at 31st March 2023 No of Equity shares held	As at 31st March 2023 Percentage holding
Mahindra Holdings Limited	**13,30,00,000**	**100%**	6,77,50,000	100%

d. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particluars	Equity Shares Number	Equity Shares Rupees lakhs	Preference Shares Number	Preference Shares Rupees lakhs
Balance as at the beginning of the year	6,77,50,000	6,775	–	–
Shares Issued during the year	6,52,50,000	6,525	–	–
Shares bought back during the year	–	–	–	–
Shares issued and subscribed at the end of the year	13,30,00,000	13,300	–	–

e. For a period of five years immediately preceding the date as at which the Balance Sheet is prepared, there have been no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. There have been no shares bought back or issued by way of bonus shares.

Note No. 10 - Other Equity

Rs. In Lakhs

	Reserves and Surwplus Retained Earnings	Total
Balance as at 31st March 2022	(547.61)	(547.61)
Loss for the year	(160.77)	(160.77)
Balance as at 31st March 2023	(708.38)	(708.38)
Loss for the year	(73.35)	(73.35)
Balance as at 31st March 2024	**(781.73)**	**(781.73)**

Note No. 11 - Trade Payables

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non Current	As at 31st March 2023 Current	As at 31st March 2023 Non Current
(i) Total outstanding dues of micro and small enterprises	–	–	–	–
(ii) Total outstanding dues Less than six Months of creditors other than micro and small enterprises	**4.93**	–	4.24	–
Total trade payables	**4.93**	–	4.24	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Ageing of trade payables

Rs. In lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
As at 31st March, 2023						
Trade Payables						
MSME	–	–	–	–	–	–
Others	–	**4.93**	–	–	–	**4.93**
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	–	**4.93**	–	–	–	**4.93**
Total	–	–	–	–	–	**4.93**
As at 31st March, 2022						
Trade Payables						
MSME	–	–	–	–	–	–
Others	–	4.24	–	–	–	4.24
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
	–	4.24	–	–	–	4.24
Total	–	–	–	–	–	4.24

Note No. 12 - Provisions

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
– Other Provisions	**1.53**	**–**	1.70	–
Total Provisions	**1.53**	**–**	1.70	–

Note No. 13 - Other Current Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
Statutory dues				
– taxes payable	**0.63**	**–**	0.29	–
TOTAL OTHER LIABILITIES	**0.63**	**–**	0.29	–

Note No. 14 - Revenue from Operations

Rs. In lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Revenue from rendering of services	**–**	–
Total Revenue from Operations	**–**	–

Note No. 15 - Other Income

Rs. In lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Amount written back	**–**	5.55
(b) Interest income on fixed deposit	**0.19**	0.45
Total Other Income	**0.19**	6.00

Note No. 16 - Finance cost

Rs. In lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Interest expenses	**1.19**	42.44
Total Other Expenses	**1.19**	42.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 17 - Other Expenses

Particulars	As at 31st March 2024	As at 31st March 2023
		Rs. In Lakhs
(a) Legal and professional costs	**17.75**	42.05
(b) Rent	**3.81**	–
(c) Rate and Taxes	**47.50**	76.00
(d) Miscelleneous expenses	**2.59**	5.58
(e) Amounts paid/payable to Statutory Auditors		
(i) Audit Fees	**0.70**	0.70
Total Other Expenses	**72.35**	124.33

Note No.18 - Earnings per Share (EPS)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
		Rs. In Lakhs
Profit for the year	**(73.35)**	(16.01)
Weighted Average number of equity shares for Basic Earnings per share	**13,30,00,000**	6,77,50,000
Basic & Diluted Earnings per share	**(0.06)**	(0.02)

Note No. 19 - Related Party Transactions

Name of the Ultimate Holding Company	MAHINDRA & MAHINDRA LIMITED
Name of the Parent Company	MAHINDRA HOLDINGS LIMITED
Name of the Fellow Subsidiary	MAHINDRA INTEGRATED BUSINESS SOLUTIONS PVT.LTD

Details of transaction between the Company and its related parties are disclosed below:

				Rs. In Lakhs
Particulars	**For the year ended**	**Ultimate Holding Company**	**Parent Company**	**Fellow Subsidiary**
Nature of transactions with Related Parties				
Receiving of services				
- Mahindra & Mahindra Limited	**31-Mar-24**	**14.19**	**–**	
- Mahindra Integrated Business Solutions Pvt.Ltd	**31-Mar-24**	**–**	**–**	**0.03**
- Mahindra & Mahindra Limited-Royalty fees	**31-Mar-24**	**1.18**		
- Mahindra & Mahindra Limited-Rent	**31-Mar-24**	**4.50**		
Loan taken and repaid				
- Mahindra Holdings Limited	**31-Mar-24**	**–**	**60.00**	**–**
- Interest paid	**31-Mar-24**	**–**	**1.19**	**–**
Equity contribution to the Company				
- Mahindra Holdings Limited	**31-Mar-24**	**–**	**6525.00**	**–**

Nature of Balances with Related Parties	**Balance as on**	**Rupees lakhs**
Trade payables	**31-Mar-24**	**4.93**
Trade receivables	**31-Mar-24**	**–**

Note No. 20 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy group companies. However company continuosly monitors the outstanding receivable from these companies.

The Company deals with one major customer which is also its holding Company. Hence, company does not expect any credit risk.

LIQUIDITY RISK

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's / Company's liquidity analysis for its financial instruments.

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Financial instruments 31-Mar-24				
Non-interest bearing	**0.08**			
Total	**0.08**			

MARKET RISK

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

INTEREST RATE RISK

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Note No. 21 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

This section explains the judgement and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

_ quoted prices for similar assets or liabilities in active markets
_ quoted prices for identical or similar assets or liabilities in markets that are not active
_ inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
_ implied volatilities
_ credit spreads
_ inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs

Level 3 inputs are ubobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measuremnet date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participation assumptions that is reasonably available.

Fair value of financial assets and financial liabilities that are not measured at fair value

	Fair value hierarchy as at 31 March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– investments	–	–	–	–
– cash & cash equivalents	–	0.08	–	0.08
Total	–	0.08	–	0.08

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note 22 - The Company has used certain significant accounting estimates which have been disclosed in the financial statements.

Note 23 - Other Information

Any other information required by Schedule III other than those mentioned above are either nil or not applicable to the Company.

Note 24 - Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 17th April 2024

For and on behalf of the Board of Directors

Abhaya Mahajan
Director
DIN 08322044

Manaswini Goel
Director
DIN 08142619

Shriniwas Mantri
Chief Financial Officer

Gayathri Iyer
Company Secretary
ACS:38069

Place: Mumbai
Date : 17th April 2024

INDEPENDENT AUDITOR'S REPORT
To The Members of Mahindra Logistics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
The Company has investment in unquoted equity instruments in subsidiary - MLL Express Services Private Limited ("MESPL"). The investment is accounted for at cost, less impairment. If triggers for impairment exist on the balance sheet date, the recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss, if any. Determination of triggers for impairment in value of these investments and recoverable amount, involves significant estimates and judgements, including the cash flow projections and sensitivity analysis of the key assumptions. (Refer note 2.15 and 3 (a) (v) to the standalone financial statements)	Principal Audit Procedures Performed: • Evaluated the design and tested the operating effectiveness of internal controls implemented by the Company relating to identification of impairment indicators and valuation of investment in subsidiary; • Evaluated the objectivity and independence of the specialist engaged by the Company and reviewed the valuation report issued by such specialist; • Engaged internal fair valuation expert to test the appropriateness of the management's underlying assumptions such as weighted average cost of capital, terminal growth rate considered and appropriateness of the valuation model used; • Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates; • Assessed the appropriateness of the forecasted projections of Revenue and EBITDA within the budgeted period based on understanding of the business and sector experience; • Performed a sensitivity analysis in relation to weighted average cost of capital; and • Assessed the adequacy of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Annexures to the Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. Above reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the above reports, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 43 to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44 (i) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 44 (i) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 18 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 24102637BKELWL8327)

Place: Mumbai
Date: 22 April 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Mahindra Logistics Limited ("the Company") as at 31 March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 24102637BKELWL8327)

Place: Mumbai
Date: 22 April 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Property Plant and Equipment:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, (capital work in-progress, including right-of-use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of verification of property, plant, and equipment, (capital work-in-progress and right-of-use assets) so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued any of its property, plant, and equipment (including Right of Use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) Inventory :

a) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2020 is not applicable.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) Loans, Investments etc:

(a) The Company has made investments in, but not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) (c) to (f) of the Order is not applicable.

(b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(iv) Section 185 and 186 :

According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) Public Deposits:

The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Cost Records:

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues:

According to the information and explanations given to us, in respect of statutory dues:

a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, cess, and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess, and other material statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ In Cr.)^
Bihar Value Added Tax	Value Added Tax	Joint Commissioner – Commercial Tax	2013-14	0.02
Telangana Value Added Tax	Value Added Tax	The Telangana VAT Appellate Tribunal	2015-16 to 2017-18	9.05
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax. Nagpur	2008-09 to 2009-10	3.68
Goods and Service Tax Act	Goods and Service Tax	Commissioner of Appeals	2017-18 to 2021-22	138.31
Income Tax	Income Tax	High Court, Bombay	2017-18	3.12

^Net of ₹ 16.75 Cr. paid under protest

(viii) Undisclosed Income:

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) Borrowings:

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate, or joint venture.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture or associate company.

(x) Issue of Securities:

a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) Fraud:

a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) Nidhi Company:

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Related Parties:

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) Internal Audit:

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to 31 March 2024 for the period under audit.

(xv) Non-Cash Transactions:

In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) 45-IA:

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

b) The Group has more than one CIC as part of the group. There are four CIC forming part of the group.

(xvii) Cash Loss:

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of Statutory Auditors:

There has been no resignation of the statutory auditors of the Company during the year.

(xix) Ability to pay Liabilities:

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) CSR unspent amount:

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 24102637BKELWL8327)

Place: Mumbai
Date: 22 April 2024

Standalone Balance Sheet as at 31 March 2024

(₹ in Crores)

Particulars				Note No.	As at 31 March 2024	As at 31 March 2023
	ASSETS					
I	**Non-Current Assets**					
	(a)	Property, Plant and Equipment		4	**189.63**	179.75
	(b)	Right of Use Asset		4	**332.31**	358.73
	(c)	Net Investment in Lease		39	**17.07**	23.66
	(d)	Capital Work-in-Progress		5	**0.30**	3.25
	(e)	Intangible Assets		6	**6.91**	12.52
	(f)	Intangible assets under development		7	**–**	0.34
	(g)	Financial Assets				
		(i)	Investments	9	**331.99**	194.84
		(ii)	Loans	15	**4.40**	4.40
		(iii)	Other Financial Assets	11	**63.65**	77.24
	(h)	Deferred Tax Assets (Net)		12	**28.65**	24.19
	(i)	Income Tax Assets (Net)		16	**94.35**	118.70
	(j)	Other non-current assets		13	**29.09**	19.24
	Total Non-Current Assets				**1,098.35**	**1,016.86**
II	**Current Assets**					
	(a)	Inventories		8	**–**	0.41
	(b)	Financial Assets				
		(i)	Investments	9	**–**	65.04
		(ii)	Trade Receivables	10	**508.92**	451.38
		(iii)	Cash and Cash Equivalents	14 (I)	**15.31**	114.64
		(iv)	Bank Balances other than (iii) above	14 (II)	**0.02**	0.01
		(v)	Other Financial Assets	11	**427.66**	388.50
	(c)	Other Current Assets		13	**77.98**	79.83
	(d)	Assets held for sale (Disposable group)		34	**–**	42.08
	Total Current Assets				**1,029.89**	**1,141.89**
	Total Assets				**2,128.24**	**2,158.75**
	EQUITY AND LIABILITIES					
	Equity					
	(a)	Equity Share Capital		17	**72.04**	71.98
	(b)	Share Application Money			**0.01**	0.06
	(c)	Other Equity		18	**603.41**	555.94
	Total Equity				**675.46**	**627.98**
	Liabilities					
I	**Non-Current Liabilities**					
	(a)	Financial Liabilities				
		(i)	Lease Liabilities	39	**263.02**	299.21
	(b)	Provisions		21	**13.92**	13.37
	(c)	Other Non-Current Liabilities		22	**4.91**	5.98
	Total Non-Current Liabilities				**281.85**	**318.56**
II	**Current Liabilities**					
	(a)	Financial Liabilities				
		(i)	Borrowings	19	**82.00**	150.00
		(ii)	Lease Liabilities	39	**118.75**	105.51
		(iii)	Trade Payables			
			a) Due to Micro and Small Enterprises	23	**98.13**	66.12
			b) Other than Micro and Small Enterprises	23	**834.74**	826.61
		(iv)	Other Financial Liabilities	20	**14.19**	17.87
	(b)	Provisions		21	**4.14**	3.71
	(c)	Current Tax Liabilities (Net)		16	**3.65**	3.65
	(d)	Other Current Liabilities		22	**15.33**	16.20
	(e)	Liabilities held for sale (Disposable group)		34	**–**	22.54
	Total Current Liabilities				**1,170.93**	**1,212.21**
	Total Equity And Liabilities				**2,128.24**	**2,158.75**

The accompanying notes 1 to 45 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Kedar Raje
Partner
Membership No: 102637

Place: Mumbai
Date: 22 April 2024

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Saurabh Taneja
Chief Financial Officer

Jignesh Parikh
Company Secretary
Membership No: ACS20413

Standalone Statement of Profit and Loss for the year ended 31 March 2024

(₹ in Crores)

	Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
I	Revenue from operations	24	**4,529.90**	4,458.90
II	Other Income	25	**13.30**	12.04
III	**Total Income (I + II)**		**4,543.20**	4,470.94
IV	**EXPENSES**			
	(a) Cost of materials consumed	26	**0.41**	6.58
	(b) Changes in inventories of finished goods	27	**–**	0.45
	(c) Operating Expenses	28	**3,829.38**	3,792.86
	(d) Employee benefits expense	29	**284.94**	289.04
	(e) Finance costs	30	**44.11**	41.42
	(f) Depreciation and amortisation expense	31	**177.54**	169.17
	(g) Other expenses	32	**122.78**	93.68
	Total Expenses		**4,459.16**	4,393.20
V	**Profit before exceptional items and tax (III - IV)**		**84.04**	77.74
VI	**Exceptional items**	33	**1.51**	2.70
VII	**Profit before tax (V + VI)**		**85.55**	80.44
VIII	**Tax Expense**			
	(a) Current tax	35	**28.27**	18.69
	(b) Deferred tax	35	**(4.70)**	(2.78)
	Total Tax Expense		**23.57**	15.91
IX	**Profit After Tax (VII - VIII)**		**61.98**	64.53
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**0.89**	1.57
	(b) Income tax relating to items that will not be reclassified to profit or loss		**(0.25)**	(0.40)
	Total Other comprehensive income		**0.64**	1.17
XI	**Total comprehensive income for the year (IX + X)**		**62.62**	65.70
XII	**Earnings per equity share (face value ₹ 10/- per share)**			
	(a) Basic (in ₹)	36	**8.60**	8.97
	(b) Diluted (in ₹)	36	**8.58**	8.94

The accompanying notes 1 to 45 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Kedar Raje
Partner
Membership No: 102637

Place: Mumbai
Date: 22 April 2024

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Saurabh Taneja
Chief Financial Officer

Jignesh Parikh
Company Secretary
Membership No: ACS20413

Standalone Statement of Changes in Equity for the year ended 31 March 2024

(A) Equity Share Capital

(₹ in Crores)

Particulars	Number of shares	Equity share capital
Balance as at 1 April 2022	71,871,618	71.87
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	71,871,618	71.87
Changes in equity share capital during the year:		
Exercise of Employee Stock Options	105,412	0.11
Balance as at 31 March 2023	**71,977,030**	**71.98**
Balance as at 1 April 2023	**71,977,030**	**71.98**
Changes in Equity Share Capital due to prior period errors	**–**	**–**
Restated balance at the beginning of the current reporting period	**71,977,030**	**71.98**
Changes in equity share capital during the year:		
Exercise of Employee Stock Options	59,121	0.06
Balance as at 31 March 2024	**72,036,151**	**72.04**

(B) Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus			
	Securities premium	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 1 April 2022	120.16	10.15	372.62	502.93
Changes in Equity Share Capital due to prior period errors	**–**	**–**	**–**	**–**
Restated balance at the beginning of the current reporting period	**120.16**	**10.15**	**372.62**	**502.93**
– Exercise of Employee stock options	4.96	(4.96)	–	–
– Share based payment to employees	–	1.70	–	1.70
– Dividend paid on Equity Shares	–	–	(14.39)	(14.39)
Total Comprehensive income for the year				
– Profit for the year	–	–	64.53	64.53
– Actuarial gain transferred to retained earnings	–	–	1.17	1.17
Balance as at 31 March 2023	**125.12**	**6.89**	**423.93**	**555.94**
Balance as at 1 April 2023	**125.12**	**6.89**	**423.93**	**555.94**
Changes in Equity Share Capital due to prior period errors	**–**	**–**	**–**	**–**
Restated balance at the beginning of the current reporting period	**125.12**	**6.89**	**423.93**	**555.94**
– Exercise of Employee stock options	**2.93**	**(2.93)**	**–**	**–**
– Share based payment to employees	**–**	**2.86**	**–**	**2.86**
– Dividend paid on Equity Shares	**–**	**–**	**(18.01)**	**(18.01)**
Total Comprehensive income for the year				
– Profit for the year	**–**	**–**	**61.98**	**61.98**
– Actuarial gain transferred to retained earnings	**–**	**–**	**0.64**	**0.64**
Balance as at 31 March 2024	**128.05**	**6.82**	**468.54**	**603.41**

The accompanying notes 1 to 45 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Kedar Raje
Partner
Membership No: 102637

Place: Mumbai
Date: 22 April 2024

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Saurabh Taneja
Chief Financial Officer

Jignesh Parikh
Company Secretary
Membership No: ACS20413

Standalone Cash Flow Statement for the year ended 31 March 2024

(₹ in Crores)

Particulars		**Year ended 31 March 2024**	Year ended 31 March 2023
A.	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax	**85.55**	80.44
	Adjustments for:		
	Loss on disposal of property, plant and equipment	**2.17**	0.23
	Expected credit loss recognised on trade receivables/advances	**18.81**	3.94
	Provision no longer required written back	**(0.16)**	(0.39)
	Depreciation and amortisation expense	**177.54**	169.17
	Finance Charges	**44.11**	41.42
	Unrealised gain on reversal of Right of Use Assets	**(3.31)**	(2.11)
	Interest income	**(4.66)**	(3.54)
	Commission on corporate Guarantee	**(1.21)**	(0.47)
	Rental income on Sub-Lease	**8.27**	11.12
	Finance income on net investment in lease	**(1.68)**	(3.38)
	Gain on Business transfer	**(1.50)**	(2.70)
	Profit on sale of mutual funds	**(1.29)**	(0.80)
	Share based payment expenses	**2.43**	1.70
		239.52	214.19
	Operating profit before working capital changes	**325.07**	294.63
	Changes in:		
	Trade and other receivables	**(114.92)**	(166.51)
	Inventories	**0.41**	1.02
	Trade and other payables and provisions	**42.43**	85.29
	Cash generated from operations	**252.99**	214.43
	Income taxes paid (Net)	**(3.93)**	(68.62)
	Net cash flow generated from operating activities	**249.06**	145.81
B.	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Payment to acquire current investments	**(1,097.00)**	(935.49)
	Proceeds from sale of current investments	**1,163.33**	987.33
	Investment in Subsidiaries*	**(116.30)**	(101.89)
	Proceeds form sale of investment in Associate	**0.01**	–
	Investment in Associate	**–**	(35.42)
	Inter Corporate Deposit given	**–**	(4.40)
	Bank deposits placed	**(0.01)**	–
	Interest income	**1.00**	3.50
	Commission received on corporate guarantee	**1.21**	0.47
	Payment to acquire property, plant and equipment & intangible assets including CWIP	**(61.91)**	(70.67)
	Proceeds from disposal of property, plant and equipment	**6.71**	8.69
	Net cash used in investing activities	**(102.96)**	(147.88)

Standalone Cash Flow Statement for the year ended 31 March 2024

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of Share Capital	**–**	0.05
Share application money received	**0.01**	0.06
(Repayment) / Proceeds of short term borrowings (Net)	**(68.00)**	150.00
Interest paid	**(9.41)**	(8.32)
Payment of leases	**(150.02)**	(141.74)
Dividend paid	**(18.01)**	(14.39)
Net cash used in financing activities	**(245.43)**	(14.34)
Net decrease in cash and cash equivalents (A+B+C)	**(99.33)**	(16.41)
Cash and cash equivalents at the beginning of the year	**114.64**	131.05
Cash and cash equivalents at the end of the year	**15.31**	114.64
Components of cash and cash equivalents		
Cash on hand	**0.46**	0.58
With Banks - in Current account / Balance in Cash Credit Accounts / Bank deposits with original maturity of less than 3 months at inception	**14.85**	114.06
	15.31	114.64

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7 - Statement of Cash flows.

* In current year, excludes investment aggregating ₹ 20.83 crores by issue of Equity shares against transfer of equivalent net assets of its Network Business, into MLL Express Services Private Limited, its Subsidiary, effective 1 April 2023.

In previous year, excludes investment aggregating ₹ 36.12 crores by issue of Equity shares against transfer of equivalent net assets of its Enterprise Mobility Business, into MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited), its Subsidiary, effective 1 October 2022.

The accompanying notes 1 to 45 are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Kedar Raje
Partner
Membership No: 102637

Place: Mumbai
Date: 22 April 2024

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Saurabh Taneja
Chief Financial Officer

Jignesh Parikh
Company Secretary
Membership No: ACS20413

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

1. Corporate information

Mahindra Logistics Limited is a public company limited by shares incorporated in India on 24 August 2007 under the Companies Act, 1956. Its Parent & Ultimate Holding Company is Mahindra & Mahindra Limited. The address of its registered office is disclosed in the introduction to the Annual Report. The Company is a 3PL service provider mainly engaged in transportation, warehousing, supply chain management and people logistics services. CIN of the Company is L63000MH2007PLC173466.

The Financial statements for the year ended 31 March 2024 are approved for issue in accordance with a resolution of the directors on 22 April 2024.

The Financial Statements are presented in Rupees in crores.

2. Material accounting policies

2.1. Basis of accounting

The Financial statements have been prepared in accordance with Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial statements are standalone or separate Financial statements.

The Financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial statements are prepared in Indian Rupee (₹) and denominated in crores.

The principal accounting policies are set out below.

2.2. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

When the Company is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed off is classified as held for sale when the criteria described above are met. The Company then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

2.3. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.4. Revenue recognition

2.4.1. Rendering of services

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2. Dividend income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.4.3. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to the contracts entered into, or modified, on or after 1 April 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

  The amount expected to be payable by the lessee under residual value guarantees; The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is re -measured whenever :

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease, by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

2.6. Foreign currencies

2.6.1. Initial recognition

In preparing the Financial statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupee (INR) (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

2.6.2. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.6.3. Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.7. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.8. Employee benefits

2.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, Employees State Insurance Corporation, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Net interest expense or income is recognized within finance costs.

Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.10. Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.11.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12. Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Items of Plant & Machinery individually costing more than ₹ 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Items of Plant & Machinery individually costing less than ₹ 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 2 years.

iv. Vehicles in 3 to 6 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13. Intangible assets

2.13.1. <u>Intangible assets acquired separately</u>

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.13.2. <u>Useful lives of intangible assets</u>

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred. Certain intangible assets are amortized over a period of 36 months.

2.13.3. <u>Internally-generated intangible assets – research and development expenditure</u>

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14. Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15. Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

2.16. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

<u>Onerous contracts</u>

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

<u>Contingent Liabilities</u>

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

<u>Contingent Assets</u>

A contingent asset is disclosed where an inflow of economic benefits is probable.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

2.17. Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.18.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2.18.2. Amortized Cost & Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.18.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.18.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Significant increase in credit risk

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.18.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.18.6. <u>Foreign exchange gains and losses</u>

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.19. Financial liabilities and equity instruments

2.19.1. <u>Classification as debt or equity</u>

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2. <u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3. <u>Compound financial instruments</u>

The component parts of compound financial instruments (convertible loan notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.19.4. <u>Financial liabilities</u>

All financial liabilities are subsequently measured at amortised cost using effective interest rate.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of financial liability.

2.20. Exceptional Items

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.21. Earnings Per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) <u>Useful lives of Property, Plant and Equipment</u>

As described in note 2.12 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

(ii) <u>Defined Benefit Plans</u>

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) <u>Fair Value of financial assets and liabilities and investments</u>

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(iv) Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(v) Impairment of investment in subsidiary

The investments in subsidiaries are carried at cost and was tested for impairment in accordance with provisions applicable to impairment of non-financial assets.

The recoverable amount is determined based on value in use. The determination of recoverable amount involves significant judgements such as future projection of revenue, EBITDA (earnings before interest, taxes, depreciation, and amortisation), weighted average cost of capital and terminal growth. The recoverable amount is significantly dependent on achievement of revenue growth and any change in revenue growth projection could have an impact on recoverable value. Based on the above, no impairment was identified as of 31 March 2024 as the recoverable amount is higher than carrying value.

(vi) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

3 (b). Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which is applicable from 1 April 2024.

Note No. 4 - Property, Plant and Equipment

As at 31 March 2024

₹ in Crores

Description of Assets	Land - Freehold	Plant and Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Total	Right of Use Assets
A. Cost							
Balance as at 1 April 2023	1.91	109.27	62.72	90.66	43.69	308.25	**561.06**
a) Additions	–	24.02	11.40	21.06	11.99	68.47	**137.77**
b) Less: Disposals	–	(7.08)	(2.85)	(8.77)	(0.34)	(19.04)	**(129.93)**
Balance as at 31 March 2024	**1.91**	**126.21**	**71.27**	**102.95**	**55.34**	**357.68**	**568.90**
B. Accumulated depreciation/amortisation							
Balance as at 1 April 2023	–	46.77	36.71	33.85	11.17	128.50	**202.33**
a) Depreciation/amortisation expense for the year	–	14.95	10.16	10.15	12.02	47.28	**123.42**
b) Less: Disposals	–	(3.43)	(1.75)	(2.26)	(0.29)	(7.73)	**(89.16)**
Balance as at 31 March 2024	–	**58.29**	**45.12**	**41.74**	**22.90**	**168.05**	**236.59**
C. Net carrying amount as at 31 March 2024 (A-B)	**1.91**	**67.92**	**26.15**	**61.21**	**32.44**	**189.63**	**332.31**

As at 31 March 2023

₹ in Crores

Description of Assets	Land - Freehold	Plant and Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Total	Right of Use Assets
A. Cost							
Balance as at 1 April 2022	1.91	104.70	62.15	79.31	17.78	265.85	**450.62**
a) Additions	–	15.30	9.40	18.80	25.91	69.41	**204.76**
b) Less: Disposals	–	(10.73)	(8.83)	(7.45)	–	(27.01)	**(94.32)**
Balance as at 31 March 2023	**1.91**	**109.27**	**62.72**	**90.66**	**43.69**	**308.25**	**561.06**
B. Accumulated depreciation/amortisation							
Balance as at 1 April 2022	–	35.05	33.91	27.37	3.86	100.19	**152.90**
a) Depreciation/amortisation expense for the year	–	15.88	10.11	11.14	7.31	44.44	**114.57**
b) Less: Disposals	–	(4.16)	(7.31)	(4.66)	–	(16.13)	**(65.14)**
Balance as at 31 March 2023	–	46.77	36.71	33.85	11.17	128.50	**202.33**
C. Net carrying amount as at 31 March 2023 (A-B)	**1.91**	**62.50**	**26.01**	**56.81**	**32.52**	**179.75**	**358.73**

Note:

The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Contracts remaining to be executed on capital account	**9.21**	16.86

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 5 - Capital Work-in-Progress

(i) Capital Work-in-Progress Ageing

As at 31 March 2024

₹ in Crores

Particulars	**Amount in Capital Work-in-Progress for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in Progress	**0.30**	**–**	**–**	**–**	**0.30**

As at 31 March 2023

₹ in Crores

Particulars	Amount in Capital Work-in-Progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	3.25	–	–	–	3.25

(ii) Projectwise breakup of Capital Work-in-Progress

As at 31 March 2024

₹ in Crores

Particulars	**To be completed in**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in Progress					
Supply Chain Management	**0.30**	**–**	**–**	**–**	**0.30**

As at 31 March 2023

₹ in Crores

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress					
Supply Chain Management	3.25	–	–	–	3.25

Note No. 6 - Intangible Assets

₹ in Crores

Computer Software	**As at 31 March 2024**	As at 31 March 2023
A. Cost		
a) Balance as at 1 April	**34.33**	38.06
b) Additions	**1.23**	17.71
c) Deduction During the year	–	(21.44)
Balance at the end of the period	**35.56**	34.33
B. Accumulated amortisation		
a) Balance as at 1 April	**21.81**	27.72
b) Amortisation expense for the year	**6.84**	10.16
c) Amortisation on deduction	–	(16.07)
Balance at the end of the period	**28.65**	21.81
C. Net carrying amount as at the end of the period (A-B)	**6.91**	12.52

The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

₹ in Crores

Particulars	**As at 31 March 2024**	As at 31 March 2023
Contracts remaining to be executed on capital account	–	1.42

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 7 - Intangible assets under development

(i) Intangible assets under development Ageing Schedule

As at 31 March 2024

₹ in Crores

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
	Intangible assets under development				
Projects in Progress	–	–	–	–	–

As at 31 March 2023

₹ in Crores

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
	Intangible assets under development				
Projects in Progress	0.34	–	–	–	0.34

(ii) Projectwise breakup of Intangible assets under development

As at 31 March 2024

₹ in Crores

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
	To be completed in				
Projects in Progress					
Supply Chain Management	–	–	–	–	–

As at 31 March 2023

₹ in Crores

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
	To be completed in				
Projects in Progress					
Supply Chain Management	0.34	–	–	–	0.34

Note No. 8 - Inventories (lower of cost or net realisable value)

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Raw Materials and Bought-out Components	–	0.41
Finished Goods	–	–
Total Inventories	–	0.41

Notes:

The mode of valuation of inventory has been stated in note 2.3 of significant accounting policy

The cost of inventories recognised as expenses during the year was ₹ 0.41 crores (31 March 2023 ₹ 7.03 crores)

Note No. 9 - Investments

₹ in Crores

Particulars	As at 31 March 2024 Quantity	Current	Non Current	As at 31 March 2023 Quantity	Current	Non Current
I. Cost						
Unquoted Investments (fully paid)						
Investments in Subsidiaries						
i) Equity Shares of 2x2 Logistics Private Limited of ₹ 10 each fully paid up	**4,955,500**	**–**	**4.96**	4,955,500	–	4.96
ii) Equity Shares of Lords Freight (India) Private Limited of ₹ 10 each fully paid up	**2,340,009**	**–**	**16.45**	2,340,009	–	16.45
iii) Equity Shares of MLL Express Services Private Limited of ₹ 10 each fully paid up*	**197,970,018**	**–**	**151.25**	97,137,796	–	50.41

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

₹ in Crores

Particulars	As at 31 March 2024 Quantity	As at 31 March 2024 Current	As at 31 March 2024 Non Current	As at 31 March 2023 Quantity	As at 31 March 2023 Current	As at 31 March 2023 Non Current
iv) Equity Shares of MLL Mobility Private Limited of ₹ 10 each fully paid up$	**640,369**	**–**	**86.60**	460,899	–	57.49
v) Equity Shares of V-Link Automotive Services Private Limited of ₹ 10 each fully paid up$	**–**	**–**	**–**	13,294	–	29.11
vi) Equity Shares of V-Link Fleet Solutions Private Limited of ₹ 10 each fully paid up$	**–**	**–**	**–**	12,050	–	-~
vii) Equity Shares of V-Link Freight Services Private Limited of ₹ 10 each fully paid up	**1,000,000**	**–**	**1.00**	1,000,000	–	1.00
viii) MLL Global Logistics Limited	**–**	**–**	**–**	–	–	–
ix) Zipzap Logistics Private Limited ^						
i) Equity Shares of Zipzap Logistics Private Limited of ₹ 1 each fully paid up	**43,972**		**29.43**	21,327	–	14.27
ii) Series A 0.0001 % Compulsorily Convertible Cumulative Preference Shares of Zipzap Logistics Private Limited of ₹ 100 each fully paid up	**63,200**		**42.30**	31,600	–	21.15
Investments in Joint Venture#						
i) Equity shares of Transtech Logistics Private Limited of ₹ 10 each fully paid up	**–**	**–**	**–**	100	–	0.01
ii) Series A 0.01 % Compulsorily Convertible Preference Shares of Transtech Logistics Private Limited of ₹ 50 each fully paid up	**–**	**–**	**–**	65,988	–	3.99
Total Unquoted Investments		**–**	**331.99**		–	198.84
~ ₹ 1,205						
Total investments carried at cost [I]		**–**	**331.99**		–	198.84
II. Fair value through profit and loss (FVTPL)						
Quoted Investments (fully paid)						
Investments in Mutual Funds		**0.00**	**–**		65.04	–
Total Quoted Investments		**0.00**	**–**		65.04	–
Total investments carried at FVTPL [II]		**0.00**	**–**		65.04	–
Of the above, investments designated at FVTPL		**–**	**–**		–	–
Of the above, investments held for trading- carried at FVTPL		**0.00**	**–**		65.04	–
Other investments carried at FVTPL		**–**	**–**		–	–
TOTAL INVESTMENTS [I + II]		**0.00**	**331.99**		65.04	198.84
Impairment in value of investment in Joint Venture		**–**	**–**		**–**	4.00
Total impairment value of investments (III)		**–**	**–**		–	4.00
Total investments carrying value (I) + (II) - (III)		**0.00**	**331.99**		65.04	194.84
Other disclosures						
Aggregate amount of quoted investments		**0.00**	**–**		65.04	–
Aggregate amount of Market value of investments		**0.00**	**–**		65.04	–
Aggregate amount of unquoted investments		**–**	**331.99**		–	194.84
Aggregate amount of impairment in value of investments		**–**	**–**		–	4.00

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Name of Investees	Principal Place of Business	Ownership Interest As at 31 March 2024	Ownership Interest As at 31 March 2023
2x2 Logistics Private Limited	Mumbai	55.00%	55.00%
Lords Freight (India) Private Limited	Mumbai	99.05%	99.05%
Transtech Logistics Private Limited#	Bengaluru	–	39.79%
MLL Express Services Private Limited*	Gurgaon	100.00%	100.00%
MLL Mobility Private Limited$	Mumbai	100.00%	100.00%
V-Link Automotive Services Private Limited$	Mumbai	–	100.00%
V-Link Fleet Solutions Private Limited$	Mumbai	–	100.00%
V-Link Freight Services Private Limited	Mumbai	100.00%	100.00%
MLL Global Logistics Limited	London, UK	100.00%	100.00%
Zipzap Logistics Private Limited^	Hyderabad	60.00%	36.00%

* Pursuant to Business Transfer Agreement (BTA) with MLL Express Services Private Limited ("MESPL"), wholly-owned subsidiary of the Company for sale / transfer of its Express Network business as a going concern on slump exchange basis, effective 1 April 2023, for a lump sum consideration of ₹ 20.83 crores, MESPL allotted 2,08,32,222 equity shares of ₹ 10 each fully paid on 31 July 2023. Additionally, during the year, the Company acquired 8,00,00,000 equity shares of ₹ 10 each fully paid amounting to ₹ 80 crores for cash consideration pursuant to the rights offer made by MESPL.

Pursuant to the approval granted by the Investment Committee of the Board of Directors of the Company, at its meeting held on 20 December 2023, the Company had entered into a Share Purchase Agreement ("Agreement") with Transtech Logistics Private Limited ("TLPL") Joint Venture of the Company and the Promoters of TLPL, for sale/transfer of the 39.79% stake held by the Company in TLPL i.e., 100 equity shares of ₹ 10 each and 65,988 Compulsorily Convertible Preference Shares of ₹ 50 each, for a consideration of ₹ 0.01 crores to be discharged by the Promoters of TLPL in cash to the Company. Pursuant to this, TLPL ceased to be an associate of the Company effective 20 December 2023.

^ On 28 February 2022, pursuant to the approval granted by the Investment Committee of the Board of Directors, the Company had entered into Share Purchase Agreement, Share Subscription Agreement and Shareholders' Agreement for acquisition of up to 43,972 equity shares and for subscribing up to 63,200 Series A Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Zipzap Logistics Private Limited ("Whizzard"), in tranches, which would result in the Company holding in aggregate up to 60% of Share Capital of Whizzard, on a fully diluted basis, upon completion ("Transaction").

In terms of the above-mentioned Transaction Agreements,

On 8 April 2022, the Company acquired 21,327 equity shares and subscribed to 31,600 CCCPS, on a fully diluted basis of Whizzard, in aggregate, constituting 36% of the Share Capital of Whizzard for a cash consideration of ₹ 35.42 crore. With this, Whizzard became an Associate of the Company effective from 8 April 2022.

On 22 December 2023, the Company further acquired 22,645 equity shares and subscribed to 31,600 CCCPS, which taken together with the previous holding of the Company constitutes 60% of the Share Capital of Whizzard, on a fully diluted basis. Consequently, Whizzard had become the subsidiary of the Company with effect from 22 December 2023. In accordance with Ind AS 103- 'Business Combination', the company has remeasured previously held equity interest in Whizzard at acquisition-date fair value. The gain of ₹ 3.81 crores on remeasurement is recognised as an 'exceptional item' in the statement of Profit and Loss.

$ The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated 7 March 2024 has sanctioned the Scheme of Merger by Absorption of V-Link Automotive Services Private Limited ("VASPL") and V-Link Fleet Solutions Private Limited ("VFSPL") (together referred to as "Transferor Companies") with MLL Mobility Private Limited ("Transferee Company", "MMPL") and their respective shareholders ("Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules framed thereunder. The above mentioned Transferor Companies as well as the Transferee Company are wholly owned subsidiaries of the Company.

Consequent to the Scheme being effective w.e.f 1 April 2023 (The Appointed Date)

(i) VASPL and VFSPL being the Transferor Companies stands dissolved and ceased to be the subsidiaries of the Company with effect from 28 March 2024; and

(ii) MMPL being the Transferee Company, will discharge the consideration mentioned in the Scheme, by way of issuance and allotment of 1,79,470 equity shares of ₹ 10 each to the Company in lieu of its shareholding held in the Transferor Companies. MMPL continues to remain as a wholly owned subsidiary of the Company, post issuance and allotment of its equity shares to the Company, as mentioned above.

MMPL is in the process of issuing shares of the amalgamated entity.

Note No. 10 – Trade receivables

₹ in Crores

Particulars	As at 31 March 2024 Current	As at 31 March 2023 Current
a) Trade Receivables considered good - Secured	**–**	–
b) Trade Receivables considered good - Unsecured	**508.92**	451.38
c) Trade Receivable which have significant increase in credit risk	**–**	–
d) Undisputed Trade Receivable - Credit Impaired	**4.52**	2.49
e) Disputed Trade Receivable - Credit Impaired	**9.57**	12.33
	523.01	466.20
Less: Allowance for Credit Losses	**(14.09)**	(14.82)
Total	**508.92**	451.38

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Trade Receivable ageing as at 31 March 2024

₹ in Crores

Particulars		Outstanding for following period from due date of payment						Total
		Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	
a)	Undisputed Trade Receivable - Considered Good	223.66	198.42	22.69	54.02	6.01	4.12	508.92
b)	Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	–
c)	Undisputed Trade Receivable - Credit Impaired	–	–	1.08	2.67	0.42	0.35	4.52
d)	Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	–
e)	Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	–
f)	Disputed Trade Receivable - Credit Impaired	–	–	0.26	2.89	2.97	3.45	9.57
Total Trade Receivables								523.01
Less: Allowance for Expected Credit Losses								(14.09)
Total								508.92

Trade Receivable ageing as at 31 March 2023

Particulars		Outstanding for following period from due date of payment						Total
		Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	
a)	Undisputed Trade Receivable - Considered Good	203.84	186.94	39.63	13.62	4.57	2.78	451.38
b)	Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	–
c)	Undisputed Trade Receivable - Credit Impaired	–	–	1.44	0.55	0.24	0.26	2.49
d)	Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	–
e)	Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	–
f)	Disputed Trade Receivable - Credit Impaired	0.09	0.64	1.83	2.58	2.50	4.69	12.33
Total Trade Receivables								466.20
Less: Allowance for Expected Credit Losses								(14.82)
Total								451.38

Notes:

i) Refer Note 37 (iii) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

Note No. 11 - Other financial assets

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost - considered good				
a) Security Deposits				
i. Unsecured, considered good	18.88	42.13	17.00	42.00
ii. Doubtful	1.36	–	1.07	–
Less: Allowance for Losses	(1.36)	–	(1.07)	–
Total	18.88	42.13	17.00	42.00
b) Bank Deposit				
Under lien with Government authority with more than 12 months of original maturity	–	0.01	–	0.01
Total	–	0.01	–	0.01

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
c) Other items				
i. Interest Accrued	**0.01**	**–**	0.04	–
ii. Accrued Sales	**402.30**	**29.58**	367.82	29.23
iii. National Saving Certificates*	**–**	**0.02**	–	0.02
iv. Premium receivable on financial guarantee contracts	**1.07**	**4.91**	1.14	5.98
v. Other Receivables	**5.40**	**–**	2.50	–
Less: Allowance for Losses	**–**	**(13.00)**	–	–
Total	**408.78**	**21.51**	371.50	35.23
Total (a+b+c)	**427.66**	**63.65**	388.50	77.24

* Includes encumbered securities which is restricted on their use or sale of the securities.

Accrued Sales ageing from transaction date:

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
less than 6 Months	**368.65**	**–**	355.70	–
6 Months to 1 year	**33.65**	**–**	12.12	–
1 to 2 Year	**–**	**9.68**	–	19.72
2 to 3 Years	**–**	**15.55**	–	4.88
More than 3 Years	**–**	**4.35**	–	4.63
	402.30	**29.58**	367.82	29.23
Less: Allowance for Losses	**–**	**(13.00)**	–	–
Total	**402.30**	**16.58**	367.82	29.23

Note No. 12: Deferred Tax Assets (NET)

Movement in deferred tax balances

₹ in Crores

Particulars	Year ended 31 March 2024				Year ended 31 March 2023			
	Opening Balance	**Recognised in Profit and Loss**	**Recognised in OCI**	**Closing Balance**	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) VAT allowance	**0.79**	**–**	**–**	**0.79**	0.79	–	–	0.79
b) Mutual Funds	**0.01**	**(0.01)**	**–**	**–**	0.01	–	–	0.01
Total	**0.80**	**(0.01)**	**–**	**0.79**	0.80	–	–	0.80
B. Tax effect of items constituting deferred tax assets								
a) Allowances on Property, Plant and Equipment and Intangible Assets	**4.43**	**1.24**	**–**	**5.67**	2.77	1.66	–	4.43
b) Provision for employee benefits	**5.18**	**(0.38)**	**(0.25)**	**4.55**	4.81	0.37	–	5.18
c) Provisions and allowances for credit losses	**5.67**	**1.74**	**–**	**7.41**	5.96	(0.29)	–	5.67
d) Share based payments	**1.62**	**0.10**	**–**	**1.72**	2.44	(0.82)	–	1.62
e) Leases	**6.93**	**1.22**	**–**	**8.15**	4.42	2.51	–	6.93
f) Others	**1.16**	**0.77**	**–**	**1.93**	1.82	(0.66)	–	1.16
Total	**24.99**	**4.69**	**(0.25)**	**29.46**	22.22	2.78	–	24.99
Net Tax Asset/(Liabilities) (B-A)	**24.19**	**4.70**	**(0.25)**	**28.65**	21.42	2.78	–	24.19

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 13 – Other Assets

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
I Capital advances				
a) For Capital work in progress	–	8.51	–	3.28
Total (A)	–	8.51	–	3.28
II Advances other than capital advances				
a) Advances to suppliers - considered good	31.28	–	36.64	–
b) Advances to suppliers – considered doubtful	0.99	–	0.96	–
c) Balances with government authorities (other than income taxes)	42.27	19.06	38.01	14.40
d) Prepaid Expenses	3.53	1.52	3.68	1.56
e) Advances to employees (refer note below)	0.90	–	1.50	–
Total (B)	78.97	20.58	80.79	15.96
Total (A+B)	78.97	29.09	80.79	19.24
Less: Allowances for credit losses	(0.99)	–	(0.96)	–
Total (C)	(0.99)	–	(0.96)	–
Total (A+B+C)	77.98	29.09	79.83	19.24

Notes:

Advances given to employees are as per Company's policy and are not required to be disclosed u/s 186(4) of Companies Act 2013.

Note No. 14 - Cash and Bank balances

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
I Cash and cash equivalents		
a) Balances with banks	14.85	64.06
b) Cash on hand	0.46	0.58
c) Bank deposits with original maturity of less than 3 months at inception	–	50.00
Total	15.31	114.64
II Other Bank Balances		
Earmarked balances with banks - unpaid dividend accounts	0.02	0.01
Total	0.02	0.01

Notes:

Cash Credit facilities are repayable on demand and carry interest based on applicable rate plus agreed spreads and/or negotiated rates. The rates of interest during the year ranged between 7.48% to 9.40%p.a.

Note No. 15 - Loans

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to related parties		
a) Secured, considered good	–	–
b) Unsecured, considered good	4.40	4.40
c) Doubtful	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Less: Allowance for Credit Losses	**–**	–
Total	**4.40**	4.40

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Maximum amount outstanding during the year	**Amount Outstanding**	Maximum amount outstanding during the year	Amount Outstanding
Loan to Subsidiary				
2 x 2 Logistics Private Limited	**4.40**	**4.40**	4.40	4.40

Notes:

Loan to Subsidiary is granted for a period of 3 years for working capital purpose. Loan is unsecured and repayable on demand. Interest is charged @ 8% p.a. loan has been utilized for the purpose it was granted.

Note No. 16 - Income Tax Assets & Liabilities (NET)

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current Income Tax Assets (Net)		
Advance Income Tax/TDS Receivable (Net)	**94.35**	118.70
Total	**94.35**	118.70
Current Tax Liabilities (net)		
Current Tax Liabilities (net)	**3.65**	3.65
Total	**3.65**	3.65

Note No. 17 - Equity Share Capital

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	**Amount**	No. of shares	Amount
I Authorised:				
Equity shares of ₹ 10 each with voting rights	**105,000,000**	**105.00**	105,000,000	105.00
Total	**105,000,000**	**105.00**	105,000,000	105.00
II Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**72,036,151**	**72.04**	71,977,030	71.98
Total	**72,036,151**	**72.04**	71,977,030	71.98

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

₹ in Crores

Particulars		Opening Balance	Fresh Issue	Other Changes	Closing Balance
Equity Shares with Voting rights					
Year Ended 31 March 2024					
	No. of Shares	**71,977,030**	**59,121**	**–**	**72,036,151**
	Amount	**71.98**	**0.06**	**–**	**72.04**
Year Ended 31 March 2023					
	No. of Shares	71,871,618	105,412	–	71,977,030
	Amount	71.87	0.11	–	71.98

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by Holding Company / and their Subsidiaries

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Holding Company		
– Mahindra & Mahindra Limited	**41,812,257**	41,812,257

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
– Mahindra & Mahindra Limited	**41,812,257**	**58.04%**	41,812,257	58.09%
– Nippon Life India Trustee Limited	**3,839,999**	**5.33%**	5,107,460	7.10%

(v) Shareholding of Promoters / Promoter Group:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	% of total shares	% Change during the year
Mahindra & Mahindra Limited	**41,812,257**	**58.04%**	**-0.05%**
Total	**41,812,257**	**58.04%**	**-0.05%**

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
Mahindra & Mahindra Limited	41,812,257	58.09%	-0.09%
Total	41,812,257	58.09%	-0.09%

Notes:

i) Above list certified by Registrar and Share Transfer Agent.

ii) For details of shares reserved for issuance under options, please refer note no. 29.

Note No. 18 – Other Equity

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium reserve	**128.05**	125.12
Equity-settled employee benefits reserve	**6.82**	6.89
Retained earnings	**468.54**	423.93
Total	**603.41**	555.94

Movement in Reserves

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Securities Premium Reserve		
Balance as at the beginning of the year	**125.12**	120.16
Add: Additions during the year	**2.93**	4.96

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the end of the year	**128.05**	125.12
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the period	**6.89**	10.15
Add: Additions during the period	**2.86**	1.70
Less: Deletion during the period	**(2.93)**	(4.96)
Balance as at the end of the period	**6.82**	6.89
(C) Retained Earnings		
Balance as at the beginning of the period	**423.93**	372.62
Add: Profit for the period	**61.98**	64.53
Add: Actuarial gain/(loss) for the period	**0.64**	1.17
Less: Payment of dividend	**(18.01)**	(14.39)
Balance as at the end of the period	**468.54**	423.93

Nature and purpose of other reserves:

Securities Premium Reserve:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity-settled employee benefits reserve:

Equity settled employee benefit reserve represents reserve towards the premium for the equity shares to be issued against the options granted.

Retained Earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013. In respect of the current year, the Board has proposed a final dividend of ₹ 2.50 per equity share of the Company. Dividend will be payable subject to the approval of the Members at the ensuing Annual General Meeting and deduction of tax at source to those Members whose names appear in the Register of Members / List of beneficial owners as on Book Closure date and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 18.01 crores. The payment of this dividend will not have any tax consequences for the Company.

In the month of July 2023, final dividend of ₹ 2.50 per share (total dividend ₹ 18.01 Crores) was paid to the Members of the Company in compliance with requirements of the Companies Act, 2013.

Note No. 19 – Borrowings

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Unsecured Borrowings				
a) from Banks	**82.00**	**–**	150.00	–
Total Borrowings	**82.00**	**–**	150.00	–

Notes:

i) Unsecured borrowing from banks is in the nature of working capital demand loans with tenure upto 120 days.

ii) Working capital facilities has been availed at the rate of interest ranging between 7.48% to 9.40%

Note No. 20 – Other Financial Liabilities

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
a) Security Deposits	**11.48**	**–**	8.69	–
b) Creditors for Capital Supplies/Services	**2.54**	**–**	7.69	–
c) Deferred Revenue	**–**	**–**	1.27	–
d) Interest Accrued but not due	**0.15**	**–**	0.21	–
e) Unclaimed Dividend	**0.02**	**–**	0.01	–
Total	**14.19**	**–**	17.87	–

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 21 – Provisions

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for Compensated absences	**4.14**	**13.92**	3.71	13.37
Total	**4.14**	**13.92**	3.71	13.37

Note No. 22 – Other Liabilities

₹ in Crores

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Advances received from customers	**1.18**	**–**	0.35	–
Statutory dues (other than income taxes)				
a) Taxes Payable	**8.40**	**–**	9.85	–
b) Employee Liabilities	**2.21**	**–**	2.19	–
Post - Employment Benefit-Gratuity Liability	**2.47**	**–**	2.67	–
Financial guarantee contracts	**1.07**	**4.91**	1.14	5.98
Total	**15.33**	**4.91**	16.20	5.98

Note:

For disclosures related to employee benefits, refer note 40.

Note No. 23 – Trade Payables

₹ in Crores

Particulars	As at 31 March 2024	As at 31 March 2023
	Current	Current
Total outstanding dues of micro enterprises and small enterprises	**98.13**	66.12
Total outstanding dues other than micro enterprises and small enterprises:		
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	**834.74**	826.61
Total	**932.87**	892.73

Trade Payable ageing as at 31 March 2024

₹ in Crores

Particulars	Outstanding for following periods from due date of payment				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	**96.30**	**1.19**	**0.64**	**–**	**98.13**
(ii) Others	**802.07**	**28.31**	**1.92**	**2.44**	**834.74**
(iii) Disputed Dues - MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Dues - Others	**–**	**–**	**–**	**–**	**–**
Total	**898.37**	**29.50**	**2.56**	**2.44**	**932.87**

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Trade Payable ageing as at 31 March 2023

₹ in Crores

Particulars	Outstanding for following periods from due date of payment Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	64.84	0.42	0.05	0.81	66.12
(ii) Others	794.97	14.46	10.18	7.00	826.61
(iii) Disputed Dues - MSME	–	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–	–
Total	859.81	14.88	10.23	7.81	892.73

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Micro, Small & Medium enterprises have been identified by the Company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below. This has been relied upon by the auditors.

₹ in Crores

Particulars	**As at 31 March 2024**	As at 31 March 2023
a) Dues remaining unpaid		
– Principal	**98.13**	66.12
– Interest on the above	**–**	–
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day during the year-		
– Principal paid beyond the appointed date	**8.06**	0.39
– Interest paid in terms of section 16 of the Act	**–**	0.01
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.45**	–
d) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**–**	–
e) Amount of interest accrued and remaining unpaid at the end of accounting year	**–**	–

Note No. 24 - Revenue from Operations

₹ in Crores

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
a) Revenue from rendering of services	**4,529.90**	4,450.68
b) Other operating revenue (Sale of Traded & Manufactured Goods)	**–**	8.22
Total	**4,529.90**	4,458.90

A. Continent-wise break up of Revenue

Year ended 31 March 2024

₹ in Crores

Country	**Revenue from contracts with customers**	**Revenue from operations from other than customers**	**Total Revenue from Operations**	**Other Income**	**Total Income**
Asia					
India	**4,529.90**	**–**	**4,529.90**	**13.30**	**4,543.20**
Total	**4,529.90**	**–**	**4,529.90**	**13.30**	**4,543.20**

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Year ended 31 March 2023

₹ in Crores

Country	Revenue from contracts with customers	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Asia					
India	4,458.90	–	4,458.90	12.04	4,470.94
Total	4,458.90	–	4,458.90	12.04	4,470.94

B. Reconciliation of revenue from contract with customer

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contract with customer as per the contract price	**4,650.83**	4,548.25
Adjustments made to contract price on account of :-		
a) Trade discounts, volume rebates, returns etc.	**120.93**	89.35
Revenue from contract with customer as per the Statement of Profit and Loss	**4,529.90**	4,458.90

C. Break-up of Provision for Expected Credit Losses recognised in P&L

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expected Credit loss recognised during the year on trade receivables	**12.27**	(1.05)

D Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	**397.05**	377.97
Additions during the year	**402.30**	390.06
Reclassification Adjustments:		
– Reclass of opening balances of contract assets to trade receivables	**(367.47)**	(370.98)
Closing Balance	**431.88**	397.05

Movement of Contract Liabilities

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	**0.35**	0.63
Additions during the year	**1.18**	0.35
Reclassification Adjustments:		
– Reclass of opening balances of contract liabilities to revenue	**(0.35)**	(0.63)
Closing Balance	**1.18**	0.35

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 25 - Other Income

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Interest Income		
(i) Financial assets carried at amortised cost	**4.66**	3.54
(ii) Finance Income on Net investment in Lease	**1.68**	3.38
(iii) Other Assets	**3.75**	2.60
b) Miscellaneous Income		
(i) Net gain arising on financial assets carried at FVTPL	**1.29**	0.80
(ii) Provision no longer required written back	**0.16**	0.39
(iii) Other non operating income	**1.76**	1.33
Total	**13.30**	12.04

Other non operating income mainly includes commission on corporate guarantee, sale of scrap, etc.

Note No. 26 - Cost of materials consumed

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventory of Raw Materials	**0.41**	0.98
Add: Purchases	**–**	6.01
	0.41	6.99
Less: Closing inventory	**–**	0.41
Total Cost of materials consumed	**0.41**	6.58

Note No. 27 - Changes in inventories of finished goods

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventories:		
Finished goods	**–**	0.45
	–	0.45
Less: Closing inventories:		
Finished goods - Cultivators	**–**	–
	–	–
Net increase in inventories	**–**	0.45

Note No. 28 - Operating Expenses

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Freight & Other Related Expenses	**3,232.43**	3,162.54
Labour & Other Related Expenses	**471.91**	478.85
Rent	**25.25**	48.90
Warehouse & Other Related Expenses	**58.63**	60.66
Hire & Service Charges	**17.67**	18.99
Power & Fuel	**16.67**	15.87
Repairs Machinery	**5.29**	6.18
Repairs Building	**1.53**	0.87
Total	**3,829.38**	3,792.86

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 29 - Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Salaries and wages, including bonus	**236.28**	243.12
b) Contribution to provident and other funds	**12.41**	12.57
c) Gratuity	**3.96**	4.15
d) Share based payment expenses (net of recovery)	**2.43**	1.45
e) Staff welfare expenses	**29.86**	27.75
Total	**284.94**	289.04

Notes:

i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

ii) Contribution to provident fund and other funds includes contributions to other funds like superannuation fund, ESIC, etc. pertaining to employees.

iii) Share based payment

The Company has in force two Employee Stock Option schemes under the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

Mahindra Logistics Limited – Key Executive Stock Option Scheme, 2012 (“KESOS 2012”) and Mahindra Logistics Employee Restricted Stock Unit Plan 2018 (“RSU Plan 2018”).

Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company under the respective schemes at the time of grant. The vesting pattern of the schemes is in a graded manner as per the vesting criteria approved by the Nomination and Remuneration Committee of the Board (“NRC”) for each grant.

During the financial year under review, in accordance with the RSU Plan 2018 as approved by the Shareholders vide special resolutions dated 2 August 2018 and 27 July 2021, the NRC granted 66,329 Restricted Stock Units (“RSUs”) to the eligible employees of the Company and its subsidiary company which vests on the expiry of 12 months, 24 months, 36 months from the grant date.

The RSUs upon vesting basis the vesting criteria approved by the NRC are exercisable over a period of one year from the date of vesting.

No new grants were made in KESOS Scheme 2012 during the year under review and all the options vested under the said scheme have been exercised in full until previous years.

iv) Information in respect of options outstanding:

₹ in Crores

Particulars	Grant Date	Expiry Date	Fair value at Grant Date	No of options outstanding Year ended 31 March 2024	 Year ended 31 March 2023
Equity Settled at exercise price of ₹ 10 each					
i. Restricted Stock Units	23/10/2023	01/11/2027	365.97	**16,917**	–
ii. Restricted Stock Units	23/10/2023	01/11/2026	367.34	**16,914**	–
iii. Restricted Stock Units	23/10/2023	01/11/2025	368.64	**17,425**	–
iv. Restricted Stock Units	01/02/2023	01/11/2026	455.45	**13,093**	19,227
v. Restricted Stock Units	01/02/2023	01/11/2025	456.70	**13,088**	19,231
vi. Restricted Stock Units	01/02/2023	31/01/2025	457.62	**15,771**	19,812
vii. Restricted Stock Units	27/01/2022	26/01/2024	659.54	**–**	1,421
viii. Restricted Stock Units	27/10/2021	26/10/2023	656.20	**–**	12,691
ix. Restricted Stock Units	29/07/2020	30/06/2023	278.98	**–**	2,273
x. Restricted Stock Units	30/07/2020	30/06/2025	273.47	**200,000**	200,000
xi. Restricted Stock Units	04/11/2019	17/07/2022	365.31	**–**	6,668
xii. Restricted Stock Units	04/11/2019	30/06/2023	364.31	**–**	13,949
xiii. Restricted Stock Units	01/11/2018	30/06/2023	536.01	**–**	22,119

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

v) Movement in Share Options

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Number of Shares	**Weighted average exercise price**	Number of Shares	Weighted average exercise price
a) The number and weighted average exercise prices of share options outstanding at the beginning of year	**317,391**	**10.00**	462,781	10.00
b) Granted during the year	**66,329**	**10.00**	68,839	10.00
c) Lapsed during the year	**31,391**	**10.00**	108,817	10.00
d) Exercised during the year	**59,121**	**10.00**	105,412	10.00
e) Outstanding at the end of the year	**293,208**	**10.00**	317,391	10.00
f) Exercisable at the end of the year	**15,771**	**10.00**	59,121	10.00
g) Remaining contractual life (no. of days)		**673**		787

vi) The inputs used in the measurement of the fair values at grant date of the employee stock option plans (ESOPs) were as follows.

Particulars / Grant Date	23/10/2023 RSU (i)	23/10/2023 RSU (ii)	23/10/2023 RSU (iii)	01/02/2023 RSU (iv)	01/02/2023 RSU (v)
Share price at grant date	381.20	381.20	381.20	470.00	470.00
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	35.65%	37.57%	41.56%	41.07%	42.31%
Expected life / Option Life (weighted-average)	2.03	3.03	4.03	2.00	2.75
Expected dividends yield	0.52%	0.52%	0.52%	0.40%	0.40%
Risk-free interest rate (based on government bonds)	7.46%	7.55%	7.52%	7.11%	7.16%

Particulars / Grant Date	01/02/2023 RSU (vi)	27/01/2022 RSU (vii)	27/10/2021 RSU (viii)	29/07/2020 RSU (ix)	30/07/2020 RSU (x)
Share price at grant date	470.00	672.20	668.95	292.35	288.90
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	43.65%	42.00%	40.57%	20.94%	21.03%
Expected life / Option Life (weighted-average)	3.75	2.00	2.00	2.92	4.92
Expected dividends yield	0.40%	0.27%	0.27%	0.55%	0.55%
Risk-free interest rate (based on government bonds)	7.22%	5.14%	4.70%	4.65%	5.16%

Particulars / Grant Date	04/11/2019 RSU (xi)	04/11/2019 RSU (xii)	01/11/2018 RSU (xiii)
Share price at grant date	378.25	378.25	549.85
Exercise price	10.00	10.00	10.00
Expected volatility (weighted-average)	29.09%	29.09%	34.30%
Expected life / Option Life (weighted-average)	3.70	2.00	4.66
Expected dividends yield	0.44%	0.44%	0.27%
Risk-free interest rate (based on government bonds)	6.25%	5.83%	7.98%

vii) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

viii) Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 30 - Finance Costs

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Interest expense on financial instruments designated at amortised cost	**9.30**	8.50
b) Interest expense on lease liability	**34.31**	32.91
c) Interest on delayed payment of statutory dues	**0.05**	–
d) Interest to MSME Vendors	**0.45**	0.01
Total	**44.11**	41.42

Note No. 31 - Depreciation and Amortisation Expense

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Depreciation on Property, Plant and Equipment	**47.28**	44.44
b) Amortisation on Right-of-use asset	**123.42**	114.57
c) Amortisation on Intangible Assets	**6.84**	10.16
Total	**177.54**	169.17

Note No. 32 - Other Expenses

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Rent including lease rentals	**17.01**	10.22
b) Legal and Other professional costs	**38.84**	33.03
c) Hire and service charges	**1.94**	2.44
d) Travelling and Conveyance expense	**11.58**	11.79
e) Bad debts	**6.44**	4.30
Less: Adjusted against Provision for bad & doubtful debts	**(3.91)**	(2.76)
f) Provision for bad & doubtful debts	**16.18**	1.71
g) Advances written off	**(0.22)**	0.78
Less: Adjusted against Provision for bad & doubtful debts	**–**	(0.78)
h) Provision for doubtful advance	**0.32**	0.69
i) Expenditure on Corporate Social Responsibility (CSR) (refer note below)	**1.04**	1.07
j) Advertisement	**2.31**	1.89
k) Net loss on sale of property, plant and equipments	**2.17**	0.23
l) Repairs and Maintenance:	**4.75**	4.25
i) Buildings	**0.08**	0.07
ii) Machinery	**0.29**	0.36
iii) Others	**4.38**	3.82
m) Payment to Statutory auditors	**0.58**	0.45
i) As Auditors	**0.56**	0.42
ii) For Other services & Reimbursement of expenses	**0.02**	0.03
n) Miscellaneous expense	**23.75**	24.37
Total	**122.78**	93.68

Note:

Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 ₹ 1.04 crores (2023 : ₹ 1.07 crores).

₹ in Crores

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Amount required to be spent by the company during the year	**0.99**	1.03
(ii) Amount of expenditure incurred	**1.04**	1.07
(iii) Shortfall at the end of the year	**–**	–
(iv) Total of previous years shortfall	**–**	–
(v) Reason for shortfall	**NA**	NA
(vi) Nature of CSR activities		
a) Building Communities	**0.14**	0.16
b) Disaster Management	**–**	–
c) Nanhi Kali	**0.51**	0.52
d) Skill Development	**0.26**	0.26
e) Sustainability	**0.13**	0.13
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation	**0.51**	0.52
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**NA**	NA

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 33 - Exceptional Items

The Company had on 30 March 2023, entered into a Business Transfer Agreement with MLL Express Services Private Limited (formerly known as Meru Travel Solutions Private Limited) ("MESPL"), a wholly-owned subsidiary of the Company for the sale / transfer of its Express Network business as a going concern on slump exchange basis, for consideration of ₹ 20.83 crores payable by MESPL by way of issue of equity shares, effective 1 April 2023. The Company has recognised gain of ₹ 1.50 crores as an 'exceptional item' in the Statement of Profit and Loss for the year ended 31 March 2024.

Sale consideration, Book value of assets transferred & Gain on the transaction is as follows:

(₹ in Crores)

Particulars	Amount	Amount
Sale consideration		20.83
Less: Book value of assets transferred		
Total Assets Transferred	43.85	
Total Liabilities Transferred	24.52	
Book value of assets transferred		19.33
Gain on sale		**1.50**

Pursuant to the approval granted by the Investment Committee of the Board of Directors of the Company, at its meeting held on 20 December 2023, the Company had entered into a Share Purchase Agreement ("Agreement") with Transtech Logistics Private Limited ("TLPL") an associate of the Company and the Promoters of TLPL, for sale/transfer of the 39.79% stake held by the Company in TLPL i.e., 100 equity shares of ₹ 10 each and 65,988 Compulsorily Convertible Preference Shares of ₹ 50 each, for a consideration of ₹ 0.01 Crores to be discharged by the Promoters of TLPL in cash to the Company. Pursuant to this, TLPL ceased to be an associate of the Company effective 20 December 2023. The Company has recognised gain of ₹ 0.01 Crores as an 'exceptional item' in the Statement of Profit and Loss for the year ended 31 March 2024.

Sale consideration, Book value of investment & Gain on the transaction is as follows:

(₹ in Crores)

Particulars	Amount	Amount
Sale consideration		0.01
Less: Book value of assets transferred		
Amount invested	4.00	
Impairment proivison	4.00	
Book value of investment		–
Gain on sale		**0.01**

Note No. 34 - Assets & Liabilities Held For Sale

On 30 March 2023, pursuant to approval granted by the Investment Committee of the Board of Directors, the Company entered into a Business Transfer Agreement (BTA) with MLL Express Services Private Limited (formerly known as Meru Travel Solutions Private Limited) ("MESPL"), wholly-owned subsidiary of the Company for sale / transfer of the Express Network business of the Company as a going concern on slump exchange basis, effective 1 April 2023, for a lump sum consideration of ₹ 20.83 Crores to be discharged by MESPL through issue of equity shares to the Company, on the terms and conditions more specifically defined in the said agreement. The completion of the transaction is subject to the conditions of the BTA.

Accordingly the Company has classified the Assets and Liabilities pertaining to Express Network business under the head "held for sale" in balance sheet as at 31 March 2023. The said transaction was completed during the year.

Note No. 35 - Current and Deferred Tax

(a) Income Tax recognised in Profit & Loss

(₹ in Crores)

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
A. Current Tax:		
a) In respect of current year	**28.60**	22.64
b) In respect of prior years	**(0.33)**	(3.95)
Total	**28.27**	18.69
B. Deferred Tax:		
a) In respect of current year	**(4.70)**	(2.78)
b) In respect change in tax rate	**–**	–
Total	**(4.70)**	(2.78)
Total (A+B)	**23.57**	15.91

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(b) Income tax recognised in Other Comprehensive Income

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Current Tax:		
Remeasurement of defined benefit obligations	–	(0.40)
Total	–	(0.40)
B. Deferred Tax:	**(0.25)**	–
Total	**(0.25)**	–
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(0.25)**	(0.40)
Total	**(0.25)**	(0.40)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit Before tax	**84.04**	77.74
Applicable Income tax rate #	**25.17%**	25.17%
Expected Income tax expense	**21.15**	19.57
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible in determining taxable profit	**0.50**	0.29
Reversal of deferred tax asset on impairment of investment	**1.01**	–
Effect of net additional / (reversal) of provision in respect of prior years	**0.91**	(3.95)
Income tax expense recognised In profit or loss	**23.57**	15.91

Notes:

The tax rate used in reconciliations above is the corporate tax rate of 22% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

(d) Amounts on which deferred tax asset has not been created and related expiry period

(₹ in Crores)

Particulars	As at 31 March 2024
(i) Unused tax losses (revenue in nature)	
Expiry period	
Up to Five Years	–
More than Five Years	–
No Expiry Date	–
Total	–
(ii) Unused tax losses (capital in nature)	
Expiry period	
Up to Five Years	–
More than Five Years	**4.96**
No Expiry Date	–
Total	**4.96**

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 36 - EARNINGS PER SHARE

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**8.60**	8.97
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**8.58**	8.94

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Profit / (loss) for the period attributable to owners of the Company	**61.98**	64.53
Profit / (loss) for the period used in the calculation of basic earnings per share	**61.98**	64.53
Weighted average number of equity shares	**72,034,374**	71,955,161
Earnings per share from continuing operations - Basic (in ₹)	**8.60**	8.97

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Profit for the year used in the calculation of basic earnings per share	**61.98**	64.53
b) Add: adjustments on account of dilutive potential equity shares	**–**	–
Profit for the year used in the calculation of diluted earnings per share	**61.98**	64.53

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a) Weighted average number of equity shares used in the calculation of Basic EPS	**72,034,374**	71,955,161
b) Add: Dilutive impact of potential equity shares on account of ESOPs and RSUs	**214,914**	218,671
Weighted average number of equity shares used in the calculation of Diluted EPS	**72,249,288**	72,173,832
Earnings per share from continuing operations - Diluted (in ₹)	**8.58**	8.94

Note No. 37 - FINANCIAL INSTRUMENTS

i) Capital Management Policy

a) The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of Company's capital management, capital includes issued share capital, equity as well as preference, all other Equity reserves and Borrowings. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

c) The following table shows the components of capital:

(₹ in Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
A. Equity	**675.46**	627.98
B. Borrowing	**82.00**	150.00
C. Investment	**–**	(65.04)
D. Cash and Cash Equivalents	**(15.31)**	(114.64)
Total	**742.15**	598.30

Notes:

The above capital management disclosures are based on the information provided internally to key management personnel.

ii) Categories of financial assets and financial liabilities

(₹ in Crores)

Particulars	As at 31 March 2024			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Investments	**331.99**	**–**	**–**	**331.99**
b) Loans	**4.40**	**–**	**–**	**4.40**
c) Other Financial Assets	**63.65**	**–**	**–**	**63.65**
Total	**400.04**	**–**	**–**	**400.04**
B. Current Assets				
a) Investments	**–**	**–**	**–**	**–**
b) Trade Receivables	**508.92**	**–**	**–**	**508.92**
c) Cash and Bank Balances	**15.33**	**–**	**–**	**15.33**
d) Other Financial Assets	**427.66**	**–**	**–**	**427.66**
Total	**951.91**	**–**	**–**	**951.91**
C. Non-current Liabilities				
a) Borrowings	**–**	**–**	**–**	**–**
b) Lease Liabilities	**263.02**	**–**	**–**	**263.02**
Total	**263.02**	**–**	**–**	**263.02**
D. Current Liabilities				
a) Borrowings	**82.00**	**–**	**–**	**82.00**
b) Lease Liabilities	**118.75**	**–**	**–**	**118.75**
c) Trade Payables	**932.87**	**–**	**–**	**932.87**
d) Other Financial Liabilities	**14.19**	**–**	**–**	**14.19**
Total	**1,147.81**	**–**	**–**	**1,147.81**

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Particulars	As at 31 March 2023			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Investments	**194.84**			**194.84**
b) Loans	**4.40**			**4.40**
c) Other Financial Assets	**55.00**	**–**	**–**	**55.00**
Total	**254.24**	**–**	**–**	**254.24**
B. Current Assets				
a) Investments	**–**	**65.04**	**–**	**65.04**
b) Trade Receivables	**451.38**	**–**	**–**	**451.38**
c) Cash and Bank Balances	**114.65**	**–**	**–**	**114.65**
d) Other Financial Assets	**412.92**	**–**	**–**	**412.92**
Total	**978.95**	**65.04**	**–**	**1,043.99**
C. Non-current Liabilities				
a) Borrowings	**–**	**–**	**–**	**–**
b) Lease Liabilities	**299.21**	**–**	**–**	**299.21**
Total	**299.21**	**–**	**–**	**299.21**
D. Current Liabilities				
a) Borrowings	**150.00**	**–**	**–**	**150.00**
b) Lease Liabilities	**105.51**	**–**	**–**	**105.51**
c) Trade Payables	**892.73**	**–**	**–**	**892.73**
d) Other Financial Liabilities	**17.87**	**–**	**–**	**17.87**
Total	**1,166.11**	**–**	**–**	**1,166.11**

iii) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

a) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterparty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from one large customer of the Company, the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single Company did not exceed 15% of trade receivables at the end of the year.

(iv) The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(vi) The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:

				(₹ in Crores)
Particulars	**Not Due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
As at 31 March 2024				
a) Gross carrying amount	**223.66**	**198.42**	**100.93**	**523.01**
b) Loss allowance provision	**–**	**–**	**–**	**14.09**
As at 31 March 2023				
a) Gross carrying amount	203.93	187.58	74.69	466.20
b) Loss allowance provision	–	–	–	14.82

(vii) Reconciliation of loss allowance provision for Trade Receivables

(₹ in Crores)

Particulars	**As at 31 March 2024**	As at 31 March 2023
a) Balance as at beginning of the year	**14.82**	16.82
b) Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**1.68**	2.05
– Other receivables	**2.04**	2.25
c) Impairment losses reversed/written back	**(4.45)**	(6.30)
d) Balance at end of the year	**14.09**	14.82

(viii) During the year, the Company has written off ₹ 6.44 crores (Previous year ₹ 4.30 crores) of trade receivables and ₹ 0.32 crores (Previous year ₹ 0.69 crores) advances given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Company has Nil investments as at 31 March 2024 (₹ 65.04 crores as at 31 March 2023) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31 March 2024, the Company holds cash and cash equivalents of ₹ 15.31 crores (As at 31 March 2023 ₹ 114.64 crores).

The cash and cash equivalents are held with banks with good credit rating.

b) Liquidity risk management

(i) The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilities

(₹ in Crores)

		As at 31 March 2024		
Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
a) Trade Payables	**932.87**	**–**	**–**	**–**
b) Borrowings	**82.00**	**–**	**–**	**–**
c) Lease Liabilities	**129.53**	**190.11**	**70.37**	**48.33**
d) Security Deposits	**11.48**	**–**	**–**	**–**
e) Creditors for capital supplies	**2.54**	**–**	**–**	**–**
f) Deferred Revenue	**–**	**–**	**–**	**–**
g) Interest Accrued but not due	**0.15**	**–**	**–**	**–**
h) Unclaimed Dividend	**0.02**	**–**	**–**	**–**
Total	**1,158.59**	**190.11**	**70.37**	**48.33**

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Particulars		As at 31 March 2023 Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities					
a)	Trade Payables	892.73	–	–	–
b)	Borrowings	150.00	–	–	–
c)	Lease Liabilities	146.47	280.17	42.77	25.53
d)	Security Deposits	8.69	–	–	–
e)	Creditors for capital supplies	7.69	–	–	–
f)	Deferred Revenue	1.27	–	–	–
g)	Interest Accrued but not due	0.21			
h)	Unclaimed Dividend	0.01			
Total		1,207.07	280.17	42.77	25.53

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

(₹ in Crores)

Particulars	**As at 31 March 2024**	As at 31 March 2023
a) Unsecured Cash Credit facility		
(Includes working capital demand loan, Short term loan and overdraft, bank guarantee)		
– Expiring within one year	**259.76**	140.33
– Expiring beyond one year	**0.33**	1.76

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

(₹ in Crores)

Particulars		**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
As at 31 March 2024					
A.	**Non-derivative financial assets**				
a)	Trade Receivables	**508.92**	**–**	**–**	**–**
b)	Security Deposits	**18.88**	**15.86**	**4.06**	**22.21**
c)	Others	**408.78**	**21.51**	**–**	**–**
As at 31 March 2023					
A.	**Non-derivative financial assets**				
a)	Trade Receivables	**451.38**	**–**	**–**	**–**
b)	Security Deposits	**17.00**	**11.66**	**11.40**	**18.94**
c)	Others	**371.50**	**35.24**	**–**	**–**

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

c) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

(₹ in Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payable	**0.22**	–

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

Particulars	Name of borrowing	Type of Interest	Rate of interest	Loan amount outstanding	Increase in Base Rate (p.a.)	Sensitivity Impact on P&L (pre-tax)	Decrease in Base Rate (p.a.)	Sensitivity Impact on P&L (pre-tax)
Year ended 31 March 2024	Working Capital Demand Loan	Floating	7.48% to 9.40%	82.00	1.00%	(0.82)	1.00%	0.82
Year ended 31 March 2023	Working Capital Demand Loan	Floating	5.05% to 8.90%	150.00	1.00%	(1.50)	1.00%	1.50

Note No. 38 - Fair Value Measurement

a) Fair Valuation Techniques and Inputs used - recurring items

(₹ in Crores)

Financial assets/financial liabilities measured at Fair value	Fair value as at: As at 31 March 2024	Fair value as at: As at 31 March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
A) Financial assets						
Investments						
Mutual fund investments	**–**	65.04	Level 1	Quoted Market Prices	NA	NA

As at the reporting date, the Company does not have any financial liability measured at fair values.

b) Fair value of financial assets and financial liabilities that are measured at amortised cost:

(₹ in Crores)

Particulars	As at 31 March 2024 Carrying amount	As at 31 March 2024 Fair value	As at 31 March 2023 Carrying amount	As at 31 March 2023 Fair value
A) Financial assets				
a) Financial assets carried at Amortised Cost				
i) Non current investment	**331.99**	**331.99**	194.84	194.84
ii) Loans to related parties	**4.40**	**4.40**	4.40	4.40
iii) Trade and other receivables	**508.92**	**508.92**	451.38	451.38
iv) Deposits given	**61.01**	**61.01**	59.00	59.00
v) Cash and cash equivalents	**15.31**	**15.31**	114.64	114.64
vi) Bank Balances Other than v above	**0.02**	**0.02**	0.01	0.01
vii) Others	**430.30**	**430.30**	406.74	406.74
Total	**1,351.95**	**1,351.95**	1,231.01	1,231.01
B) Financial liabilities				
a) Financial liabilities held at Amortised cost				
i) Lease Liabilities	**381.77**	**381.77**	404.72	404.72
ii) Deposits received	**11.48**	**11.48**	8.69	8.69
iii) Trade and other payables	**932.87**	**932.87**	892.95	892.95
iv) Creditors for capital supplies	**2.54**	**2.54**	7.69	7.69
v) Deferred Revenue	**–**	**–**	1.27	1.27
vi) Interest Accrued	**0.15**	**0.15**	0.21	0.21
vii) Unclaimed Dividend	**0.02**	**0.02**	0.01	0.01
Total	**1,328.83**	**1,328.83**	1,315.54	1,315.54

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 39 - Leases

Operating Lease

Following are the changes in the carrying value of right of use assets:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Balance as at 1 April	**358.73**	297.72
Additions	**137.77**	204.76
Disposals	**(40.77)**	(29.18)
Amortisation expense for the year	**(123.42)**	(114.57)
Balance as at 31 March	**332.31**	358.73

The following is the movement in lease liabilities:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Lease liabilities recognised at 1 April	**404.72**	361.40
Additions	**135.34**	198.11
Finance cost accrued during the period	**34.31**	32.91
Deletions	**(42.58)**	(45.96)
Payment of lease liabilities	**(150.02)**	(141.74)
Balance as at 31 March	**381.77**	404.72

The following is the break-up of current and non-current lease liabilities:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Non-current lease liabilities	**263.02**	299.21
Current lease liabilities	**118.75**	105.51
Total	**381.77**	404.72

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Less than one year	**129.53**	146.47
One to Three years	**190.11**	280.17
Three to five years	**70.37**	42.77
More than five years	**48.33**	25.53
Total undiscounted lease liabilities at Balance sheet date	**438.34**	494.94

Rental expense recorded for short-term leases was ₹ 42.26 crore (Previous Year: ₹ 59.13 crores) for the year ended 31 March 2024.

The following is the movement in the net investment in sublease of ROU asset during the year:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net investment in sublease in ROU recognised at 1 April	**23.66**	46.11
Additions	**–**	–
Finance Income on net investment in sublease in ROU	**1.68**	3.38
Deletions	**–**	(14.71)
Rental Income on net investment in sublease in ROU	**(8.27)**	(11.12)
Balance as at 31 March	**17.07**	23.66

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Less than one year	**8.68**	8.26
One to Three years	**9.87**	18.55
Three to five years	**–**	–
More than five years	**–**	–
Total	**18.55**	26.81

Amounts recognised in Statement of Profit and Loss

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	**34.31**	32.91
Variable lease payments not included in measurement of lease liabilities	**–**	–
Expense on sub-leasing right of use asset	**6.59**	7.74
Expense relating to short term leases	**42.26**	59.12
Expense relating to low value leases	**16.83**	18.49
Depreciation expense of right of use asset	**123.42**	114.57
Total Expenses	**223.41**	232.83

Amounts recognised in Statement of cash flows

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total cash outflows for leases	**(150.02)**	(141.74)

Note No. 40 - Employee Benefits

a) **Defined Contribution Plan**

The Company's contribution to Provident Fund, superannuation Fund and other funds aggregating ₹ 12.41 crore (2023: ₹ 12.57 crore) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

b) **Defined Benefit Plans:**

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Group Gratuity Scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The funds of the defined benefit plans are held with LIC.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(2) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(3) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(4) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars		**Valuation**	
		As at 31 March 2024	As at 31 March 2023
a)	Discount rate(s)	7.15%	7.30%
b)	Expected rate(s) of salary increase	7.00%	7.00%
c)	Mortality rate during employment	100% of IALM 2012-14 Ultimate	100% of IALM 2012-14 Ultimate

d) Defined benefit plans – as per actuarial valuation

(₹ in Crores)

Particulars		**Funded Plan – Gratuity**	
		As at 31 March 2024	As at 31 March 2023
I.	**Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:**		
	a) Current Service Cost	**3.76**	3.80
	b) Past service cost and (gains)/losses from settlements	**–**	–
	c) Net interest expense	**0.20**	0.35
	Components of defined benefit costs recognised in profit or loss	**3.96**	4.15
	Remeasurement on the net defined benefit liability		
	a) Return on plan assets (excluding amount included in net interest expense)	**(0.30)**	(0.25)
	b) Actuarial (gains)/loss arising from changes in financial assumptions	**0.27**	(0.84)
	c) Actuarial (gains)/loss arising from changes in demographic assumptions	**(0.24)**	–
	d) Actuarial (gains)/loss arising from experience adjustments	**(0.62)**	(0.49)
	Components of defined benefit costs recognised in Other Comprehensive Income	**(0.89)**	(1.58)
	Total	**3.07**	2.57
II.	**Net Asset/(Liability) recognised in the Balance Sheet as at 31 March**		
	a) Present value of defined benefit obligation	**(24.81)**	(23.59)
	b) Fair value of plan assets	**22.34**	20.92
	c) Surplus/(Deficit)	**(2.47)**	(2.67)
	d) Current portion of the above	**(2.47)**	(2.67)
	e) Non current portion of the above	**–**	–
III.	**Change in the obligation during the year ended 31 March**		
	a) Present value of defined benefit obligation at the beginning of the year	**23.59**	23.11
	b) Add/(Less) on account of Scheme of Arrangement/Business		
	c) Transfer	**(0.58)**	(0.75)
	d) *Expenses Recognised in Profit and Loss Account*		
	– Current Service Cost	**3.76**	3.80
	– Past Service Cost	**–**	–
	– Interest Expense (Income)	**1.73**	1.57
	e) *Recognised in Other Comprehensive Income*		
	Remeasurement gains/(losses)		
	– Actuarial Gain (Loss) arising from:		
	i. Financial Assumptions	**0.27**	(0.84)
	ii. Demographic Assumptions	**(0.24)**	–
	iii. Experience Adjustments	**(0.62)**	(0.49)
	f) Benefit payments	**(3.10)**	(2.81)
	g) Present value of defined benefit obligation at the end of the year	**24.81**	23.59
IV.	**Change in fair value of assets during the year ended 31 March**		
	i) Fair value of plan assets at the beginning of the year	**20.92**	18.02
	ii) *Expenses Recognised in Profit and Loss Account*		
	– Expected return on plan assets	**1.55**	1.22

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Particulars		Funded Plan – Gratuity As at 31 March 2024	As at 31 March 2023
iii)	*Recognised in Other Comprehensive Income*		
	Remeasurement gains/(losses)		
	– Actual Return on plan assets in excess of the expected return	**0.30**	0.25
iv)	Contributions by employer (including benefit payments recoverable)	**2.67**	5.09
v)	Benefit payments	**(3.10)**	(2.81)
vi)	Transfer	**–**	(0.85)
vii)	Fair value of plan assets at the end of the year	**22.34**	20.92
V.	**The Major categories of plan assets**		
–	Insurance Funds	**22.34**	20.92
VI.	**Actuarial assumptions**		
a)	Discount rate	**7.15%**	7.30%
b)	Expected rate of return on plan assets	**7.15%**	7.30%
c)	Attrition rate	**15.00%**	12.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crores)

Principal assumption	Changes in assumption	Impact on defined benefit obligation			
		As at 31 March 2024		As at 31 March 2023	
		Increase in assumption	**Decrease in assumption**	Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**23.42**	**26.35**	22.08	25.34
b) Salary growth rate	1.00%	**26.29**	**23.44**	25.29	22.10
c) Attrition rate	1.00%	**24.73**	**24.89**	23.55	23.66
d) Mortality rate	1.00%	**24.81**	**24.81**	23.61	23.61

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

iii) The weighted average duration of the defined benefit obligation as at 31 March 2024 is 6 years.

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

(₹ in Crores)

Particulars	2024	2023
Within 1 year	**3.66**	**3.08**
1-2 years	**3.75**	**2.72**
2-3 years	**3.30**	**2.92**
3-4 years	**3.13**	**2.67**
4-5 years	**3.11**	**2.57**
5-10 years	**11.07**	**10.98**
More than 10 years	**13.42**	**19.23**

g) Plan Assets

The fair value of Company's plan asset by category are as follows:

(₹ in Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Asset category:		
Deposits with Insurance companies	**22.34**	20.92
	100%	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

h) Experience Adjustments:

					(₹ in Crores)
Particulars	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2020**	**As at 31 March 2019**
	Gratuity				
1. Defined Benefit Obligation	**(24.81)**	(23.59)	(23.11)	(20.37)	(16.51)
2. Fair value of plan assets	**22.34**	20.92	18.02	16.41	13.00
3. Surplus/(Deficit)	**(2.47)**	(2.67)	(5.09)	(3.96)	(3.51)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(0.62)**	(0.49)	1.69	0.77	(0.02)
5. Experience adjustment on plan assets [Gain/(Loss)]	**0.30**	0.25	(0.01)	0.16	0.05

i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

j) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 41 - Related Party Transactions

i) List of Related Parties:

Holding Company	Mahindra & Mahindra Limited
(a) Related Parties where control exists:	
Subsidiaries	
1	2 X 2 Logistics Private Limited
2	Lords Freight (India) Private Limited
3	MLL Express Services Private Limited (Formerly known as Meru Travel Solutions Private Limited) (w.e.f. 17 May 2022)
4	MLL Mobility Private Limited (Formerly known as Meru Mobility Tech Private Limited) (w.e.f. 12 May 2022)
5	V-Link Fleet Solutions Private Limited (merged with MLL Mobility Private Limited w.e.f. 28 March 2024)
6	V-Link Automotive Services Private Limited (merged with MLL Mobility Private Limited w.e.f. 28 March 2024)
7	V-Link Freight Services Private Limited
8	MLL Global Logistics Limited
9	Zipzap Logistics Private Limited (w.e.f. 22 December 2023)
(b) Other parties with whom transactions have taken place during the year:	
(i) Joint Venture	Transtech Logistics Private Limited (ceased to be an joint venture and related party of the company w.e.f. 20 December 2023)
(ii) Associate	Zipzap Logistics Private Limited (w.e.f. 8 April 2022 to 21 December 2023)
(iii) Fellow Subsidiaries	
1	Fifth Gear Ventures Limited
2	Gromax Agri Equipment Limited
3	Mahindra Accelo Limited (Formerly Known As Mahindra Intertrade Limited)
4	Mahindra Defence Systems Limited
5	Mahindra Electric Mobility Limited (Merged with Mahindra & Mahindra Limited w.e.f. 2 February 2023)
6	Mahindra EPC Irrigation Limited
7	Mahindra Heavy Engines Limited
8	Mahindra Holidays And Resorts India Limited
9	Mahindra Industrial Park Chennai Limited
10	Mahindra Integrated Business Solutions Private Limited
11	Mahindra MSTC Recycling Private Limited
12	Mahindra Two Wheelers Limited
13	Mahindra World City (Jaipur) Limited
14	NBS International Limited
15	Mahindra Last Mile Mobility Limited
16	Mahindra Electric AutoMobile Limited
17	Mahindra Susten Private Limited
18	Swaraj Engines Limited
19	Mahindra Racing UK Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(iv) Other Related Parties		
a) Associate of Holding Company		
	1	Brainbees Solutions Private Limited
	2	CIE Automotive India Limited (Formerly Known As Mahindra Cie Automotive Limited, Name Changed w.e.f. 15 May 2023)
	3	Tech Mahindra Limited
b) Joint Venture of Holding Company		
	1	Classic Legends Private Limited

(v) Key Management Personnel (KMP):

Sr. No.	Name of KMP	Designation
1	Dr. Anish Shah	Chairman & Non-Executive Director
2	Mr. Rampraveen Swaminathan	Managing Director & CEO
3	Mr. Amit Kumar Sinha (upto 24 March 2023)	Non-Executive Director
4	Mr. Naveen Raju	Non-Executive Director
5	Ms. Malvika Sinha	Independent Director
6	Mr. Ajay Mehta (upto 27 March 2023)	Independent Director
7	Mr. Darius Pandole	Independent Director
8	Mr. Ranu Vohra	Independent Director
9	Ms. Avani Davda	Independent Director
10	Mr. Dhananjay Mungale	Independent Director
11	Mr. Ameet Hariani (w.e.f. 01 May 2022)	Independent Director

ii) Details of transactions between the Company and its related parties are disclosed below:

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
Nature of transactions with Related Parties							
a) Purchase of PPE and other assets	31-Mar-24	0.20	0.05	–	–	–	–
	31-Mar-23	–	–	0.60	–	–	–
b) Rendering of services	31-Mar-24	2,827.95	33.48	94.19	–	10.06	24.54
	31-Mar-23	2,584.11	0.01	70.95	–	10.55	18.45
c) Availment of services	31-Mar-24	3.34	132.91	0.21	0.06	4.10	–
	31-Mar-23	16.30	54.00	0.13	1.06	3.95	9.16
d) Reimbursements made to parties	31-Mar-24	17.64	8.34	0.24	–	–	–
	31-Mar-23	–	0.47	0.37	–	–	–
e) Reimbursements received from parties	31-Mar-24	–	10.20	–	–	–	–
	31-Mar-23	–	5.24	–	–	–	–
f) Sale of property and other assets	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	0.91	–	–	–	–	–
g) Loans/Deposits given	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	4.40	–	–	–	–
h) Interest Income on inter-corporate deposits	31-Mar-24	–	0.35	–	–	–	–
	31-Mar-23	–	0.19	–	–	–	–
i) Dividend Paid	31-Mar-24	10.45	–	–	–	–	–
	31-Mar-23	8.36	–	–	–	–	–
j) Purchase of Investment in Subsidiaries	31-Mar-24	–	121.98	–	–	–	–
	31-Mar-23	50.41	50.48	–	–	–	–
k) Corporate Guarantee Given	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	220.00	–	–	–	–
l) Corporate Guarantee Commission	31-Mar-24	–	1.21	–	–	–	–
	31-Mar-23	–	0.47	–	–	–	–
m) Business Transferred	31-Mar-24	–	20.83	–	–	–	–
	31-Mar-23	–	36.12	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
Balances Outstanding with Related Parties							
a) Trade payables	31-Mar-24	5.20	13.61	0.15	–	–	–
	31-Mar-23	11.21	11.11	0.03	0.01	0.48	–
b) Trade receivables	31-Mar-24	351.75	2.98	12.28	–	–	5.42
	31-Mar-23	107.24	0.12	4.83	–	4.87	4.14
c) Other receivables	31-Mar-24	–	0.60	–	–	–	–
	31-Mar-23	–	3.21	–	–	–	–
d) Inter Corporate Deposits outstanding	31-Mar-24	–	4.40	–	–	–	–
	31-Mar-23	–	4.57	–	–	–	–
e) Provision of bad & doubtful debts related to amount due from related parties	31-Mar-24	1.83	–	–	–	–	0.66
	31-Mar-23	1.83	–	–	–	–	–

Notes:

a) All the outstanding balances, whether receivables or payables are unsecured.

b) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

c) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

d) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

iii) Details of transactions between Major parties $

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
Nature of transactions with Related Parties							
a) Purchase of PPE and other assets							
NBS International Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	–	0.60	–	–	–
Mahindra & Mahindra Limited	31-Mar-24	0.20	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–
Zipzap Logistics Private Limited	31-Mar-24	–	0.05	–	–	–	–
	31-Mar-23	–	–	–	–	–	–
b) Rendering of services							
Mahindra & Mahindra Limited	31-Mar-24	2,827.95	–	–	–	–	–
	31-Mar-23	2,584.11	–	–	–	–	–
Mahindra Heavy Engines Limited	31-Mar-24	–	–	16.44	–	–	–
	31-Mar-23	–	–	15.17	–	–	–
Mahindra Electric Mobility Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23			13.92			
Classic Legends Private Limited	31-Mar-24	–	–	–	–	–	9.79
	31-Mar-23	–	–	–	–	–	26.59
Mahindra CIE Automotive Limited	31-Mar-24	–	–	–	–	–	14.75
	31-Mar-23	–	–	–	–	–	13.27
Tech Mahindra Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	5.18
Mahindra Two Wheelers Limited	31-Mar-24	–	–	6.04	–	–	–
	31-Mar-23	–	–	7.83	–	–	–
2 X 2 Logistics Private Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	0.01	–	–	–	–
Zipzap Logistics Private Limited	31-Mar-24	–	7.57	–	–	10.06	–
	31-Mar-23	–	–	–	–	10.55	–
Mahindra Last Mile Mobility Limited	31-Mar-24	–	–	64.17	–	–	–
	31-Mar-23	–	–	–	–	–	–
MLL Express Services Private Limited	31-Mar-24	–	25.91	–	–	–	–
	31-Mar-23	–	–	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
c) Availment of services							
Mahindra & Mahindra Limited	31-Mar-24	3.34	–	–	–	–	–
	31-Mar-23	16.30	–	–	–	–	–
Tech Mahindra Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	9.16
Mahindra Integrated Business Solutions Private Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	–	0.09	–	–	–
2 X 2 Logistics Private Limited	31-Mar-24	–	50.04	–	–	–	–
	31-Mar-23	–	13.82	–	–	–	–
Zipzap Logistics Private Limited	31-Mar-24	–	3.22	–	–	4.10	–
	31-Mar-23	–	–	–	–	3.95	–
NBS International Limited	31-Mar-24	–	–	0.12	–	–	–
	31-Mar-23	–	–	0.03	–	–	–
Mahindra Holidays And Resorts India Limited	31-Mar-24	–	–	0.10	–	–	–
	31-Mar-23	–	–	–	–	–	–
Transtech Logistics Private Limited	31-Mar-24	–	–	–	0.06	–	–
	31-Mar-23	–	–	–	1.06	–	–
MLL Mobility Private Limited	31-Mar-24	–	24.33	–	–	–	–
	31-Mar-23	–	30.19	–	–	–	–
MLL Express Services Private Limited	31-Mar-24	–	55.28	–	–	–	–
	31-Mar-23	–	9.99	–	–	–	–
d) Reimbursements made to parties							
Mahindra & Mahindra Limited	31-Mar-24	17.64	–	–	–	–	–
	31-Mar-23	–	–	–	–	–	–
MLL Express Services Private Limited	31-Mar-24	–	7.96	–	–	–	–
	31-Mar-23	–	0.47	–	–	–	–
Mahindra World City (Jaipur) Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	–	0.21	–	–	–
Mahindra Susten Private Limited	31-Mar-24	–	–	0.12	–	–	–
	31-Mar-23	–	–	–	–	–	–
Mahindra Racing UK Limited	31-Mar-24	–	–	0.13	–	–	–
	31-Mar-23	–	–	–	–	–	–
NBS International Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	–	0.16	–	–	–
e) Reimbursements received from parties							
Lords Freight (India) Private Limited	31-Mar-24	–	3.98	–	–	–	–
	31-Mar-23	–	2.81	–	–	–	–
MLL Mobility Private Limited	31-Mar-24	–	2.39	–	–	–	–
	31-Mar-23	–	1.15	–	–	–	–
MLL Express Services Private Limited	31-Mar-24	–	3.62	–	–	–	–
	31-Mar-23	–	1.05	–	–	–	–
f) Sale of Property and other assets							
Mahindra & Mahindra Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	0.91	–	–	–	–	–
g) Loans / Deposits given							
2 X 2 Logistics Private Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	4.40	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Particulars	Year	Holding Company	Subsidiaries	Fellow Subsidiary	Joint Venture	Associate	Other related parties
h) Interest Income on inter-corporate deposits							
2 X 2 Logistics Private Limited	31-Mar-24	–	0.35	–	–	–	–
	31-Mar-23	–	0.19	–	–	–	–
i) Dividend paid							
Mahindra & Mahindra Limited	31-Mar-24	10.45	–	–	–	–	–
	31-Mar-23	8.36	–	–	–	–	–
j) Purchase of Investment in Subsidiaries Company							
Mahindra & Mahindra Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	50.41	–	–	–	–	–
MLL Express Services Private Limited	31-Mar-24	–	100.83	–	–	–	–
	31-Mar-23	–	50.48	–	–	–	–
Zipzap Logistics Private Limited	31-Mar-24	–	21.15	–	–	–	–
	31-Mar-23	–	–	–	–	–	–
k) Corporate Guarantee given							
MLL Express Services Private Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	220.00	–	–	–	–
l) Corporate Guarantee Commission income							
MLL Express Services Private Limited	31-Mar-24	–	1.21	–	–	–	–
	31-Mar-23	–	0.47	–	–	–	–
m) Business Transferred							
MLL Mobility Private Limited	31-Mar-24	–	–	–	–	–	–
	31-Mar-23	–	36.12	–	–	–	–
MLL Express Service Private Limited	31-Mar-24	–	20.83	–	–	–	–
	31-Mar-23	–	–	–	–	–	–

$ Major parties denote entities accounting for 10% or more of the aggregate for that category of transaction during respective year.

iv) Compensation of Key Managerial Personnel

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

The remuneration key managerial personnel during the year was as follows:

(₹ in Crores)

Name of KMP	Year	Short-term employee benefits	Perquisite value of ESOPs exercised	Sitting Fees	Commission	Reimbursement of Expenses paid
Mr. Rampraveen Swaminathan	31-Mar-24	4.35	–	–	–	–
	31-Mar-23	4.15	0.70	–	–	0.19
Ms. Malvika Sinha	31-Mar-24	–	–	0.11	0.07	–
	31-Mar-23	–	–	0.10	0.07	–
Mr. Ajay Mehta	31-Mar-24	–	–	–	–	–
	31-Mar-23	–	–	0.13	0.07	–
Mr. Darius Pandole	31-Mar-24	–	–	0.16	0.07	–
	31-Mar-23	–	–	0.13	0.07	–
Mr. Ranu Vohra	31-Mar-24	–	–	0.16	0.07	–
	31-Mar-23	–	–	0.12	0.07	–
Ms. Avani Davda	31-Mar-24	–	–	0.10	0.07	–
	31-Mar-23	–	–	0.12	0.07	–
Mr. Dhananjay Mungale	31-Mar-24	–	–	0.13	0.07	–
	31-Mar-23	–	–	0.08	0.07	–
Mr. Ameet Hariani	31-Mar-24	–	–	0.10	0.07	–
	31-Mar-23	–	–	0.06	0.07	–

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

v) Disclosure required under section 186(4) of the Companies Act, 2013

(₹ in Crores)

Name	Year ended 31 March 2024	Year ended 31 March 2023
a. Loans Given		
2 X 2 Logistics Private Limited#	**4.40**	4.40
b. Corporate guarantee given towards long term loan taken from banks by		
MLL Express Services Private Limited	**220.00**	220.00

Above inter corporate loan has been given for general business purposes for meeting their working capital requirements @ 8.00% p.a.

Note No. 42 - Ratios

S No.	Particulars	Numerator	Denominator	31 Mar-24	31 Mar-23	% variance
1	Current Ratio	Current Assets	Current Liabilities	0.88	0.94	-6.38%
2	Debt-equity Ratio	Borrowings	Total Equity	0.12	0.24	-50%
3	Debt service coverage Ratio	Profit after tax + Depreciation + Interest + Non cash operating expenses + Loss on sale of assets	Interest + outstanding current borrowing & lease liability	1.24	0.94	31.91%
4	Return on equity	Profit After Tax	Average Shareholder's Equity	9.51%	10.73%	-11.37%
5	Inventory Turnover Ratio	Cost of material consumed	Average Inventory	1.00	7.64	-86.91%
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivables & Accrued Sales	5.06	5.46	-7.33%
7	Trade payables turnover ratio	Purchases of Services & Other Expenses	Average Trade payables	4.31	4.50	-4.22%
8	Net capital turnover ratio	Revenue from Operations	Average Working Capital	(42.86)	104.08	-141.18%
9	Net profit	Net Profit after tax	Revenue from Operations	1.37%	1.45%	-5.52%
10	Return on capital employed	Profit before interest and tax (excluding interest on leases)	Average (Total Equity + Total Debt)	12.22%	12.75%	-4.16%
11	Return on investment	NA	NA	NA	NA	NA

Explanation for change in the ratios by more than 25% :

(i) Debt-equity Ratio : Debt-equity Ratio has improved from 0.24 times in previous year to 0.12 times in current year due to reduction in outstanding borrowings on account of repayments during the year.

(ii) Debt service coverage Ratio : Debt service coverage Ratio has improved from 0.94 times in previous year to 1.24 times in current year due to increase in profits and reduction in borrowings at year end

(iii) Inventory Turnover Ratio (times) : Inventory Turnover Ratio has reduced from 7.64 times in previous year to 1 times in current year since there are no related operations during the year.

(iv) Net capital turnover ratio (times) : Net capital turnover ratio has changed from 104.08 times in previous year to (42.86) times in current year due to increase in revenue and current liabilities during the year.

Note No. 43 - Contingent Liabilities And Commitments

Contingent Liabilities

(₹ in Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contingent liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debt		
a) VAT	**22.89**	22.89
b) Service Tax	**3.68**	3.52
c) Income Tax	**3.12**	3.19
d) GST	**141.24**	–
e) Corporate Guarantee for Subsidiary	**220.00**	220.00
f) Other Matters	**11.11**	**9.39**

Notes:

i) The Company does not expect any payout in respect of the above contingent liabilities.

ii) It is not practicable to estimate the timings of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of appellate/court proceedings.

NOTES TO THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Note No. 44 - Additional Regulatory Information

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) Outstanding Balance with struck off companies :

(₹ in Crores)

Name of the Struck off Company	**Nature of transaction**	**Relationship with the struck off company**	**Balance as on 31 March 2024**	Balance as on 31 March 2023
Leela Trade Links Private Limited	Trade Receivable	External	*****	*
Balaji Translogistic Private Limited	Trade Payable	External	**0.01**	0.01
M.Y. Transport Company Private Limited	Trade Payable	External	**0.61**	0.17

*Amount is below the rounding off norms adopted by the Company.

iii) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

iv) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No. 45

Previous year numbers have been regrouped wherever necessary.

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Saurabh Taneja
Chief Financial Officer

Jignesh Parikh
Company Secretary
Membership No: ACS20413

Place: Mumbai
Date: 22 April 2024

INDEPENDENT AUDITORS' REPORT

To the members of **2 X 2 LOGISTICS PRIVATE LIMITED**

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **2 X 2 Logistics Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) Reporting on the adequacy of internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, under Section 143(3)(i) of the Act, is not applicable in view of the exemption available to the Company in terms of the Notification No. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with General Circular No. 08/2017 dated 25 July 2017.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
Mumbai, April 15, 2024
UDIN: 24040852BKCCCX9361

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified its entire property, plant and equipment during the current year and no material discrepancies were noticed on such verification.

   (c) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) In our opinion and according to the information and explanations given to us, the term loans taken in earlier years have been applied for the purpose for which the loans were obtained.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT- 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non- cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year. The Company has incurred a cash loss of Rs 300.71 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCX9361

Mumbai, April 15, 2024

BALANCE SHEET AS AT 31ST MARCH 2024

Rs. In Lakhs

	Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	**276.56**	449.12
	(b) Intangible Assets	4	**–**	–
	(c) Capital Work in Progess	5	**1,574.87**	–
	(d) Deferred Tax Assets (Net)	19	**397.09**	532.15
	(e) Income Tax Assets (Net)	10	**178.36**	127.69
	(f) Other Non-Current Assets	8	**–**	–
	Total Non-Current Assets		**2,426.88**	1,108.96
II	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	6	**719.34**	179.64
	(ii) Cash and Cash Equivalents	9	**0.01**	0.11
	(iii) Other Financial Assets	7	**357.16**	186.21
	(b) Other Current Assets	8	**753.67**	669.05
	Total Current Assets		**1,830.18**	1,035.01
	TOTAL ASSETS		**4,257.06**	2,143.97
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	11	**901.00**	901.00
	(b) Other Equity	12	**(876.03)**	(1,226.54)
	SUB-TOTAL		**24.97**	(325.54)
	LIABILITIES			
I	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	13	**800.00**	800.00
	(b) Provisions	17	**11.52**	10.95
	(c) Other Non-Current Liabilities	18	**–**	–
	TOTAL NON-CURRENT LIABILITIES		**811.52**	810.95
II	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	14	**1,043.33**	1,148.33
	(ii) Trade Payables	15		
	Due to Micro and Small Enterprises		**–**	13.16
	Other then Micro and Small Entreprises		**284.97**	437.87
	(iii) Other Financial Liabilities	16	**2,036.00**	–
	(b) Provisions	17	**3.05**	1.58
	(c) Other Current Liabilities	18	**53.22**	57.62
	TOTAL CURRENT LIABILITIES		**3,420.57**	1,658.56
	TOTAL EQUITY AND LIABILTIES		**4,257.06**	2,143.97

The accompanying notes 1 to 35 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 15th April, 2024

For and on behalf of Board of Directors

2 X 2 Logistics Private Limited

Prasanna Vikas Pahade
Director
DIN: 02292382

Place : Mumbai
Date : 15th April, 2024

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 15th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In Lakhs

	Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I	Revenue from operations	20	**5,534.91**	2,069.03
II	Other Income	21	**8.61**	12.71
III	**Total Income (I + II)**		**5,543.52**	2,081.74
IV	**EXPENSES**			
	(a) Operating Expenses	22	**4,563.22**	2,036.03
	(b) Employee benefits expense	23	**108.32**	108.91
	(c) Finance costs	24	**155.77**	128.71
	(d) Depreciation and amortisation expense	3&4	**182.38**	235.25
	(e) Other expenses	25	**47.87**	108.80
	Total Expenses		**5,057.56**	2,617.70
V	**Profit/(loss) before tax (III - IV)**		**485.96**	(535.96)
VI	**Tax Expense**			
	(1) Current tax	26	**–**	–
	(2) Deferred tax	26	**135.19**	(149.12)
	Total Tax Expense (1+2)		**135.19**	(149.12)
VII	**Profit/(loss) After Tax (V - VI)**		**350.77**	(386.84)
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans- Gains/(Losses)		**(0.35)**	1.22
	(ii) Income tax relating to items that will not be reclassified to profit or loss	19	**0.09**	(0.34)
	Total Other Comprehensive Income/(Loss)		**(0.26)**	0.88
IX	**Total comprehensive income/(Loss) for the period (VII + VIII)**		**350.51**	(385.96)
X	**Earnings per equity share (face value Rs.10/- per share)**			
	(1) Basic (in Rs.)	27	**3.89**	(4.29)
	(2) Diluted (in Rs.)	27	**3.89**	(4.29)

The accompanying notes 1 to 35 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 15th April, 2024

For and on behalf of Board of Directors

2 X 2 Logistics Private Limited

Prasanna Vikas Pahade
Director
DIN: 02292382

Place : Mumbai
Date : 15th April, 2024

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 15th April, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In Lakhs

Particulars		Year ended 31st March 2024	Year ended 31st March 2023
A.	**Cash flows from operating activities**		
	Profit before tax for the period	**485.96**	(535.96)
	Adjustments for:		
	(Profit)/Loss on disposal of property, plant and equipment		
	Depreciation and amortisation of non-current assets	**182.38**	235.25
	Accturial Gain/Loss	**(0.35)**	1.22
	Finance Charges	**155.77**	128.71
	Interest Income	**(3.72)**	(0.88)
	Operating profit before working capital changes	**820.04**	(171.66)
	Movements in working capital:		
	(Increase)/Decrease in trade and other receivables	**(795.31)**	(605.18)
	Increase/(Decrease) in trade and other payables	**292.71**	200.80
	Cash generated from operations	**317.44**	(576.04)
	Income taxes paid	**(50.67)**	27.37
	Net cash generated by/(used in) operating activities	**266.77**	(548.67)
B.	**Cash flows from investing activities**		
	Interest income	**3.72**	0.88
	Payments for property, plant and equipment, CWIP Payable	**(9.82)**	(29.07)
	Net cash generated by/(used in) investing activities	**(6.10)**	(28.19)
C.	**Cash flows from financing activities**		
	Issue of Share Capital		
	Proceeds from borrowings	**–**	–
	Repayment of borrowings	**(105.00)**	(94.87)
	Borrowing from ICD	**–**	800.00
	Finance Charges	**(155.77)**	(128.71)
	Net cash generated by/(used in) financing activities	**(260.77)**	576.42
	Net increase in cash and cash equivalents (A+B+C)	**(0.10)**	(0.44)
	Cash and cash equivalents at the beginning of the period	**0.11**	0.55
	Cash and cash equivalents at the end of the period	**0.01**	0.11
	Components of cash and cash equivalents		
	Cash/Cheques on hand	**0.01**	0.11
	With Banks - on Current account/Balance in Cash Credit Accounts	**–**	–
		0.01	0.11

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in 'IND AS 7- Statement of Cash Flows'.

2 Figures in bracket indicates cash outflow.

3 Additions to property, plant and equipment and intangible assets include movements in capital work-in-progress and intangible assets under development respectively during the period.

The accompayning notes 1 to 35 are integral part of these financial statement.

In terms of our report attached.

For and on behalf of Board of Directors

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

2 X 2 Logistics Private Limited

Aniruddha Joshi
Partner
M.No. 040852

Prasanna Vikas Pahade
Director
DIN: 02292382

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 15th April, 2024

Place : Mumbai
Date : 15th April, 2024

Place : Mumbai
Date : 15th April, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR 31ST MARCH 2024

Rs. In Lakhs

(a) Equity Share Capital

Particulars	**Number of Shares**	**Equity share capital**
As at 31st March 2022	90,10,000	901.00
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the period	–	–
As at 31st March 2023	90,10,000	901.00
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the period	–	–
As at 31st March 2024	**90,10,000**	**901.00**

(b) Other Equity

	Reserves & Surplus	
Particulars	**Retained earnings**	**Total**
Balance as at 31st March, 2022	(840.58)	(840.58)
– Addition to equity settled employee benefit reserve	–	–
Total Comprehensive income for the period		
– Profit/(Loss) for the period	(386.84)	(386.84)
– Actuarial gain/(loss) transferred to retained earnings	0.88	0.88
Balance as at 31st March, 2023	(1,226.54)	(1,226.54)
– Addition to equity settled employee benefit reserve	–	–
Total Comprehensive income for the period		
– Profit for the period	350.77	350.77
– Actuarial gain/(loss) transferred to retained earnings	(0.26)	(0.26)
Balance as at 31st March, 2024	**(876.03)**	**(876.03)**

The accompayning notes 1 to 35 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 15th April, 2024

For and on behalf of Board of Directors

2 X 2 Logistics Private Limited

Prasanna Vikas Pahade
Director
DIN: 02292382

Place : Mumbai
Date : 15th April, 2024

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 15th April, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Corporate Information

2 X 2 Logistics Private Limited is a deemed public limited company incorporated on 22nd October 2012 under the Companies Act, 1956. The Company is engaged in providing Transportation services to its customers. The financial statements for the period ended 31st March 2024 were approved for issue in accordance with a resolution of the directors on 15th April, 2024.

2(A). Material accounting policies

2.1 Basis of Accounting

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its Entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee(INR) and denominated in lakhs. The principal accounting policies are set out below.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 <u>Rendering of services</u>

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2 <u>Dividend income</u>

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.4.3 <u>Interest income</u>

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after 1st April, 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The amount expected to be payable by the lessee under residual value guarantees; The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is re-measured whenever :

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease, by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other income’.

2.6 Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.7 Employee benefits

2.7.1 Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company’s contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Share Based Payments arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Property, plant and equipment

All fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except for following assets in case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Horse portion of a Vehicle is depreciated over five years based on the management experience of handling similar kind of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Intangible assets

2.11.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.11.2 Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

2.12 Impairment of tangible and intangible assets

The Management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Provisions, Contingent Liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.14 *Financial instruments*

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.15 *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.15.4

All other financial assets are subsequently measured at fair value.

2.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.15.3 Financial assets at Fair value through Profit and loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Significant increase in credit risk

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.15.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16 *Financial liabilities and equity instruments*

2.16.1 <u>Classification as debt or equity</u>

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.2 <u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.3 <u>Financial liabilities</u>

All financial liabilities are subsequently measured at amortised cost or at FVTPL.

i. *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17 *Segment Accounting:*

The Company has single reportable segment "Supply chain management" for the purpose of Segment reporting.

2.18 *Exceptional Items:*

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.19 *Earnings Per Share:*

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with IND AS 33.

2(B). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, plant and equipment

As described in note 2.10 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans:

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iv) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(v) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

2(C) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2024.

Note No. 3 - Property, Plant and Equipment

As at 31st March 2024

Rs. In Lakhs

Description of Assets	**Plant and Machinery**	**Office Equipment**	**Furniture & Fittings**	**Computer**	**Vehicles**	**Total**
A. Cost						
Balance as at 1st April, 2023	2.43	6.27	2.24	2.93	4,388.03	4,401.90
a) Additions	–	–	–	–	6.25	9.83
b) Less: Disposals/adjustments						–
Balance as at 31st March 2024	**6.01**	**6.27**	**2.24**	**2.93**	**4,394.28**	**4,411.73**
B. Accumulated depreciation and impairment						
Balance as at 1st April, 2023	2.29	5.96	1.45	2.32	3,940.76	3,952.78
a) Depreciation expense for the year	0.32	–	0.21	0.34	181.51	182.38
b) Less: Disposals/adjustments						–
Balance as at 31st March 2024	**2.61**	**5.96**	**1.66**	**2.66**	**4,122.27**	**4,135.16**
C. Net carrying amount (A-B)	**3.40**	**0.31**	**0.58**	**0.27**	**272.01**	**276.56**

As at 31st March 2023

Rs. In Lakhs

Description of Assets	**Plant and Machinery**	**Office Equipment**	**Furniture & Fittings**	**Computer**	**Vehicles**	**Total**
A. Cost						
Balance as at 1st April, 2022	2.43	6.27	2.24	2.93	4,358.96	4,372.83
a) Additions	–	–	–		29.07	29.07
b) Less: Disposals/adjustments						–
Balance as at 31st March 2023	**2.43**	**6.27**	**2.24**	**2.93**	**4,388.03**	**4,401.90**
B. Accumulated depreciation and impairment						
Balance as at 1st April, 2022	2.29	5.93	1.24	1.98	3,706.09	3,717.53
a) Depreciation expense for the year	–	0.03	0.21	0.34	234.67	235.25
b) Less: Disposals/adjustments						–
Balance as at 31st March 2023	**2.29**	**5.96**	**1.45**	**2.32**	**3,940.76**	**3,952.78**
C. Net carrying amount (A-B)	**0.14**	**0.31**	**0.79**	**0.61**	**447.27**	**449.12**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2024 is 1281.48 Lakhs and for 31st March 2023 is Nil.

Note No. 4 - Intangible Assets

Rs. In Lakhs

Computer Software	As at 31st March 2024	As at 31st March 2023
A. Cost		
Balance as at 1st April	0.51	0.51
a) Additions		
b) Less: Disposals/adjustments		
Balance as at 31st March	**0.51**	0.51
B. Accumulated amortisation and impairment		
Balance as at 1st April	0.51	0.51
a) Additions		
b) Less: Disposals/adjustments		
Balance as at 31st March	**0.51**	0.51
C. Net carrying amount (A-B)	**–**	**–**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2024 is Rs.NIL** (2023: Rs. NIL).

Note No. 5 - Capital Work in Progess

As at 31st March, 2024

Rs. In Lakhs

Particulars	Capital Work in Progress				
	Less than 1 yr	**1-2 yrs**	**2-3 yrs**	**More than 3yrs**	**Total**
Capital Work in Progress	**1,574.87**		**–**	**–**	**1,574.87**
Total	**1,574.87**	**–**	**–**	**–**	**1,574.87**

As at 31st March, 2023

Particulars	Capital Work in Progress				
	Less than 1 yr	**1-2 yrs**	**2-3 yrs**	**More than 3yrs**	**Total**
Capital Work in Progress	–		–	–	–
Total	–	–	–	–	–

Note No. 6 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
a) Trade Receivables considered good - Secured		
b) Trade Receivables considered good - Unsecured	**719.34**	179.64
c) Trade Receivable which have significant increase in credit risk.	**–**	–
d) Undisputed Trade Receivable - Credit Impaired	**–**	–
e) Disputed Trade Receivable - Credit Impaired	**–**	–
	719.34	179.64
Less: Allowance for Expected Credit Losses	**–**	–
TOTAL	**719.34**	179.64

Trade Receivable ageing as at March, 2024

Particulars	Outstanding for following period from due date of payment						
	Not Due	**Less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Undisputed Trade Receivable -Considered Good	210.67	508.67	–	–	–	–	**719.34**
b) Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
c) Undisputed Trade Receivable -Credit Impaired							
d) Disputed Trade Receivable -Considered Good	–	–	–	–	–	–	–
e) Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
f) Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–	–
Total Trade Receivables	**210.67**	**508.67**	**–**	**–**	**–**	**–**	**719.34**
Less: Allowance for Expected Credit Losses							–
Total							**719.34**

Trade Receivable ageing as at March, 2023

Particulars	Outstanding for following period from due date of payment						
	Not Due	**Less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Undisputed Trade Receivable -Considered Good	179.60	–	–	0.04	–	–	**179.64**
b) Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
c) Undisputed Trade Receivable -Credit Impaired							
d) Disputed Trade Receivable -Considered Good	–	–	–	–	–	–	–
e) Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
f) Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–	–
Total Trade Receivables	**179.60**	**–**	**–**	**0.04**	**–**	**–**	**179.64**
Less: Allowance for Expected Credit Losses							–
Total							**179.64**

Notes:

i) Refer Note 28 for disclosures related to credit risk and impairment of trade receivables .

Note No. 7 - Other financial assets

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
Financial assets at amortised cost				
a) Bank Deposit with more than 12 months original maturity	**–**	**–**	–	–
Total	**–**	**–**	–	–
b) Security Deposits				
i. Unsecured, considered good	**7.61**	**–**	7.61	–
ii. Doubtful	**–**	**–**	–	–
Total	**7.61**	**–**	7.61	–
c) Other items				
i. Accrued Sales	**347.05**	**–**	178.29	–
ii. Other Accrued	**2.50**	**–**	0.31	–
Total	**349.55**	**–**	178.60	–
Total (a+b+c)	**357.16**	**–**	186.21	–

Accrued sales ageing from transaction date as at March, 2024

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
less than 6 Months	**337.59**	**–**	171.42	–
6 Months to 1 year	**1.91**	**–**	–	–
1 to 2 Year	**7.55**	**–**	1.92	–
2 to 3 Years	**–**	**–**	4.95	–
More than 3 Years	**–**	**–**	–	–
Total	**347.05**	**–**	178.29	–

Notes:

i) Refer Note 28 for disclosures related to credit risk, impairment under expected credit loss model and related disclosures.

Note No. 8 - Other assets

Rs. In Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non- Current	As at 31st March 2023 Current	As at 31st March 2023 Non- Current
A. Capital advances				
a) For Capital work in progress	**–**	**–**	–	–
b) For intangible asset	**–**	**–**	–	–
Total (A)	**–**	**–**	–	–
B. Advances other than capital advances				
a) Advances to suppliers - considered good	**36.50**	**–**	10.20	–
b) Prepaid Expenses	**59.49**	**–**	99.15	–
c) Vendor advances	**256.76**	**–**	557.15	–
d) Balances with government authorities (other than income taxes)	**395.56**	**–**	–	–
Total (B)	**748.31**	**–**	666.50	–
C. Consumables Tyres	**5.36**		2.55	
TOTAL (A+B+C)	**753.67**	**–**	669.05	–
Less: Provision for doubtful advances	**–**	**–**	–	–
TOTAL (A+B+C)	**753.67**	**–**	669.05	–

Note No. 9 - Cash and Cash equivalents

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
A. Cash and cash equivalents		
a) Balances with banks	**–**	–
b) Cash in hand	**0.01**	0.11
Total	**0.01**	0.11

Note No. 10 - Income Tax Assets (Net)

Rs. In Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Advance Income Tax/TDS Receivable (Net)	**178.36**	127.69
Total	**178.36**	127.69

Note No. 11 - Equity Share Capital

Particulars	Year ended 31st March 2024 No. of shares	Year ended 31st March 2024 Amount	Year ended 31st March 2023 No. of shares	Year ended 31st March 2023 Amount
A. Authorised:				
a) Equity shares of Rs.10 each with voting rights	**1,00,00,000**	**10,00,00,000**	1,00,00,000	10,00,00,000
Total	**1,00,00,000**	**10,00,00,000**	1,00,00,000	10,00,00,000
B. Issued, Subscribed and Fully Paid:				
a) Equity shares of Rs.10 each with voting rights	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000
Total	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Rs. in Lakhs

Particulars		Opening Balance	Right Issue	Other Changes	Closing Balance
A. Equity Shares with Voting rights					
a) Period ended 31st March 2024					
	No. of Shares	**90,10,000**	**–**	**–**	**90,10,000**
	Amount	**901.00**	**–**		**901.00**
b) Period ended 31st March 2023					
	No. of Shares	90,10,000	–	–	90,10,000
	Amount	901.00	–		901.00

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by Holding Company / and their Subsidiaries

Name of shareholder	As at 31st March 2024	As at 31st March 2023
Holding Company - Mahindra Logistics Limited	**49,55,500.00**	49,55,500.00

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March 2024 Number of shares held	As at 31st March 2024 % holding in that class of shares	As at 31st March 2023 Number of shares held	As at 31st March 2023 % holding in that class of shares
A. Equity shares with voting rights				
a) Mahindra Logistics Ltd.	**49,55,500**	**55.00%**	49,55,500	55.00%
b) IVC Logistics Ltd.	**40,54,500**	**45.00%**	40,54,500	45.00%

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March, 2024

Promoter name	No. of Shares	% of total shares	% Change during the year
1. Mahindra Logistics Ltd.	**49,55,500**	**55.00%**	**–**
2. IVC Logistics Ltd.	**40,54,500**	**45.00%**	**–**

Shares held by promoters as at 31st March, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
1. Mahindra Logistics Ltd.	49,55,500	55.00%	–
2. IVC Logistics Ltd.	40,54,500	45.00%	–

(vi) For period of five years immediately preceding the date as at which the Balance Sheet is prepared -

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	**NIL**	NIL
(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	**NIL**	NIL
(c) Aggregate number separately for each class of shares bought back.	**NIL**	NIL

Note No. 12 - Other Equity

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Retained earnings	**(876.03)**	(1,226.54)
Total	**(876.03)**	(1,226.54)

Movement in Reserves

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Retained Earnings		
Balance as at the beginning of the year	**(1,226.54)**	(840.58)
Add: Profit/(loss) for the year	**350.77**	(386.84)
Less: Actuarial gain/(loss) for the year	**(0.26)**	0.88
Balance as at the end of the year	**(876.03)**	(1,226.54)

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Note No. 13 - Non-Current Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Measured at amortised cost		
A. Secured Borrowings:		
(a) Term Loans		
(1) From Banks	–	–
(2) From Related Party	–	–
Total Secured Borrowings	–	–
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans	–	–
(b) From Related Party	800.00	800.00
Total Unsecured Borrowings	800.00	800.00
Total Borrowings	800.00	800.00

Note: i) Unsecured loan has been availed by way of Inter Corporate Deposit (ICD) from the promoters of the company in the ratio of their shareholding. Loan shall be paid back to the lenders within 3 years from the date of first disbursement or on demand.

ICD taken at 8% Interest p.a.

Note No. 14 Current Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
A. Secured Borrowings	–	–
Current maturities of long-term debt	–	–
Total Secured Borrowings	–	–
B. Unsecured Borrowings		
from Banks	1,043.33	1,148.33
Total Unsecured Borrowings	1,043.33	1,148.33
Total Current Borrowings	1,043.33	1,148.33

Note: i) Working capital facilities has been availed at the rate of Interest ranging between 7.25% to 8.90%

Note No. 15 - Trade Payables

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Total outstanding dues of micro enterprises and small enterprises	–	13.16
Total outstanding dues other than micro enterprises and small enterprises:		
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	284.97	437.87
Total	284.97	451.03

Trade Payables ageing as at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment # Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years
(i) MSME	–	–	–	–
(ii) Others	284.97	–	–	–
(iii) Disputed Dues - MSME	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–

Trade Payables ageing as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment # Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years
(i) MSME	13.16	–	–	–
(ii) Others	437.73	0.14	–	–
(iii) Disputed Dues - MSME	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
a) Dues remaining unpaid		
- Principal	–	–
- Interest on the above	–	–
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day during the year-	–	–
- Principal paid beyond the appointed date	–	–
- Interest paid in terms of section 16 of the Act	–	–
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
d) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	–	–
e) Amount of interest accrued and remaining unpaid at the end of accounting year	–	–

Note No. 16 - Other Financial Liabilities

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Other Financial Liabilities Measured at Amortised Cost		
Current maturities of long-term debt		
From Banks	–	–
From Related Party	–	–
Vendor Payable towards CWIP	2,036	–
Total	2,036	–

Note No. 17 - Provisions

Rs. in Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
Provision for employee benefits				
a) Post- employment Benefit - Leave Encashment	1.23	3.74	0.57	3.13

Rs. in Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
b) Post- employment Benefit - Gratuity	**1.82**	**7.78**	1.01	7.82
Total	**3.05**	**11.52**	1.58	10.95

Note No. 18 - Other Current Liabilities

Rs. in Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2024 Non-Current	As at 31st March 2023 Current	As at 31st March 2023 Non-Current
Statutory dues				
a) Taxes Payable	**2.00**	**–**	12.51	–
b) Employee Liabilities	**15.86**	**–**	11.59	–
c) Advance to customer	**–**	**–**	–	–
d) Interest accrued but not due	**35.36**	**–**	33.52	–
TOTAL	**53.22**	**–**	57.62	–

Notes:

i) For disclosures related to employee benefits, refer note 31.

ii) For disclosures related to Interest Accrued but not due, refer note 13 Unsecured borrowing from Related Party.

Note No. 19: Deferred Tax Assets

Movement in deferred tax balances

Rs. in Lakhs

Particulars	Year ended 31st March 2024 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance	Year ended 31st March 2023 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) Allowances on Property, Plant and Equipment and Intangible Assets	**22.06**	**(19.05)**	**–**	**3.01**	44.74	(22.68)	–	22.06
Total	**22.06**	**(19.05)**	**–**	**3.01**	44.74	(22.68)	–	22.06
B. Tax effect of items constituting deferred tax assets								
a) On the Losses	**492.43**	**(155.25)**	**–**	**337.18**	366.61	125.82	–	492.43
b) MAT Credit	**58.39**		**–**	**58.39**	58.39	–	–	58.39
c) Provision for employee benefits	**3.39**	**1.01**	**0.09**	**4.53**	3.11	0.62	(0.34)	3.39
Total	**554.21**	**(154.24)**	**0.09**	**400.10**	428.11	126.44	(0.34)	554.21
Net Tax Asset/(Liabilities) (B-A)	**532.15**	**(135.19)**	**0.09**	**397.09**	383.37	149.12	(0.34)	532.15

Note No. 20 - Revenue from Operations

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Revenue from rendering of services	**5,534.91**	2,069.03
Total	**5,534.91**	2,069.03

Ind As 115 Disclosure

A. Country-wise break up of Revenue

Year ended 31st March 2024

Rs. in Lakhs

Country	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	5,534.91	–	5,534.91	8.61	5,543.52
Others (specify)	–	–	–	–	–
Total	**5,534.91**	**–**	**5,534.91**	**8.61**	**5,543.52**

Year ended 31st March 2023

Rs. in Lakhs

Country	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	2,069.03	–	2,069.03	12.71	2,081.74
Others (specify)	–	–	–	–	–
Total	**2,069.03**	**–**	**2,069.03**	**12.71**	**2,081.74**

B. Reconciliation of revenue from contract with customer

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Revenue from contract with customer as per the contract price	**5,501.61**	1,939.31
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**17.57**	8.29

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
b) Sales Returns / Reversals	**117.90**	23.94
c) Any other adjustments-Unbilled Revenue	**168.77**	161.95
Revenue from contract with customer as per the statement of Profit and Loss	**5,534.91**	2,069.03

C. Break-up of Provision for Expected Credit Losses recognised in P&L

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Expected Credit loss recognised during the year on trade receivables	**–**	–

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Opening Balance	**178.29**	37.27
Additions during the year	**5,051.92**	1,266.20
Reclassification Adjustments:		
– Reclass of opening balances of contract assets to trade receivables	**4,883.15**	1,125.18
Closing Balance	**347.06**	178.29

Note No. 21 - Other Income

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Interest Income		
Other Assets	**3.72**	0.88
b) Miscellaneous Income		
i) Scrap Sales	**4.63**	10.01
ii) Other Misc Income	**0.26**	1.82
Total	**8.61**	12.71

Note No. 22 -Operating Expenses

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Freight & other related Expense	**–**	**0.65**
b) Labour & other related Expense	**176.74**	104.65
c) Rent including lease rentals	**36.78**	28.73
d) Vehicle running expense	**2,092.79**	850.00
e) Fuel Expenses	**1,838.26**	768.36
f) Repairs and maintenance	**418.65**	283.64
Total Operating Expense	**4,563.22**	2,036.03

Note No. 23 - Employee Benefits Expense

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Salaries and wages, including bonus	**100.52**	100.98
b) Contribution to provident and other funds	**4.63**	5.13
c) Gratuity	**2.15**	2.17
d) Staff welfare expenses	**1.02**	0.63
Total Employee Benefit Expense	**108.32**	108.91

Notes:

i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

ii) Contribution to provident fund and other funds includes contributions to other funds like superannuation fund, ESIC, etc. pertaining to employees.

Note No. 24 - Finance Cost

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Interest expense on Term Loan	**–**	3.24
b) Interest expense on Bank Overdraft	**91.59**	88.22
c) Interest expense on ICD	**64.18**	37.25
Total	**155.77**	128.71

Note No. 25 - Other Expenses

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Rent including lease rentals	**8.85**	4.49
b) Legal and Other professional costs	**13.14**	11.23
c) Insurance	**2.08**	68.98
d) Travelling and Conveyance Expenses	**2.52**	4.16
e) Repairs and maintenance - machinery		
f) Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**1.66**	1.57
ii) For Taxation matters	**0.34**	0.43
iii) For Other services		
g) Miscellaneous Expenses	**19.28**	17.94
Total	**47.87**	108.80

Note No. 26 - Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A. Current Tax:		
a) In respect of current year	**81.10**	–
b) MAT Credit	**(81.10)**	–

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
b) In respect of prior year	–	–
Total	–	–
B. Deferred Tax:		
In respect of current year originination and reversal of temporary difference	**135.19**	**(149.12)**
In respect of changes in tax rate		
Total	**135.19**	**(149.12)**
Total (A+B)	**135.19**	**(149.12)**

(b) Income tax recognised in Other Comprehensive Income

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A. Current Tax:		
Remeasurement of defined benefit obligations	–	–
Total	–	–
B. Deferred Tax:	**0.09**	(0.34)
Total	**0.09**	(0.34)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	–	–
Total	–	–

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Profit Before tax	**485.96**	(535.96)
b) Income Tax using the Company's domestic tax rate#	**135.19**	(149.10)
c) Change in tax rate	–	–
d) Expenses not allowed for tax purpose	–	–
Income tax expense recognised In profit or loss	**135.19**	(149.10)

Note:

The tax rate used in reconciliations above is the corporate tax rate of 25% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Note No. 27 - Earnings Per Share

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A. Basic Earnings Per Share (in Rs.) (face value in Rs. 10/- per share)	**3.89**	(4.29)
B. Diluted Earnings Per Share (in Rs.) (face value in Rs. 10/- per share)	**3.89**	(4.29)

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit / (loss) for the period attributable to owners of the Company	**350.77**	(386.84)
Profit / (loss) for the period used in the calculation of basic earnings per share	**350.77**	(386.84)
Weighted average number of equity shares	**90.10**	90.10
Earnings per share from continuing operations - Basic (in Rs.)	**3.89**	(4.29)

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
a) Profit / (loss) for the period used in the calculation of basic earnings per share	**350.77**	(386.84)
b) Add: adjustments on account of dilutive potential equity shares	–	–
Profit / (loss) for the period used in the calculation of diluted earnings per share	**350.77**	(386.84)

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**90.10**	90.10
Add: Dilutive impact of potential equity shares on account of ESOPs and RSUs	–	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**90.10**	90.10
Earnings per share from continuing operations - Diluted (in Rs.)	**3.89**	(4.29)

Note No. 28- Financial Instruments

I. Capital management Policy

a) The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of Company's capital management, capital includes issued share capital, equity and all other equity reserves. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Equity	**24.97**	(325.54)
Capital	**24.97**	(325.54)

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

The Company is not subject to externally enforced capital regulation.

II. Categories of financial assets and financial liabilities

Rs. in Lakhs

As at 31st March 2024

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-Current Assets				
a) Other Financial Assets	–	–	–	–
Total	–	–	–	–
B. Current Assets				
a) Trade Receivables	**719.34**	–	–	**719.34**
b) Cash and Bank Balances	**0.01**	–	–	**0.01**
c) Other Financial Assets	**357.16**	–	–	**357.16**
Total	**1,076.51**	–	–	**1,076.51**
C. Non-current Liabilities				
a) Other Financial Liabilities	**800.00**			**800.00**
Total	**800.00**	–	–	**800.00**
D. Current Liabilities				
a) Trade Payables	**284.97**	–	–	**284.97**
b) Current Maturities of long term Debt	–	–	–	–
c) Short Term Borrowing	**1,043.33**	–	–	**1,043.33**
d) Other Financial Liabilities	–	–	–	–
– Non Derivative Financial Liabilities	–	–	–	–
Total	**1,328.30**	–	–	**1,328.30**

Rs. in Lakhs

As at 31st March 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-Current Assets				
a) Other Financial Assets	–	–	–	–
Total	–	–	–	–
B. Current Assets				
a) Trade Receivables	179.64	–	–	179.64
b) Cash and Bank Balances	0.11	–	–	0.11
c) Other Financial Assets	186.21	–	–	186.21
Total	365.96	–	–	365.96
C. Non-current Liabilities				
a) Other Financial Liabilities	800.00			800.00
Total	800.00			800.00
D. Current Liabilities				
a) Trade Payables	451.03	–	–	451.03
b) Current Maturities of long term Debt	–	–	–	–
c) Short Term Borrowing	1,148.33	–	–	1,148.33
d) Other Financial Liabilities	–	–	–	–
– Non Derivative Financial Liabilities	–	–	–	–
Total	1,599.36	–	–	1,599.36

III) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company yearically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit year which is monitored through an approved policy.

(ii) Trade receivables consist of a small number of customers.

(iii) Apart from one large customer of the Company, the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single Company did not exceed 10% of trade receivables at the end of the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

(vi) The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:

Particulars	Not Due	Less than 6 month past due	More than 6 month past due	Total
As at 31st March 2024				
a) Gross carrying amount	–	–	–	–
b) Loss allowance provision	–	–	–	–
As at 31st March 2023				
a) Gross carrying amount	–	–	–	–
b) Loss allowance provision	–	–	–	–

(vii) Reconciliation of loss allowance provision for Trade Receivables

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
a) Balance as at beginning of the year	–	–
b) Impairment losses recognised in the year based on lifetime expected credit losses	–	–
- On receivables originated in the year	–	–
- Other receivables	–	–
c) Impairment losses reversed / written back	–	–
d) Balance at end of the year	–	–

b) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilites

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	As at 31st March 2024			
A) Non-derivative financial liabilities				
a) Trade Payables	**284.97**	**–**	**–**	**–**
b) Long term debt	**–**	**800.00**	**–**	**–**
c) Current maturities of long term debt	**–**	**–**	**–**	**–**
d) Employee Dues	**–**	**–**	**–**	**–**
e) Short Term Borrowings	**1,043.33**	**–**	**–**	**–**
Total	**1,328.30**	**800.00**	**–**	**–**

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	As at 31st March 2023			
A) Non-derivative financial liabilities				
a) Trade Payables	451.03	–	–	–
b) Long term debt		800.00	–	–
c) Current maturities of long term debt	–	–	–	–
d) Employee Dues	–	–	–	–
e) Short Term Borrowings	1,148.33	–	–	–
Total	1,599.36	800.00	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
a) Unsecured Bank Overdraft facility		
- Expiring within one year	**1,148.00**	1,148.00
- Expiring beyond one year	**–**	–

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Rs. in Lakhs

Particulars	Less than 1 Year In Rs. Lakhs	1-3 Years In Rs. Lakhs	3 Years to 5 Years In Rs. Lakhs	5 years and above In Rs. Lakhs
	As at 31st March 2024			
Non-derivative financial assets				
Trade Receivables	**719.34**	**–**	**–**	**–**
Security Deposits	**–**	**7.61**	**–**	**–**
Others	**349.55**	**–**	**–**	**–**
Total	**1,068.89**	**7.61**	**–**	**–**

Rs. in Lakhs

Particulars	Less than 1 Year In Rs. Lakhs	1-3 Years In Rs. Lakhs	3 Years to 5 Years In Rs. Lakhs	5 years and above In Rs. Lakhs
	As at 31st March 2023			
Non-derivative financial assets				
Trade Receivables	179.64	–	–	–
Security Deposits	7.61	–	–	–
Others	178.60	–	–	–
Total	365.85	–	–	–

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

c) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Rs. in Lakhs

Nature of Liability	Nature of Borrowing	Type of Interest	Rate of interest	Loan amount outstanding as at year end	Increase in Base Rate	Sensitivity Impact on P&L (pre-tax)	Decrease in Base Rate	Sensitivity Impact on P&L (pre-tax)
As at 31st March, 2024	**Bank Overdraft**	**Floating**	**8.90%**	**1043.33**	**1.00%**	**(10.43)**	**1.00%**	**10.43**
As at 31st March, 2023	Bank Overdraft	Floating	8.90%	1,148.33	1.00%	(11.48)	1.00%	11.48

Note No. 29 - Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortised cost:

Rs. in Lakhs

Particulars	31st March 2024 Carrying amount	Fair value	31st March 2023 Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at Amortised Cost				
i) Trade and other receivables	**719.34**	**719.34**	179.64	179.64
ii) Deposits given	**7.61**	**7.61**	7.61	7.61
iii) Cash and cash equivalents	**0.01**	**0.01**	0.11	0.11
iv) Others	**349.55**	**349.55**	178.60	178.60
Total	**1,076.51**	**1,076.51**	365.96	365.96
B) Financial liabilities				
b) Financial liabilities held at amortised cost				
i) Trade and other payables	**284.97**	**284.97**	451.03	451.03
ii) Borrowings	**–**	**–**	–	–
iii) Short Term Borrowings	**1,043.33**	**1,043.33**	1,148	1,148.00
Total	**1,328.30**	**1,328.30**	1,599.03	1,599.03

Note No. 30 - Related Party Transactions

i) List of Related Party

a) Holding Company	**Mahindra Logistics Limited**
b) Ultimate Holding Company	**Mahindra & Mahindra Limited**
c) Investor Company	**IVC Logistics Limited**

ii) Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Particulars	**Holding Company**	**Ultimate Holding Company**	**Investor Company**
Nature of transactions with Related Parties			
a) Purchase of property and other assets	– –	1,574.87 –	– –
b) Rendering of services	5,082.02 (1,267.98)	– (529.35)	351.75 –
c) Receiving of services	– –	150.83 (130.40)	– –
d) Reimbursements made to parties	19.60 (17.80)	0.24 (1.13)	38.26 (36.81)
e) Reimbursements received from parties	– –	– –	– –
f) Loans/Deposits Taken	– (440.00)	– –	– (360.00)
g) Loans/Deposits paid	– –	– –	– –
h) Interest on ICD	35.30 (19.15)	– –	28.88 (18.09)

Nature of Balances with Related Parties	**Holding Company**	**Ultimate Holding Company**	**Investor Company**
i) Trade payables	0.02 (12.24)	2,017.48 (0.51)	– (7.81)
j) Trade receivables & others	719.34 (132.26)	– (10.22)	– (47.33)
k) Loan Payable (ICD payable)	440.00 (440.00)	– –	360.00 (360.00)
l) Interest accrued but not due	19.01 (17.24)	– –	16.36 (16.29)

i) All the outstanding balances, whether receivables or payables are unsecured.

ii) All the Previous year balances are shown in Bracket.

iii) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Note No. 31 - Employee benefits

i) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and other Funds aggregating Rs. 4.63 lakhs (2023 : Rs. 5.13 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

ii) Defined Benefit Plans:

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Rs. in Lakhs

Particulars	**Valuation As at 31st March 2024**	As at 31st March 2023
a) Discount rate(s)	**7.15%**	7.30%
b) Expected rate(s) of salary increase	**7.00%**	6.00%
c) Mortality rate during employment	**100% of IALM(2012-14) Ultimate**	100% of IALM(2012-14) Ultimate

d) Defined benefit plans – as per actuarial valuation

Particulars	**Non Funded Plan – Gratuity As at 31st March 2024**	As at 31st March 2023
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
a) Current Service Cost	**2.49**	0.95

Particulars	Non Funded Plan – Gratuity As at 31st March 2024	As at 31st March 2023
b) Past service cost and (gains)/losses from settlements	–	–
c) Net interest expense	–	–
Components of defined benefit costs recognised in profit or loss	**2.49**	0.95
Remeasurement on the net defined benefit liability		
a) Return on plan assets (excluding amount included in net interest expense)	–	–
b) Actuarial (gains)/loss arising form changes in financial assumptions	–	–
c) Actuarial (gains)/loss arising form changes in demographic assumptions	–	–
d) Actuarial (gains)/loss arising form experience adjustments	–	–
Components of defined benefit costs recognised in other comprehensive income	–	–
Total	**2.49**	0.95
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
a) Present value of defined benefit obligation	**9.60**	8.82
b) Fair value of plan assets	–	–
c) Surplus/(Deficit)	**9.60**	8.82
d) Current portion of the above	**1.82**	1.01
e) Non current portion of the above	**7.78**	7.81
III. Change in the obligation during the year ended 31st March		
a) Present value of defined benefit obligation at the beginning of the period	**8.82**	7.88
b) Add/(Less) on account of Scheme of Arrangement/ Business	–	–
c) Transfer	–	–
d) *Expenses Recognised in Profit and Loss Account*		
- Current Service Cost	**1.50**	1.64
- Past Service Cost	–	–
- Interest Expense (Income)	**0.65**	0.54
e) *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	**0.80**	(0.30)
ii. Demographic Assumptions	**(0.16)**	
iii. Experience Adjustments	**(0.29)**	(0.92)
f) Benefit payments	**(1.72)**	–
g) Present value of defined benefit obligation at the end of the period	**9.60**	8.84
IV. Change in fair value of assets during the year ended 31st March		
i) Fair value of plan assets at the beginning of the period	–	–
ii) *Expenses Recognised in Profit and Loss Account*		
- Expected return on plan assets	–	–
iii) *Recognised in Other Comprehensive Income*	–	–
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	–	–
iv) Contributions by employer (including benefit payments recoverable)	–	–
v) Benefit payments	–	–
vi) Fair value of plan assets at the end of the period	–	–
V. The Major categories of plan assets		
- Insurance Funds	–	–
VI. Actuarial assumptions		
a) Discount rate	**7.15%**	7.30%
b) Expected rate of return on plan assets	–	–
c) Attrition rate	**20.00%**	11.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Changes in assumption	Impact on defined benefit obligation As at 31st March 2024 Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**9.17**	**10.06**
b) Salary growth rate	1.00%	**10.06**	**9.16**
c) Rate of employee turnover	50.00%	**9.42**	**9.78**

Principal assumption	Changes in assumption	Impact on defined benefit obligation As at 31st March 2023 Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**8.27**	**9.45**
b) Salary growth rate	1.00%	**9.45**	**8.26**
c) Rate of employee turnover	50.00%	**8.90**	**8.58**

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

iii) The weighted average duration of the defined benefit obligation as at 31st March 2024 is 4 years

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	2024	2023
Within 1 year	**1.82**	1.01
2-5 years	**5.84**	4.66
6-10 years	**3.80**	3.65
More than 10 years	**2.73**	6.96

g) **Experience Adjustments:**

Rs. in Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
	Gratuity	
1. Defined Benefit Obligation	(9.60)	(8.84)
2. Fair value of plan assets	–	–
3. Surplus/(Deficit)	9.60	8.82
4. Experience adjustment on plan liabilities [(Gain)/Loss]	–	–
5. Experience adjustment on plan assets [Gain/(Loss)]	–	–

h) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

i) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

j) The current service cost and the net interest expense for the period are included in the employee benefits expense in profit or loss of the expense for the year.

All amounts are in Rs. Lakhs unless otherwise stated

Note No. 32- MSME disclosures

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Rs. in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	–	13.16
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
iv. The amount of interest due and payable for the year	–	–
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 33 - Relationship with Struck Off Co

Trade Payables

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2024	Balance outstanding at the end of the year as at 31st March'2024	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2024	Relationship with the struck off company, if any to be disclosed
NA						

Trade Receivable

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2024	Balance outstanding at the end of the year as at 31st March'2024	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2024	Relationship with the struck off company, if any to be disclosed
NA						

Trade Payables

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2023	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed
NA						

Trade Receivable

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2023	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2023	Relationship with the struck off company, if any to be disclosed
NA						

Note No. 34 - Financial Ratio

Rs. in Lakhs

Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance	Reason
Current Ratio	Current assest	Current Liability	0.53	0.62	-15%	Current ratio has improved due to batter working management.
Debt – Equity Ratio	Total Debt (represents lease liabilities)	Shareholder's Equity	73.72	(5.98)	-1333%	Due to Profit incurred during FY23-24
Debt Service Coverage Ratio	Earnings available for debt service(Earning Before Interest and Taxes)	Debt Service	0.35	(0.21)	-267%	Due to Profit incurred during FY23-24

Note No. 34 - Financial Ratio

Rs. in Lakhs

Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance	Reason
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	234%	291%	-20%	Due to Profit incurred during FY23-24
Trade receivables turnover ratio	Average Trade Receivable	Revenue	0.13	0.10	30%	Due to improve in revenue.
Trade payables turnover ratio	Average Trade Payable	Purchases of services and other expenses	0.08	0.16	-50%	EffecientlyManage payables
Net capital turnover ratio	Revenue	Working Capital	(3.48)	(3.32)	5%	Due to improve in revenue.
Net profit ratio	Net Profit	Revenue	6%	-19%	-132%	Due to Profit incurred during FY23-24
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	99%	-151%	-166%	Due to Profit incurred during FY23-24
Return on Investment(ROI)	Income generated from investments	Time weighted average investments	NA	NA	NA	NA

Note No. 35 - ADDITIONAL REGULATORY INFORMATION

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

(iii) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

iv) Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024.

v) Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

The accompayning notes 1 to 35 are integral part of these financial statement.

In terms of our report attached.

For and on behalf of Board of Directors

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

2 X 2 Logistics Private Limited

Aniruddha Joshi
Partner
M.No. 040852

Prasanna Vikas Pahade
Director
DIN: 02292382

Nitin Kishan Singal
Director
DIN: 00255702

Place : Mumbai
Date : 15th April, 2024

Place : Mumbai
Date : 15th April, 2024

Place : Mumbai
Date : 15th April, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
LORDS FREIGHT (INDIA) PRIVATE LIMITED
Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Lords Freight (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors)

Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 36 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 24040852BKCCCW7056
Place: Mumbai
Date: April 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified its entire property, plant and equipment during the current year and no material discrepancies were noticed on such verification.

   (c) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute except as under:

Name of the statute	Nature of the dues	Amount (Rs in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	8.05	FY 2016-17	Commissioner of Income Tax
Goods and Service Tax, 2017	Goods and Service tax	87.25	FY 2017-18	Appellate Authority

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

    (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

    (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

    (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

    (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors

and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 24040852BKCCCW7056
Place: Mumbai
Date: April 15, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **LORDS FREIGHT (INDIA) PRIVATE LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 24040852BKCCCW7056
Place: Mumbai
Date: April 15, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

₹ in lakhs

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4	**20.46**	21.92
	(b) Right of Use Asset	4	**38.85**	100.57
	(c) Intangible Assets	5	**1.00**	–
	(d) Intangible Assets Under Development	6	**19.01**	19.01
	(e) Financial Assets			
	(i) Other Financial Asset	7	**21.50**	5.00
	(f) Deferred Tax Assets (Net)	8	**96.77**	136.24
	(g) Income Tax Assets (Net)	9	**297.78**	267.67
	(h) Other Non-Current Assets	10	**8.74**	
	TOTAL NON-CURRENT ASSETS		**504.11**	550.41
II	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Investments	11	**455.58**	–
	(ii) Trade Receivables	12	**4,683.09**	6,015.71
	(iii) Cash and Cash Equivalents	13A	**5.37**	275.80
	(iv) Bank balances other than (iii) above	13B	**1,007.00**	–
	(v) Other Financial Asset	7	**768.68**	875.23
	(b) Other Current Assets	10	**203.03**	110.80
	TOTAL CURRENT ASSETS		**7,122.75**	7,277.54
	TOTAL ASSETS		**7,626.86**	7,827.95
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	14	**236.26**	236.26
	(b) Other Equity	15	**4,333.46**	3,989.14
	TOTAL EQUITY		**4,569.72**	4,225.40
	LIABILITIES			
I	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Lease Liability	32	**7.53**	60.86
	(b) Provisions	18	**120.32**	160.85
	TOTAL NON-CURRENT LIABILITIES		**127.85**	221.71
II	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Lease Liability	32	**36.02**	45.93
	(ii) Trade Payables	16		
	Due to Micro and Small Enterprises		**14.71**	67.36
	Other then Micro and Small Entreprises		**2,594.91**	2,961.36
	(iii) Other Financials Liabilites	17	**219.73**	231.25
	(b) Provisions	18	**45.27**	33.45
	(c) Other Current Liabilities	19	**18.65**	41.49
	TOTAL CURRENT LIABILITIES		**2,929.29**	3,380.84
	TOTAL EQUITY AND LIABILITIES		**7,626.86**	7,827.95

The accompanying notes 1 to 39 are an integral part of the financial statements..

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of Board of Directors
LORDS Freight (India) Private Limited

Aniruddha Joshi
Partner
M.No. 040852
Place : Mumbai
Date: 15.04.2024

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date: 15.04.2024

Naveen Raju Kollaickal
Director
DIN : 07653394
Place : Mumbai
Date: 15.04.2024

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date: 15.04.2024

Amit Bohra
Chief Financial Officer
Place : Mumbai
Date: 15.04.2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

₹ in lakhs

	Particulars	Note No.	Year Ended 31st March, 2024	Year Ended 31st March, 2023
I	Revenue from operations	20	**24,784.80**	36,582.91
II	Other Income	21	**256.57**	159.86
III	**Total Revenue (I + II)**		**25,041.37**	36,742.77
IV	**EXPENSES**			
	(a) Freight & other related expense	22	**22,247.26**	32,925.55
	(b) Employee benefit expense	23	**1,646.34**	1,743.35
	(c) Finance costs	24	**5.47**	113.82
	(d) Depreciation and amortization expense	25	**54.11**	59.73
	(e) Other expenses	26	**625.26**	561.95
	Total Expenses (IV)		**24,578.44**	35,404.40
V	**Profit/(loss) before tax (III-IV)**		**462.93**	1,338.37
VI	**Tax Expense**			
	(1) Current tax	27	**86.15**	320.24
	(2) Deferred tax	27	**37.74**	21.69
	Total tax expense		**123.89**	341.93
VII	**Profit/(loss) after tax (V-VI)**		**339.04**	996.44
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities/(asset)		**7.06**	9.47
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(1.78)**	(2.38)
	Total Other Comprehensive Income/(Loss)		**5.28**	7.09
IX	**Total comprehensive income for the period (VII+VIII)**		**344.32**	1,003.53
X	**Earnings per equity share**			
	(1) Basic	28	**14.35**	42.18
	(2) Diluted	28	**14.35**	42.18
	(3) No. of Shares		**23,62,509**	23,62,509

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of Board of Directors
LORDS Freight (India) Private Limited

Aniruddha Joshi
Partner
M.No. 040852
Place : Mumbai
Date: 15.04.2024

Rampraveen Swaminathan
Director
DIN : 01300682
Place : Mumbai
Date: 15.04.2024

Naveen Raju Kollaickal
Director
DIN : 07653394
Place : Mumbai
Date: 15.04.2024

Saurav Chakraborty
Chief Executive Officer
Place : Mumbai
Date: 15.04.2024

Amit Bohra
Chief Financial Officer
Place : Mumbai
Date: 15.04.2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(a) Equity Share Capital

₹ in lakhs

Particulars	Number of Shares	Equity share capital
As at 1st April, 2022	**2,362,509**	**236.26**
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
As at 31st March, 2023	**2,362,509**	**236.26**
As at 1st April, 2023	**2,362,509**	**236.26**
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
As at 31st March, 2024	**2,362,509**	**236.26**

(b) Other Equity

Particulars	Reserves & Surplus		
	Securities Premium	Retained earnings	Total
Balance as at 1st April, 2022	622.75	2,362.86	2,985.61
Changes in accounting policy or prior period errors			
Restated balance at the beginning of the current reporting period	**622.75**	**2,362.86**	**2,985.61**
Total Comprehensive income for the year			
– Profit for the year	–	996.44	996.44
– Other Comprehensive Income transferred to retained earnings	–	7.09	7.09
Balance as at 31st March, 2023	**622.75**	**3,366.39**	**3,989.14**
Balance as at 1st April, 2023	622.75	3,366.39	3,989.14
Changes in accounting policy or prior period errors			
Restated balance at the beginning of the current reporting period	**622.75**	**3,366.39**	**3,989.14**
Total Comprehensive income for the year			
– Profit for the year	–	339.04	339.04
– Other Comprehensive Income transferred to retained earnings	–	5.28	5.28
Balance as at 31st March, 2024	**622.75**	**3,710.71**	**4,333.46**

"As per our Report of Even Date"

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Place : Mumbai
Date: 15.04.2024

Amit Bohra
Chief Financial Officer
Place : Mumbai
Date: 15.04.2024

STATEMENT OF CASH FLOWS AS ON 31ST MARCH 2024

₹ in lakhs

	Particulars	As at 31st March, 2024	As at 31st March, 2023
A.	**Cash flows from operating activities**		
	Profit before tax for the year	**462.93**	1,338.37
	Adjustments for:		
	Actuarial (Gain)/Loss	**7.06**	9.47
	Loss/(Gain) on disposal of property, plant and equipment	**(0.51)**	3.12
	Unrealised gain on reversal of ROU	**(2.20)**	–
	Provision for expected credit loss recognised on trade receivables	**(123.94)**	(130.71)
	Provision for doubtful advances	**7.29**	–
	Depreciation and amortization of non-current assets	**54.11**	59.73
	Finance Charges	**5.47**	113.82
	Bad debts/advances written off	**88.14**	59.94
	Loss/ (Profit) on Sale of Mutual Fund	**(7.01)**	–
	Interest Income	**(29.69)**	(0.07)
	Total	**461.65**	1,453.67
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**1,368.37**	1,552.61
	(Increase)/decrease in other assets	**(26.35)**	(450.41)
	(Increase)/Decrease in trade and other payables	**(489.47)**	900.30
	Cash generated from operations	**1,314.20**	3,456.17
	Income taxes paid	**(116.26)**	(504.96)
	Net cash generated by operating activities	**1,197.94**	2,951.21
B.	**Cash flows from investing activities**		
	Interest income	**45.12**	0.07
	Payments for property, plant and equipment including CWIP	**(13.71)**	(32.56)
	Payments to acquire current investments	**(448.57)**	–
	Bank Deposits Matured/(Placed)	**(1,007.00)**	–
	Proceeds from disposal of property, plant and equipment	**1.63**	3.53
	Net cash (used in)/generated by investing activities	**(1,422.53)**	(28.96)
C.	**Cash flows from financing activities**		
	Proceeds/(Repayment) from Borrowings	**–**	(2,602.00)
	Rent Paid as per IND AS 116	**(45.11)**	(45.85)
	Interest paid	**(0.73)**	(106.23)
	Net cash (used in)/generated in financing activities	**(45.84)**	(2,754.08)
	Net increase in cash and cash equivalents (A + B + C)	**(270.43)**	168.17
	Cash and cash equivalents at the beginning of the year	**275.80**	107.63
	Cash and cash equivalents at the end of the year	**5.37**	275.80

Notes :

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7.

2 Figures in bracket indicates cash outflow.

"As per our Report of Even Date"

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Place : Mumbai
Date: 15.04.2024

Amit Bohra
Chief Financial Officer
Place : Mumbai
Date: 15.04.2024

Notes to the financial statements for the year ended 31st March, 2024

1. Corporate information

LORDS Freight (India) Private Limited is a private limited company incorporated on 25th April, 2011 under the Companies Act, 1956. The address of its registered office is disclosed in the introduction to the Annual Report. The Company's main activities are freight forwarding including transportation of goods via sea & air.

The financial statements for the year ended 31st March, 2024 are approved for issue in accordance with a resolution of the directors on 15th April, 2024.

2. Material accounting policies

2.1. Basis of Accounting

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee (INR) and denominated in lakhs. The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Revenue recognition

2.4.1. Rendering of services

Incomes from freight forwarding services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2. Dividend income

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.4.3 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after 1st April, 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

  The amount expected to be payable by the lessee under residual value guarantees; The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is re-measured whenever :

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease, by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<u>As a lessor</u>

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

2.6. Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupee (INR) (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.7. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.8. Employee benefits

2.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2. Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10.3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.11. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.12. Intangible assets

2.12.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.12.2. Useful lives of intangible assets

The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

2.13. Impairment of tangible and intangible assets

The management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.15. Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.16. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.16.4

All other financial assets are subsequently measured at fair value.

2.16.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.16.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.16.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Significant increase in credit risk

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.17. Financial liabilities and equity instruments

2.17.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17.3. Financial liabilities

All financial liabilities are subsequently measured at amortized cost or at FVTPL.

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or
b. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.18. Segment Accounting:

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

2.19. Exceptional Items:

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.20. Earnings per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, Plant and Equipment

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iv) Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

(v) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(vi) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

3 (b). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2024.

Notes to the financial statements for the year ended 31st March, 2024

Note No. 4 - Property, Plant and Equipment

As at 31st March, 2024

₹ in lakhs

Description of Assets	Computer	Office Equipment	Furniture, Fittings and Fixtures	Right of Use Assets	Total
A. Gross Carrying Amount					
a) Balance as at 1st April, 2023	64.32	4.19	3.89	146.50	**218.90**
b) Additions	12.31	–	–	–	**12.31**
Less: Disposals/Adjustments	(15.27)	(1.98)	(0.46)	(47.09)	**(64.80)**
Balance as at 31st March, 2024	**61.36**	**2.21**	**3.43**	**99.41**	**166.41**
B. Accumulated depreciation and impairment					
a) Balance as at 1st April, 2023	43.97	3.70	2.81	45.93	**96.41**
b) Depreciation/Amortisation expense for the year	12.15	0.10	0.40	41.05	**53.70**
Less: Eliminated on disposal of assets	(14.31)	(1.89)	(0.39)	(26.42)	**(43.01)**
Balance as at 31st March, 2024	**41.81**	**1.91**	**2.82**	**60.56**	**107.10**
C. Net carrying amount (A-B)	**19.55**	**0.30**	**0.61**	**38.85**	**59.31**

As at 31st March, 2023

Description of Assets	Computer	Office Equipment	Furniture, Fittings and Fixtures	Right of Use Assets	Total
A. Gross Carrying Amount					
a) Balance as at 1st April, 2022	**56.77**	**15.79**	**31.92**	**197.14**	**301.62**
b) Additions	13.28	0.27	–	99.41	**112.96**
Less: Disposals/Adjustments	(5.73)	(11.87)	(28.03)	(150.05)	**(195.68)**
Balance as at 31st March, 2023	**64.32**	**4.19**	**3.89**	**146.50**	**218.90**
B. Accumulated depreciation and impairment					
a) Balance as at 1st April, 2022	39.03	14.54	24.61	147.65	**225.83**
b) Depreciation/Amortisation expense for the year	10.38	0.31	0.72	48.18	**59.59**
Less: Eliminated on disposal of assets	(5.44)	(11.15)	(22.52)	(149.90)	**(189.01)**
Balance as at 31st March, 2023	**43.97**	**3.70**	**2.81**	**45.93**	**96.41**
C. Net carrying amount (A-B)	**20.35**	**0.49**	**1.08**	**100.57**	**122.49**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2024 is Rs. Nil** (31st March 2023: Rs. NIL).

Note No. 5 - Intangible Assets

As at 31st March, 2024

₹ in lakhs

Description of Assets	Computer Software	Total
A. Gross Carrying Amount		
a) Balance as at 1st April, 2023	–	**–**
b) Additions	1.40	**1.40**
Less: Disposals/ Adjustments	–	**–**
Balance as at 31st March, 2024	**1.40**	**1.40**
B. Accumulated depreciation and impairment		
a) Balance as at 1st April, 2023	–	**–**
b) amortization expense for the year	0.40	**0.40**
Less: Eliminated on disposal of assets	–	**–**
Balance as at 31st March, 2024	**0.40**	**0.40**
C. Net carrying amount (A-B)	**1.00**	**1.00**

As at 31st March, 2023

₹ in lakhs

Description of Assets	Computer Software	Total
A. Gross Carrying Amount		
a) Balance as at 1st April, 2022	17.50	**17.50**
b) Additions	–	**–**
Less: Disposals/ Adjustments	(17.50)	**(17.50)**
Balance as at 31st March, 2023	**–**	**–**
B. Accumulated depreciation and impairment		
a) Balance as at 1st April, 2022	14.44	**14.44**
b) amortization expense for the year	0.15	**0.15**
Less: Eliminated on disposal of assets	(14.59)	**(14.59)**
Balance as at 31st March, 2023	**–**	**–**
C. Net carrying amount (A-B)	**–**	**–**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2024 is Rs.NIL** (31st March 2023: Rs. NIL).

Notes to the financial statements for the year ended 31st March, 2024

Note No. 6 - Intangible Assets Under Development

(i) Intangible Assets Under Development(ITUD) Ageing Schedule

As at 31st March, 2024

₹ in lakhs

Particulars	Intangible assets under development: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress	–	19.01	–	–	19.01
Projects temporarily suspended	–	–	–	–	–
Total	**–**	**19.01**	**–**	**–**	**19.01**

As at 31st March, 2023

Particulars	Intangible assets under development: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress	19.01	–	–	–	19.01
Projects temporarily suspended	–	–	–	–	–
Total	**19.01**	**–**	**–**	**–**	**19.01**

(ii) Projectwise break-up

As at 31st March, 2024

Particulars	To be completed in: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress					
Custom House Agent License	–	19.01	–	–	19.01
Total	**–**	**19.01**	**–**	**–**	**19.01**

As at 31st March, 2023

Particulars	To be completed in: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress					
Custom House Agent License	19.01	–	–	–	19.01
Total	**19.01**	**–**	**–**	**–**	**19.01**

Note No. 7 - Other Financial Asset

₹ in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
A. Security Deposits				
a) Unsecured, considered good	31.63	16.50	64.11	
Less: Allowance for Credit Losses	–		–	
B. Bank deposits with more than 12 months maturity		5.00		5.00
C. Others				
a) Interest Accrued	2.63		0.06	
b) Accrued Sales	734.42		811.06	
Total	**768.68**	**21.50**	**875.23**	**5.00**

Accrued Sales ageing

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
less than 6 Months.......................	**734.42**	**–**	811.06	–
6 Months to 1 year.......................	**–**	**–**	–	–
1 to 2 Year....................................	**–**	**–**	–	–
2 to 3 Years..................................	**–**	**–**	–	–
More than 3 Years........................	**–**	**–**	–	–
Total	**734.42**	**–**	811.06	–

Note No. 8: Deferred Tax Assets (Net)

Movement in deferred tax balances

Particulars	As on 31st March 2024: Opening Balance	recognized in profit and Loss	recognized in OCI	Closing Balance	As on 31st March 2023: Opening Balance	recognized in profit and Loss	recognized in OCI	Closing Balance
Tax effect of items constituting deferred tax assets								
a) Allowances on Property, Plant and Equipment and Intangible Assets	**7.13**	**(0.56)**	**–**	**6.55**	6.65	0.48	–	7.13
b) Provision for employee benefits	**48.90**	**(7.22)**	**(1.78)**	**39.90**	41.48	9.80	(2.38)	48.90
c) Provisions and allowances for credit losses	**78.64**	**(29.36)**	**–**	**49.28**	111.54	(32.90)	–	78.64
d) Leases	**1.57**	**(0.38)**	**–**	**1.19**	0.64	0.93	–	1.57
e) Ind AS Mutual Fund MTM	**–**	**(0.15)**	**–**	**(0.15)**	–	–		–
Total	**136.24**	**(37.67)**	**(1.78)**	**96.77**	**160.31**	**(21.69)**	**(2.38)**	**136.24**
Net Tax Assets / (Liabilities)	**136.24**	**(37.67)**	**(1.78)**	**96.77**	**160.31**	**(21.69)**	**(2.38)**	**136.24**

Notes to the financial statements for the year ended 31st March, 2024

Note No. 9 - Income Tax Assets (Net)

₹ in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Income Tax/TDS Receivable (Net off Provision for Tax)	297.78	267.67
Total	297.78	267.67

Note No. 10 - Other Current Assets

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
A. **Capital advances**				
a) For Capital work in progress	–	–	–	–
b) For intangible asset under development	–	–	–	–
Total (A)	–	–	–	–
B. **Advances other than capital advances**				
a) Prepaid Expenses	12.94	8.74	17.54	–
b) Other advances	–		–	–
c) Balances with government authorities (other than income taxes)	190.09		93.26	
Total (B)	203.03	8.74	110.80	–
TOTAL (A+B)	203.03	8.74	110.80	–
Less: Allowances for Credit Losses	–	–	–	–
Total (C)	–	–	–	–
TOTAL (A+B+C)	203.03	8.74	110.80	–

Note No. 11 - Investments

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
Fair Value through Profit and Loss (FVTPL)				
A. Quoted Investments (fully paid)				
Investments in Mutual Fund	455.58	–	–	–
Total	455.58	–	–	–

Note No. 12 - Trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
a) Trade Receivables considered good - Secured	–	–
b) Trade Receivables considered good - Unsecured	4,683.09	6,015.71
c) Trade Receivable which have significant increase in credit risk	–	–

Notes to the financial statements for the year ended 31st March, 2024

₹ in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
d) Undisputed Trade Receivable - Credit Impaired	**85.04**	26.00
e) Disputed Trade Receivable - Credit Impaired	**103.52**	286.50
	4,871.65	6,328.21
Less: Allowance for Credit Losses	**188.56**	312.50
TOTAL	**4,683.09**	6,015.71

Trade Receivable ageing as at 31st March, 2024

	Outstanding for following period from due date of payment						
Particulars	**Not Due**	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Undisputed Trade Receivable -Considered Good	3098.30	1512.37	51.86	12.68	7.88	–	**4,683.09**
b) Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
c) Undisputed Trade Receivable - Credit Impaired	–	2.73	30.99	19.99	31.33	–	**85.04**
d) Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	**–**
e) Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
f) Disputed Trade Receivable - Credit Impaired	–	–	–	–	62.82	40.70	**103.52**
Total Trade Receivables							**4,871.65**
Less: Allowance for Expected Credit Losses		2.73	30.99	19.99	94.15	40.70	**188.56**
Total							**4,683.09**

Trade Receivable ageing as at 31st March, 2023

	Outstanding for following period from due date of payment						
Particulars	**Not Due**	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Undisputed Trade Receivable -Considered Good	3798.11	1982.31	112.46	121.47	1.36	–	**6,015.71**
b) Undisputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
c) Undisputed Trade Receivable - Credit Impaired	–	–	–	26.00	–	–	**26.00**
d) Disputed Trade Receivable - Considered Good	–	–	–	–	–	–	**–**
e) Disputed Trade Receivable - which have significant increase in credit risk	–	–	–	–	–	–	**–**
f) Disputed Trade Receivable - Credit Impaired	–	23.30	1.42	175.17	15.74	70.87	**286.50**
Total Trade Receivables							**6,328.21**
Less: Allowance for Expected Credit Losses		23.30	1.42	201.17	15.74	70.87	**312.50**
Total							**6,015.71**

Notes:

i) Refer Note 29 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind As 109, which permits the use of the lifetime expected loss provision for all trade receiables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

iii) Trade Receivables are hypothecated to Banks against working capital facility.

Notes to the financial statements for the year ended 31st March, 2024

Note No. 13 - Cash and Bank Balances

₹ in lakhs

Particulars		As at 31st March, 2024	As at 31st March, 2023
A.	**Cash and cash equivalents**		
a)	Balances with banks	**5.28**	275.38
b)	Cash on hand	**0.09**	0.42
c)	Bank deposits with maturity of less than 3 months	**–**	–
Total		**5.37**	275.80
B.	**Other Bank Balances**		
	Balances with Scheduled Bank on Fixed Deposit maturities upto six months	**1,007.00**	–
Total		**1,007.00**	–

Note No. 14 - Equity Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	**Amount**	No. of shares	Amount
I. **Authorised:**				
Equity shares of Rs.10 each with voting rights	**2,500,000**	**250.00**	2,500,000	250.00
Total	**2,500,000**	**250.00**	2,500,000	250.00
II. **Issued, Subscribed and Fully Paid:**				
Equity shares of Rs. 10 each with voting rights	**2,362,509**	**236.26**	2,362,509	236.26
Total	**2,362,509**	**236.26**	2,362,509	236.26

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
A. **Equity Shares with Voting rights**				
a) **Year Ended 31st March 2024**				
No. of Shares	**2,362,509**	**–**	–	**2,362,509**
Amount	**236.26**	**–**	–	**236.26**
b) Year Ended 31st March 2023				
No. of Shares	2,362,509	–	–	2,362,509
Amount	236.26	–	–	236.26

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Mahindra Logistics Limited	**2,340,009**	2,340,009

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2024 Number of shares held	As at 31st March, 2024 % holding in that class of shares	As at 31st March, 2023 Number of shares held	As at 31st March, 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra Logistics Limited	**2,340,009**	**99.05%**	2,340,009	99.05%

Notes to the financial statements for the year ended 31st March, 2024

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March,2024

Promoter name	No. of Shares	%of total shares	% Change during the year
1. Mahindra Logistics Limited	**2,340,009.00**	**99.05%**	**–**

Shares held by promoters as at 31st March,2023

Promoter name	No. of Shares	%of total shares	% Change during the year
1. Mahindra Logistics Limited	2,340,009.00	99.05%	–

(vi) Additional Disclosures:

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	**NIL**	NIL
(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares	**NIL**	NIL
(c) Aggregate number separately for each class of shares bought back	**NIL**	NIL

Note No. 15 - Other Equity

₹ in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Securities Premium reserve	**622.75**	622.75
Retained earnings	**3,710.71**	3,366.39
Total	**4,333.46**	3,989.14

Movement in Reserves

Particulars	As at 31st March, 2024	As at 31st March, 2023
(A) Securities Premium reserve		
Balance as at the beginning of the year	**622.75**	622.75
Add: Additions during the year	**–**	–
Less: Deletion during the year	**–**	–
Balance as at the end of the year	**622.75**	622.75
(B) Retained Earnings		
Balance as at the beginning of the year	**3,366.39**	2,362.86
Add: Profit for the year	**339.04**	996.44
Less: Actuarial gain/(loss) for the year	**5.28**	7.09
Balance as at the end of the year	**3,710.71**	3,366.39

Nature and purpose of other reserves:

Securities Premium Reserve:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the company in accordance with the Companies Act, 2013.

Notes to the financial statements for the year ended 31st March, 2024

Note No. 16 - Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises	**14.71**	67.36
Total outstanding dues other than micro enterprises and small enterprises:		
- Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	**2,594.91**	2,961.36
Total	**2,609.62**	3,028.72

Trade Payables ageing as at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment #				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	**14.71**	–	–	–	**14.71**
(ii) Others	**2,594.91**	–	–	–	**2,594.91**
(iii) Disputed Dues - MSME	–	–	–	–	
(iv) Disputed Dues - Others	–	–	–	–	

Trade Payables ageing as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment #				
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	67.36	–	–	–	67.36
(ii) Others	2,961.36	–	–	–	2,961.36
(iii) Disputed Dues - MSME	–	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–	–

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

ii) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dues remaining unpaid		
— Principal	–	–
Interest on the above	–	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–	–
Principal paid beyond the appointed date	–	–
Interest paid in terms of Section 16 of the MSMED Act	–	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Amount of interest accrued and remaining unpaid	–	–

Note No. 17 - Other Financials Liabilites

₹ in lakhs

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non–Current	Current	Non–Current
Other Financial Liabilities Measured at Amortised Cost				
Security Deposits	**1.40**	–	–	–
Salary & other payable to employees	**218.25**	–	231.25	–
Interest accrued on borrowings	**0.08**	–	–	–
TOTAL	**219.73**	–	231.25	–

Note No. 18 - Provisions

₹ in lakhs

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non–Current	Current	Non–Current
Provision for Compensated absences	**27.66**	**91.17**	23.01	90.25
Post- Employment Benefit -Gratuity Liability	**17.61**	**29.15**	10.44	70.60
TOTAL	**45.27**	**120.32**	33.45	160.85

Notes to the financial statements for the year ended 31st March, 2024

Note No. 19 - Other Liabilities

₹ in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non–Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non–Current
Statutory dues				
a) Taxes payable	**9.30**	**–**	29.79	–
b) Employee Liabilities	**9.35**	**–**	11.70	–
TOTAL (A+B)	**18.65**	**–**	41.49	–

Notes:

i) For disclosures related to employee benefits, refer note 23.

Note No. 20 - Revenue from Operations

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from rendering of services	**24,784.80**	36,582.91
Total	**24,784.80**	36,582.91

A. Continent-wise break up of Revenue

₹ in lakhs

Continent	Year ended 31st March, 2024 Revenue from contracts with customers (IndAS 115)	Year ended 31st March, 2024 Total Revenue from Operations	Year ended 31st March, 2023 Revenue from contracts with customers (IndAS 115)	Year ended 31st March, 2023 Total Revenue from Operations
Africa	**4.12**	**4.12**	0.98	0.98
Asia	**24,430.44**	**24,430.44**	36,023.29	36,023.29
Europe	**112.73**	**112.73**	66.44	66.44
North America	**228.47**	**228.47**	491.34	491.34
Oceania	**0.35**	**0.35**	0.87	0.87
South America	**8.69**	**8.69**	–	–
Total	**24,784.80**	**24,784.80**	36,582.92	36,582.92

B. Reconciliation of revenue from contract with customer

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from contract with customer as per the contract price	**24,784.80**	36,582.92
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**–**	–
b) Sales Returns / Reversals	**–**	–
c) Deferrment of revenue	**–**	–
d) Changes in estimates of variable consideration	**–**	**–**
e) Recognition of revenue from contract liability out of	**–**	**–**
f) Any other adjustments	**–**	**–**
Revenue from contract with customer as per the statement of Profit and Loss	**24,784.80**	36,582.92

C. Break-up of Provision for Expected Credit Losses recognized in P&L

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Expected Credit loss recognized during the year on trade receivables	**(123.94)**	(130.71)
Expected Credit loss recognized during the year on contract assets	**–**	–
Expected Credit loss recognized during the year on others	**–**	–
Expected Credit loss recognized during the year on loan related assets	**–**	–
Total	**(123.94)**	(130.71)

D. Movement of Contract Assets and Contract Liabilities

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening Balance	**811.06**	370.72
Additions during the year	**15,174.03**	20,137.00
Reclassification Adjustments:		
- Reclass of opening balances of contract assets to trade receivables	**(811.06)**	(370.72)
- Reclass of contract assets (out of additions during the year) to trade receivables	**(14,439.61)**	(19,325.94)
Closing Balance	**734.42**	811.06

Note No. 21 - Other Income

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Interest Income		
i) Financial assets carried at amortised cost	**29.69**	0.07
ii) Other Assets	**27.47**	4.61
b) Miscellaneous Income		
i) Net gain arising on financial assets carried at FVTPL	**7.01**	
ii) Gain on exchange fluctuation	**173.73**	123.75
iii) Provisions/Liabilities no longer required written back	**18.16**	31.43
iv) Profit on sale of property, plant and equipments	**0.51**	
Total	**256.57**	159.86

Note No. 22 - Freight & Other related Expenses

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Freight & Other related Expenses	**22,247.26**	32,925.55
Total	**22,247.26**	32,925.55

Notes to the financial statements for the year ended 31st March, 2024

Note No. 23 - Employee Benefits Expense

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Salaries and wages, including bonus	**1,493.33**	1,556.20
b) Contribution to provident and other funds	**61.30**	71.62
c) Gratuity	**22.07**	24.14
d) Share based payment expenses	**21.36**	26.99
e) Staff welfare expenses	**48.28**	64.40
Total	**1,646.34**	1,743.35

Notes:

i) Salaries and wages would include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.

ii) Contribution to provident fund and other funds would include contributions to other funds like superannuation fund etc.pertaining to employees. Contributions to ESIC, Labour Welfare Fund.

iii) **Share based payment**

Pursuant to the Employees Stock Options Scheme established by the holding Company (i.e. Mahindra Logitstics Limited), stock options was granted to the employee of the Company. Total cost incurred by the holding Company, in respect of the same is Rs. 53.11 Lacs (31st March 2023: Rs. 50.46 Lacs). The same is being recovered from the company over the period of vesting by the holding Company. Accordingly, cost of Rs. 23.99 Lacs (31st March 2023: Rs. 26.99Lacs) has been recovered by the holding Company upto current year, out of which, Rs. 21.36 Lacs (31st March 2023: Rs. 26.99Lacs) was recovered during the year.

Note No. 24 - Finance Cost

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Interest expense on financial instruments designated at amortised cost	**0.73**	106.23
b) Interest expense on Lease liability	**4.74**	7.59
Total	**5.47**	113.82

Notes:

i) Analysis of Interest Expenses by Category

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Expenses		
a) On Financial Liability at amortized Cost	**0.73**	106.23
Total	**0.73**	106.23

Note No. 25 - Depreciation and Amortisation expenses

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Depreciation on Property, Plant and Equipment	**12.65**	11.42
b) Amortisation on Right-of-use asset	**41.06**	48.16
c) Amortisation on Intangible Assets	**0.40**	0.15
Total	**54.11**	59.73

Note No. 26 - Other Expenses

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Rent including lease rentals	**168.85**	134.15
b) Legal & Other Professional charges	**63.82**	62.71
c) Travelling and Conveyance Expenses	**90.98**	101.97
d) Provision for expected credit losses (Net of Reversals)	**(123.94)**	(130.71)
e) Provision for doubtful advances (Net of Reversals)	**7.29**	–
f) Expenditure on Corporate Social Responsibility (CSR)	**29.25**	23.08
g) Advertisment	**–**	5.22
h) Net loss on sale of property, plant and equipments	**–**	3.12
i) Repairs and maintenance :		
i) Machinery	**–**	–
ii) Others	**194.21**	186.18
j) Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**4.56**	4.40
ii) For Taxation matters	**0.90**	0.90
iii) For Other services	**0.18**	0.10
k) Other expenses		
i) Miscellaneous expense	**101.02**	110.89
ii) Loss arising on derecognition of financial assets-Bad debts/advances written off	**88.14**	59.94
Total	**625.26**	561.95

Note:

Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 Rs.29.25 lacs (31st March 2023:Rs 23.08 Lacs).

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(i) amount required to be spent by the company during the year,	**29.25**	23.08
(ii) amount of expenditure incurred,	**29.25**	23.08
(iii) shortfall at the end of the year,	**–**	–
(iv) total of previous years shortfall,	**–**	–
(v) reason for shortfall,	**NA**	NA
(vi) nature of CSR activities,		
a) Building Communities	**2.00**	2.00
b) Disaster Management		
c) Nanhi Kali	**14.63**	11.54
d) Skill Development		
e) Sustainability	**12.62**	9.54
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation	**14.63**	11.54
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**NA**	NA

Notes to the financial statements for the year ended 31st March, 2024

Note No. 27 - Current Tax and Deferred Tax

₹ in lakhs

(a) Income Tax recognized in profit or loss

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Current Tax:		
a) In respect of current year	**86.15**	320.24
Total	**86.15**	320.24
B. Deferred Tax:		
a) In respect of current year origination and reversal of temporary differences	**37.67**	21.69
Total	**37.67**	21.69
Total (A+B)	**123.82**	341.93

(b) Income tax recognized in Other Comprehensive Income

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Current Tax:		
Remeasurement of defined benefit obligations	**–**	–
Total	**–**	–
B. Deferred Tax:		
Remeasurement of defined benefit obligations	**1.78**	2.38
Total	**1.78**	2.38
Classification of income tax recognized in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**1.78**	2.38
Total	**1.78**	2.38

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	As at 31st March, 2024 Per Share	As at 31st March, 2023 Per Share
a) Profit Before tax	**462.93**	1,338.37
b) Income Tax using the Company's domestic tax rate	**116.51**	336.84
c) Effect of expenses/provisions not deductible in determining taxable profit	**7.38**	5.09
	123.89	341.93
Income tax expense recognized In profit or loss	**123.89**	341.93

Note

The tax rate used in reconciliations above is the corporate tax rate of 22% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Note No. 28 - Earnings per Share

₹ in lakhs

Particulars	Year ended 31st March, 2024 Per Share	Year ended 31st March, 2023 Per Share
A. Basic Earnings per share (in Rs) (face value Rs. 10/- per share)	**14.35**	42.18
B. Diluted Earnings per share (in Rs) (face value Rs. 10/- per share)	**14.35**	42.18

Notes:

i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Profit / (loss) for the year attributable to owners of the Company	**339.04**	996.44
Profit / (loss) for the year used in the calculation of basic earnings per share	**339.04**	996.44
Total number of equity shares	**2,362,509**	2,362,509
Earnings per share from continuing operations - Basic (in Rs)	**14.35**	42.18

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Profit / (loss) for the year used in the calculation of basic earnings per share	**339.04**	996.44
b) Add: Dilutive Impact	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**339.04**	996.44

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**2,362,509.00**	2,362,509.00
Add: Dilutive Impact	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**2,362,509.00**	2,362,509.00
Earnings per share from continuing operations - Diluted (in Rs.)	**14.35**	42.18

Note No. 29 - Financial Instruments

I. Capital management Policy

a) The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of company's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

₹ in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Equity	**4,569.72**	4,225.40
Total	**4,569.72**	4,225.40

Notes to the financial statements for the year ended 31st March, 2024

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

₹ in lakhs

As at 31st March 2024

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Other Financial Assets	**21.50**	**–**	**–**	**21.50**
Total	**21.50**	**–**	**–**	**21.50**
B. Current Assets				
a) Investments		**455.58**	**–**	**455.58**
b) Trade Receivables	**4,683.09**	**–**	**–**	**4,683.09**
c) Cash and Bank Balances	**1,012.37**	**–**	**–**	**1,012.37**
d) Other Financial Assets	**768.68**	**–**	**–**	**768.68**
Total	**6,464.14**	**455.58**	**–**	**6,919.72**
C. Non-current Liabilities				
a) Lease Liabilities	**7.53**	**–**	**–**	**7.53**
Total	**7.53**	**–**	**–**	**7.53**
D. Current Liabilities				
a) Lease Liabilities	**36.02**	**–**	**–**	**36.02**
c) Trade Payables	**2,609.62**	**–**	**–**	**2,609.62**
d) Other Financial Liabilities	**219.73**	**–**	**–**	**219.73**
Total	**2,865.37**	**–**	**–**	**2,865.37**

As at 31st March 2023

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Other Financial Assets	5.00	–	–	5.00
Total	5.00	–	–	5.00
B. Current Assets				–
a) Trade Receivables	6,015.71	–	–	6,015.71
b) Cash and Bank Balances	275.80	–	–	275.80
c) Other Financial Assets	875.23	–	–	875.23
Total	7,166.74	–	–	7,166.74
C. Non-current Liabilities				
a) Lease Liabilities	60.86	–	–	60.86
Total	60.86	–	–	60.86
D. Current Liabilities				
a) Lease Liabilities	45.93	–	–	45.93
b) Borrowings	–	–	–	–
c) Trade Payables	3,028.72	–	–	3,028.72
d) Other Financial Liabilities	231.25	–	–	231.25
Total	3,305.90	–	–	3,305.90

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India and outside India.

(iii) Apart from one large customer of the company, the company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single company did not exceed 10 % of gross monetary assets at any time during the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting period.

(vi) The loss allowance provision is determined as follows:

₹ in lakhs

As at 31st March, 2024

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	**3,098.30**	**1,515.10**	**258.25**	**4,871.65**
b) Loss allowance provision		**2.73**	**185.83**	**188.56**

₹ in lakhs

As at 31st March, 2023

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	3,798.10	2,005.61	524.50	6,328.21
b) Loss allowance provision		23.30	289.20	312.50

(vii) Reconciliation of loss allowance provision for Trade Receivables

₹ in lakhs

Particulars	31 March, 2024	31 March, 2023
a) Balance as at beginning of the year	**312.50**	443.22
b) Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**12.86**	25.36
– Other receivables	**43.78**	52.82
c) Impairment losses reversed/written back	**180.58**	208.90
d) Balance at end of the year	**188.56**	312.50

Notes to the financial statements for the year ended 31st March, 2024

(viii) During the period, the company has made write off of Rs. 88.14 lacs (31st March, 2023: Rs.59.94 lacs) of trade receivable. These trade receivables and advances are not subject to enforcement activity.

Cash and Cash equivalents

As at 31st March, 2023 the company held cash and cash equivalents of Rs. 1012.38 Lacs (As at 31st March, 2023 Rs. 275.80 Lacs). The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial iabilites:

₹ in lakhs

Particulars	Less than 1 Year	1-3 Years to	3 Years 5 Years	5 years and above
A) Non-derivative financial liabilities				
As at 31st March 2024				
a) Lease Liabilities	**36.02**	**7.53**	**–**	**–**
b) Borrowings	**–**	**–**	**–**	**–**
c) Trade Payables	**2,609.62**	**–**	**–**	**–**
d) Other Financial Liabilities	**219.73**	**–**	**–**	**–**
Total	**2,865.37**	**7.53**	**–**	**–**
As at 31st March 2023				
a) Lease Liabilities	45.93	60.86	–	–
b) Borrowings	–	–	–	–
c) Trade Payables	3,028.72	–	–	–
d) Other Financial Liabilities	231.25	–	–	–
Total	3,305.90	60.86	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

₹ in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Secured Cash credit facility		
– Expiring within one year	**5,000.00**	5,000.00
– Expiring beyond one year	**–**	–
b) Bank Guarantees*		
– Expiring within one year	**4,965.00**	4,965.00
– Expiring beyond one year	**–**	–

* These limits are as a sub-limit of secured cash credit facility.

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

₹ in lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	In Rs. Lacs	In Rs. Lacs	In Rs. Lacs	In Rs. Lacs
Non-derivative financial assets				
As at 31st March 2024				
a) Investments	**455.58**			
b) Trade Receivables	**4,683.09**	**–**	**–**	**–**
c) Cash and Bank Balances	**1,012.37**	**–**	**–**	**–**
d) Other Financial Assets	**768.68**	**16.50**	**–**	**5.00**
Total	**6,919.72**	**16.50**	**–**	**5.00**
As at 31st March 2023				
a) Trade Receivables	6,015.71	–	–	–
b) Cash and Bank Balances	275.80	–	–	–
c) Other Financial Assets	875.23	**–**	–	5.00
Total	7,166.74	–	–	5.00

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

C) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	31st March, 2024	31st March, 2023
Trade Receivables	USD	**2,52,118**	3,52,983
	EUR	**1,105**	3,296
	CAD	**–**	–
	SGD	**–**	1,257
	GBP	**22,516.62**	–
	HKD	**–**	–
Trade Payables	USD	**5,84,945**	7,84,224
	HKD	**4,99,350**	1,56,779
	EUR	**1,64,584**	2,00,720
	GBP	**5,210**	25,777
	CNY	**3,01,691**	–
	SGD	**1,583**	8,541
	CAD	**792**	3,506
	CHF	**1,179**	230
	AUD	**950**	6,703
	DKK	**2,300**	–
	JPY	**2,87,067**	10,44,446

Notes to the financial statements for the year ended 31st March, 2024

The Company does not enter into hedge transactions for either trading or speculative purposes.

The outstanding forward contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts designated as Fair Value hedges of USD-INR as at 31 March 2024 and 31 March 2023 was Nil.

Outstanding number of contracts as at 31 March 2024 and 31 March 2023 were Nil.

Following table demonstrate the Notional value of forward contracts designated as fair value hedges in lakhs

	As at 31st March, 2024		As at 31st March, 2023	
Currency	**Amount in foreign Currency**	**Amount in INR**	**Amount in foreign Currency**	**Amount in INR**
USD - INR	–	–	–	–
HKD - INR	–	–	–	–
GBP- INR	–	–	–	–
Euro - INR	–	–	–	–

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	**Currency**	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-March-2024	**USD**	**+10%**	**27.75**	**27.75**
	USD	**-10%**	**(27.75)**	**(27.75)**
	HKD	**+10%**	**5.32**	**5.32**
	HKD	**-10%**	**(5.32)**	**(5.32)**
	EUR	**+10%**	**14.75**	**14.75**
	EUR	**-10%**	**(14.75)**	**(14.75)**
	CNY	**+10%**	**3.48**	**3.48**
	CNY	**-10%**	**(3.48)**	**(3.48)**
31-March-2023	USD	+10%	32.65	32.65
	USD	-10%	(32.65)	(32.65)
	HKD	+10%	1.50	1.50
	HKD	-10%	(1.50)	(1.50)
	EUR	+10%	16.68	16.68
	EUR	-10%	(16.68)	(16.68)
	GBP	+10%	2.56	2.56
	GBP	-10%	(2.56)	(2.56)

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in Interest rates, with all other variables held constant.

Particulars	**Name of borrowing**	**Type of Interest**	**Rate of interest**	**Loan amount outstanding**	**Increase in Base Rate**	**Sensitivity Impact on P&L (pre-tax)**	**Decrease in Base Rate**	**Sensitivity Impact on P&L (pre-tax)**
As at 31st March, 2024	**Cash Credit**	**Floating**	**9.20%**	**–**	**1.00%**	**–**	**1.00%**	**–**
As at 31st March, 2023	Cash Credit	Floating	8.75%	–	1.00%	–	1.00%	–

Note No. 30 - Fair Value Measurement

a) Fair Valuation Techiques and Inputs used - recurring Items

₹ in lakhs

	Fair value as at					
Particulars	**31st March 2024**	31st March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
A) Financial assets						
a) Investments						
i) Mutual Fund investments	**455.58**	–	Level 1	Quoted Market Prices	NA	NA
Total financial assets	**455.58**	–				

As at the reporting date, the company does not have any financial liability measured at fair values.

Notes to the financial statements for the year ended 31st March, 2024

a) Fair value of financial assets and financial liabilities that are measured at amortized cost:

₹ in lakhs

Particulars	31st March, 2024 Carrying amount	31st March, 2024 Fair value	31st March, 2023 Carrying amount	31st March, 2023 Fair value
A) Financial assets				
a) Financial assets carried at amortized Cost				
i) Trade and other receivables	**4,683.09**	**4,683.09**	6,015.71	6,015.71
ii) Deposits given	**48.13**	**48.13**	64.11	64.11
iii) Cash and cash equivalents	**1,012.37**	**1,012.37**	275.80	275.80
iii) Others	**742.05**	**742.05**	816.12	816.12
Total	**6,485.64**	**6,485.64**	7,171.74	7,171.74
B) Financial liabilities				
b) Financial liabilities held at amortized cost				
i) Lease Liabilities	**43.55**	**43.55**	106.79	106.79
ii) Borrowings	**–**	**–**	–	–
iii) Trade and other payables	**2,609.62**	**2,609.62**	3,028.72	3,028.72
iv) Other financial liabilities	**219.73**	**219.73**	231.25	231.25
Total	**2,872.90**	**2,872.90**	3,366.76	3,366.76

Note No. 31 - Segment information

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "Freight Forwarding".

iii) The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

The Segmental Disclosures are as follows :-

(iv) Geographic information

₹ in lakhs

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Revenue from external customers		
India	**23,817.15**	33,423.39
Outside India	**967.65**	3,159.52
Total Revenue as per statement of Profit or Loss	**24,784.80**	36,582.91

v) Non- current operating assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
India	**60.31**	122.49
Outside India	**–**	–
Total	**60.31**	122.49

Non-current assets for this purpose consist of property, plant and equipment, and intangible assets.

The revenues of the company from a group of customers under common control amounts to around 7.44% (31st March 2023 6.23%) of its total revenues.

Note No 32 - Leases

Following are the changes in the carrying value of right of use assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at 1st April	**100.57**	49.49
Addition	**–**	99.41
Deletion	**(20.67)**	(0.15)
Amortisation expense for the year	**(41.05)**	(48.18)
Balance at 31st March	**38.85**	100.57

The aggregate Amortisation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at 1st April	**106.81**	52.02
Additions	**–**	99.41
Finance cost accrued during the period	**4.74**	7.59
Deletions	**(22.89)**	(0.15)
Payment of lease liabilities	**(45.11)**	(52.06)
Balance at 31st March	**43.55**	106.81
Current lease liabilities	**36.02**	45.93
Non-current lease liabilities	**7.53**	60.86
Total	**43.55**	106.79

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than one year	**37.59**	51.79
One to five years	**7.57**	63.74
More than five years	**–**	–
Total undiscounted lease liabilities at Balance sheet date	**45.16**	115.53

Notes to the financial statements for the year ended 31st March, 2024

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was Rs. 168.85 lacs (31st March 2023 - Rs. 134.15Lacs) for the year ended 31st March 2024

Amounts recognised in Statement of Profit and Loss

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest on lease liabilities	**4.74**	7.59
Expense relating to short term leases	**168.85**	134.15
Amortisation expense of right of use asset	**41.06**	48.16
Total Expenses	**214.65**	189.90

Amounts recognised in Statement of cash flows

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total cash outflows for leases	**213.96**	180.00

Note No. 33 - Employee benefits

i) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 60.89 lacs (31st March, 2023 : Rs. 70.96 lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

ii) Defined Benefit Plans:

Gratuity

(a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31st March, 2024	Valuation as at 31st March, 2023
a) Discount rate(s)	**7.15%**	7.30%
b) Expected rate(s) of salary increase	**7.00%**	7.00%
c) Mortality rate during employment	**100% IALM(2012-14) Ultimate**	100% IALM(2012-14) Ultimate

(d) Defined benefit plans – as per actuarial valuation

Particulars	Unfunded Plan – Gratuity 2024	Unfunded Plan – Gratuity 2023
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
a) Current Service Cost	**16.14**	19.29
b) Past service cost and (gains)/ losses from settlements		
c) Net interest expense	**5.93**	4.86
Components of defined benefit costs recognised in profit or loss	**22.07**	24.15
a) Remeasurement on the net defined benefit liability		
b) Return on plan assets (excluding amount included in net interest expense)		
c) Actuarial (gains)/loss arising from changes in demographic	**0.16**	(0.74)
d) Actuarial (gains)/loss arising from changes in financial assumptions	**0.78**	(2.80)
e) Actuarial (gains)/loss arising from experience adjustments	**(8.00)**	(5.93)
Components of defined benefit costs recognised in other comprehensive income	**(7.06)**	(9.47)
Total	**15.01**	14.68
II. Net (Asset)/Liability recognised in the Balance Sheet as at 31st March		
a) Present value of defined benefit obligation	**96.76**	81.04
b) Fair value of plan assets	**(50.00)**	–
c) Surplus/(Deficit)	**46.76**	81.04
d) Current portion of the above	**17.61**	10.44
e) Non current portion of the above	**29.15**	70.60
III. Change in the obligation during the year ended 31st March		
a) Present value of defined benefit obligation at the beginning of the year	**81.04**	71.46
b) Add/(Less) on account of Scheme of Arrangement/Business		
c) Transfer	**12.90**	
d) Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**16.14**	19.29
– Past Service Cost		
– Interest Expense (Income)	**5.93**	4.86
e) Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**0.16**	(0.74)

Notes to the financial statements for the year ended 31st March, 2024

Particulars	Unfunded Plan – Gratuity 2024	2023
ii. Financial Assumptions	**0.78**	(2.80)
iii. Experience Adjustments	**(8.00)**	(5.93)
f) Benefit payments	**(12.19)**	(5.09)
g) Present value of defined benefit obligation at the end of the year	**96.76**	81.04
IV. Change in fair value of assets during the year ended 31st March		
i) Fair value of plan assets at the beginning of the year	**–**	–
ii) Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**–**	–
iii) Recognised in Other Comprehensive Income	**–**	–
Remeasurement gains / (losses)		
– Actual Return on plan assets in excess of the expected return	**–**	–
iv) Contributions by employer (including benefit payments recoverable)	**50.00**	–
v) Benefit payments	**–**	–
vi) Fair value of plan assets at the end of the year	**50.00**	–
V. The Major categories of plan assets		
– Insurance Funds	**50.00**	–
VI. Actuarial assumptions		
a) Discount rate	**7.15%**	7.30%
b) Expected rate of return on plan assets		
c) Attrition rate	**18.00%**	15.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
a) Discount rate	**2024**	**1.00%**	**92.34**	**101.57**
	2023	1.00%	76.61	85.92
b) Salary growth rate	**2024**	**1.00%**	**100.74**	**92.97**
	2023	1.00%	85.66	76.72
c) Rate of employee turnover	**2024**	**50.00%**	**96.36**	**95.48**
	2023	50.00%	78.94	82.60
d) Rate of Mortality	**2024**	**10.00%**	**96.77**	**96.75**
	2023	10.00%	81.05	81.03

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The weighted average duration of the defined benefit obligation as at **31 March 2024 is 5 years** (31st March 2023: 6 years)

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	2024	2023
Within 1 year	**17.61**	10.43
2 - 5 year	**58.27**	43.20
6 - 10 year	**40.58**	41.90
More than 10 years	**27.33**	37.33

g) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 34 - Related Party Transactions

i) List of Related Parties:

a) Ultimate Holding Company:	
1	Mahindra & Mahindra Limited
b) Holding Company:	
1	Mahindra Logistics Limited
c) Fellow Subsidiaries	
1	Mahindra Heavy Engines Limited
2	Mahindra Two Wheelers Limited
3	Mahindra Electric Mobility Limited (Merged with Mahindra & Mahindra Limited w.e.f.2nd February, 2023)
4	Mahindra Auto Steel Private Limited
5	Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited)
6	Mahindra Electric Automobile Limited
7	Mahindra Last Mile Mobility Limited
8	V-Link freight Services Private Limited
d) Other Related Parties:	
1	Sanyo Special Steel Manufacturing India Private Limited
2	Classic Legends Private Limited
3	Mahindra CIE Automotive Limited
4	Tech Mahindra Limited

Notes to the financial statements for the year ended 31st March, 2024

c) Key management Personnel	Name of KMP	Designation
1	Rampraveen Swaminathan	Non-Executive Director
2	Sushil Rathi (Upto 31st March 2023)	Non-Executive Director
3	Naveen Raju Kollaickal	Non-Executive Director
4	Ajay Mehta	Independent Director
5	Chandra Iyer	Independent Director
6	Saurav Chakraborty	Chief Executive Officer
7	Amit Bohra	Chief Financial Officer

ii) Details of transaction between the Company and its related parties are disclosed below:

						₹ in lakhs
Particulars	**Year**	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiary**	**Other related parties**	**KMP**
Nature of transactions with Related Parties						
a) Rendering of services	31-Mar-24	**1,642.40**	**4.49**	**201.26**	**0.46**	
	31-Mar-23	1,939.61	–	334.97	5.59	
b) Receiving of services	31-Mar-24			**–**		
	31-Mar-23			49		
c) Reimbursements made to parties	31-Mar-24	**1.26**	**398.48**			
	31-Mar-23	1.29	292.01			
d) Reimbursements received from the parties	31-Mar-24		**42.15**	**–**		
	31-Mar-23		–	2.00	–	
e) Remuneration & ESOPs	31-Mar-24					**207.47**
	31-Mar-23					–
f) Director sitting fees	31-Mar-24					**5.40**
	31-Mar-23					5.00
Nature of Balances with Related Parties						
a) Trade payables	31-Mar-24	**0.28**	**41.30**			**–**
	31-Mar-23	0.45	53.46			0.54
b) Trade Receivable	31-Mar-24	**236.53**	**–**	**47.15**	**0.46**	**–**
	31-Mar-23	549.50	–	4.19	–	–

iii) All the outstanding balances, whether receivables or payables are unsecured.

iv) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

v) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

vi) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

vii) Material related party transactions are as under:

						₹ in lakhs
Particulars	**Year**	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiary**	**Other related parties**	**KMP**
a) Rendering of Services						
Mahindra & Mahindra Limited	31-Mar-24	**1,642.40**				
	31-Mar-23	1,939.61				
Mahindra Logistics Limited	31-Mar-24		4.49			
	31-Mar-23		–			
Mahindra Two Wheelers Limited	31-Mar-24			**8.53**		
	31-Mar-23			6.93		
Classic Legends Private Limited	31-Mar-24				0.06	
	31-Mar-23				0.78	
Mahindra Heavy Engines Limited	31-Mar-24			**5.85**		
	31-Mar-23			58.56		
Mahindra Auto Steel Private Limited	31-Mar-24			**3.45**		
	31-Mar-23			2.62		
Mahindra Accelo Limited	31-Mar-24			**–**		
	31-Mar-23			1.07		
Mahindra Electric Mobility Limited	31-Mar-24			**–**		
	31-Mar-23			265.01		

Notes to the financial statements for the year ended 31st March, 2024

						₹ in lakhs
Particulars	**Year**	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiary**	**Other related parties**	**KMP**
Mahindra CIE Automotive Limited	31-Mar-24				–	
	31-Mar-23				5.40	
Sanyo Special Steel Manufacturing India Private Limited	31-Mar-24				**–**	
	31-Mar-23				0.19	
Tech Mahindra Limited	31-Mar-24				**0.40**	
	31-Mar-23				–	
Mahindra Electric Automobile Limited	31-Mar-24			**174.99**		
	31-Mar-23			–		
Mahindra Last Mile Mobility Limited	31-Mar-24			**8.44**		
	31-Mar-23			–		
b) Receiving of services						
V-Link Freight Services Private Limited	31-Mar-24			**–**		
	31-Mar-23			49		
c) Reimbursements made to parties						
Mahindra & Mahindra Limited	31-Mar-24	**1.26**				
	31-Mar-23	1.29				
Mahindra Logistics Limited	31-Mar-24		**398.48**			
	31-Mar-23		292.01			
d) Reimbursements received from the parties						
Mahindra Logistics Limited	31-Mar-24		**42.15**			
	31-Mar-23		–			
V-Link Freight Services Private Limited	31-Mar-24			**–**		
	31-Mar-23			2		
e) Remuneration & ESOPs						
Mr. Saurav Chakraborty	31-Mar-24					**126.08**
	31-Mar-23					–
Mr. Amit Bohra	31-Mar-24					**81.39**
	31-Mar-23					–
f) Director sitting fees						
Mr. Ajay Mehta	31-Mar-24					**2.70**
	31-Mar-23					2.50
Ms. Chandra Iyer	31-Mar-24					**2.70**
	31-Mar-23					2.50

Note No. 35 - Ratio

S.No.	Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% variance	Reasons
1	Current Ratio	Current Assets	Current Liabilities	**2.43**	2.15	13%	
2	Debt-equity Ratio	Borrowing	Networth	**–**	–	0%	
3	Debt service coverage Ratio	Net Profit before tax + Interest	Borrowing	**–**	–	0%	
4	Return on equity Ratio	Profit After Tax	Shareholder's Equity	**7.71%**	26.76%	-71%	Reduction in profit due to correction in freight rates (air and ocean both) in FY 23-24 vs FY 22-23
5	Inventory Turnover Ratio	NA*	NA*	**NA**	NA	NA	
6	Trade receivables turnover ratio	Net Credit Sales	Avg.Accounts Receivables + Avg. Accrued Receivables	**4.05**	4.98	-19%	
7	Trade payables turnover ratio	Net Purchases of Freight Services	Avg.Accounts Payable	**7.89**	12.90	-39%	Overall increase in trade payable
8	Net capital turnover ratio	Revenue from Operations	Working Capital	**5.91**	9.39	-37%	Reduction in revenue and increase in Daily Sales Outstanding
9	Net profit ratio	Net Profit	Revenue from Operations	**1.37%**	2.72%	-50%	Overall reduction in revenue due to freight rate (air & ocean both)

Notes to the financial statements for the year ended 31st March, 2024

S.No.	Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% variance	Reasons
10	Return on capital employed	EBIT***	Capital Employed****	**10.25%**	34.37%	-70%	Overall reduction in revenue due to freight rate (air & ocean both)
11	Return on investment		NA*	**NA**	NA	NA	

NA* ratios are not applicable

EBIT***= Earnings before Interest and tax

Capital Employed**** = Shareholder's fund + Borrowings

Note No. 36 - Contingent

Particulars		As at 31st March, 2024	As at 31st March, 2023
Contingent liabilities (to the extent not provided for)			
Claims against the Company not acknowledged as debt			
a)	Goods & Serivce Tax	**91.84**	–
b)	Income Tax	**8.05**	8.05
c)	Other Matters	**5.20**	–

Notes:
i) The Company does not expect any payout in respect of the above contingent liabilities.
ii) It is not practicable to estimate the timings of cash outflows, if any, in respect of maters at (a) to (c) above, pending resolution of appellate proceedings.

Note No. 37 - Relationship with Struck Off Co

Name of the struck Off company	Nature of transaction	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2024	Balance outstanding at the end of the year as at 31st March'2023
LUFTHANSA CARGO INDIA LIMITED	Trade Payable	External Vendor	0.54	0.08
STAR SHIPPING SERVICES PRIVATE LIMITED	Trade Payable	External Vendor	4.90	0.86
SHINE FREIGHT SYSTEMS INDIA PRIVATE LIMITED*	Trade Payable	External Vendor		0.67
FAIRWAY ENTERPRISES COMPANY LIMITED	Trade Receivables	External Customer	–	0.28
JAYEM AUTOMOTIVES PRIVATE LIMITED*	Trade Receivables	External Customer	–	(1.37)

* These companies are not in the stuck off companies list as on 31st March 2024

Note No. 38 - Additional Disclosures:

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

(iii) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(iv) Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024.

Note No. 39
Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

"As per our Report of Even Date"

For B. K. Khare & Co. Chartered Accountants FRN: 105102W	For and on behalf of Board of Directors LORDS Freight (India) Private Limited			
Aniruddha Joshi Partner M.No. 040852	**Rampraveen Swaminathan** Director DIN : 01300682	**Naveen Raju Kollaickal** Director DIN : 07653394	**Saurav Chakraborty** Chief Executive Officer	**Amit Bohra** Chief Financial Officer
Place : Mumbai Date: 15.04.2024	Place : Mumbai Date: 15.04.2024	Place : Mumbai Date: 15.04.2024	Place : Mumbai Date: 15.04.2024	Place : Mumbai Date: 15.04.2024

INDEPENDENT AUDITORS' REPORT

To the members of MLL Express Services Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **MLL Express Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of

the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement; and

(v) The Company has not declared /paid/declared and paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 24040852BKCCCY5216

Place: Mumbai
Date: April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **MLL Express Services Private Limited** ("the Company") as of March 31, 2024, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 24040852BKCCCY5216

Place: Mumbai
Date: April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and the discrepancies noticed on such verification have been appropriately dealt with in the books of account.

   (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year. The book debt statements filed by the Company on a quarterly basis are materially in agreement with the audited books of account as certified by the management.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Service tax, Duty of Customs and Duty of Excise as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has made private placement of equity shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. In our opinion and according to the information and explanations given to us, the Company has utilised the funds for the purposes for which they were raised.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the year under audit.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 102.92 crores during the current financial year and Rs. 34.68 crores in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing

at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 24040852BKCCCY5216

Place: Mumbai
Date: April 16, 2024

STATEMENT OF BALANCE SHEET AS AT MARCH 31, 2024

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
(I) Non-current assets			
a) Property, plant and equipment	3	**281.52**	164.98
b) Right of Use Asset	36	**1,709.53**	2,655.95
c) Goodwill	4	**17,649.15**	17,441.14
d) Intangible assets	5	**4,173.95**	5,234.56
e) Financial assets			
i) Other financial assets	19	**1,058.02**	959.84
f) Deferred Tax Assets (net)	20	**1,114.81**	1,071.62
i) Income tax assets	6	**305.99**	46.36
g) Other non-current assets	7	**653.76**	451.14
Sub-total		**26,946.73**	28,025.59
(II) Current assets			
a) Financial assets			
i) Investments	8	**130.76**	220.02
ii) Trade receivables	9	**7,332.68**	5,312.82
iii) Cash and cash equivalents	10	**–**	769.48
iv) Bank Balances other than (iii) above	11	**2,502.00**	2.00
b) Other Financial assets	12	**2,368.26**	1,322.42
c) Other Current assets	7	**73.78**	21.59
Sub-total		**12,407.48**	7,648.33
Total Assets		**39,354.21**	35,673.92
Equity and liabilities			
(I) Equity			
a) Equity share capital	13	**19,797.00**	9,713.78
b) Other equity	13(a)	**(20,359.63)**	(7,867.92)
Sub-total		**(562.63)**	1,845.86
(II) Liabilities:			
Non-current liabilities:			
a) Financial liabilities			
i) Borrowings	14	**22,000.00**	22,000.00
ii) Lease Liabilities	36	**872.59**	813.48
b) Provisions	15	**326.35**	224.24
Sub-total		**23,198.94**	23,037.72
Current liabilities:			
a) Financial liabilities			
i) Borrowings	14	**2,191.94**	–
ii) Lease Liabilities	36	**942.49**	1,815.08
iii) Trade Payables	16		
a) Due to Micro and Small Enterprises		**96.37**	45.41
b) Other than Micro and Small Enterprises		**12,118.17**	7,621.60
iv) Other financials liabilities	17	**412.13**	386.92
b) Provisions	15	**128.43**	86.63
c) Other liabilities	18	**828.35**	834.70
Sub-total		**16,717.88**	10,790.34
Sub-total		**39,916.82**	33,828.06
Total Equity and Liabilities		**39,354.21**	35,673.92
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 43		

The notes referred to above are an integral part of the standalone financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sheetal Jain
Company Secretary
Membership No. A40730

Prasanna Pahade
Chief Executive Officer

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

MLL EXPRESS SERVICES PRIVATE LIMITED
(FORMERLY KNOWN AS MERU TRAVEL SOLUTIONS PRIVATE LIMITED)
CIN: U63040MH2006PTC165956

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR Lakhs)

Particulars	Notes	Period ended March 31, 2024	Period ended March 31, 2023
Revenue			
Revenue from operations	21	**36,421.68**	12,162.39
Other income	22	**68.90**	152.64
TOTAL INCOME (I)		**36,490.58**	12,315.03
EXPENSES			
Operating expenditure	23	**33,636.22**	10,485.59
Employee benefits expense	24	**6,847.10**	2,757.55
Depreciation and amortisation expenses	3	**2,113.76**	782.37
Finance costs	25	**2,328.80**	826.56
Other expenses	26	**3,970.27**	1,713.32
TOTAL EXPENSES (II)		**48,896.15**	16,565.39
Profit / (Loss) before tax		**(12,405.57)**	(4,250.36)
Tax expenses	27	**(48.41)**	(1,071.62)
Current Tax		**–**	–
MAT		**–**	–
Deferred Tax	31	**(48.41)**	(1,071.62)
Profit / (Loss) after tax		**(12,357.16)**	(3,178.74)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plans		**20.74**	–
Income tax related to above		**(5.22)**	–
Net other comprehensive (income) / loss not to be reclassified to statement of profit and loss in subsequent years		**15.52**	–
Other comprehensive income / (loss) for the year, net of tax		**15.52**	–
Total Comprehensive loss for the year, net of tax		**(12,341.64)**	(3,178.74)
Earnings per share			
Basic and diluted	37	**(9.08)**	(3.27)
[Nominal Value INR 10 per share]			
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 43		

The notes referred to above are an integral part of the standalone financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
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Prasanna Pahade
Chief Executive Officer

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
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Place : Mumbai
Date : April 16, 2024

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR Lakhs)

Particulars	Notes	Period ended March 31, 2024	Period ended March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(12,405.57)**	(4,250.37)
Adjustments for:			
Finance Charges		**2,139.12**	704.73
Finance Charges - Lease Liability		**189.68**	74.76
Provision for expected credit loss recognised on trade receivables		**211.93**	127.06
Depreciation and amortisation expense		**1,167.34**	440.31
Amortisation expense - ROU		**946.42**	342.06
Interest Income		**(49.05)**	(132.44)
Remeasurements of defined benefit plans		**20.74**	–
Profit on sale of mutual funds		**(10.74)**	(20.02)
A Operating Cash flow before working capital changes		**(7,790.13)**	(2,713.91)
Working Capital Adjustments			
Trade Receivables		**253.48**	2,205.12
Other Receivables		**(27.80)**	(2,975.01)
Trade Payables		**3,803.69**	(1,425.76)
Other liabilities & Provisions		**(1,421.14)**	1,531.82
Cash generated from operations		**(5,181.90)**	(3,377.74)
Income taxes (paid)/ refund, Net		**(259.63)**	(46.36)
Net cash flows (used) in operating activities (A)		**(5,441.53)**	(3,424.10)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of current investments		**89.26**	5,048.01
Investment in Fixed Deposits		**(2,500.00)**	(2.00)
Purchased Consideration on Acquistion of Business .		**0.0**	(21,854.79)
Purchase of Tangible & Intangible Assets		**(26.69)**	–
Rent Paid (pertaining to Ind AS 116)		**(1,003.16)**	(445.44)
Interest Income		**49.05**	132.44
Profit on sale of mutual funds		**10.74**	20.02
Net cash flow used in investing activities (B)		**(3,380.80)**	(17,101.76)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of equity share capital		**8,000.00**	–
Proceeds from short term borrowings (net)		**2,191.94**	–
Proceeds from Long term borrowings (net)		**–**	22,000.00
Interest Expenses		**(2,139.12)**	(704.73)
Net cash flows from financing activities (C)		**8,052.82**	21,295.27
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(769.48)**	769.40
Cash and cash equivalents at the beginning of the year		**769.48**	0.08
Cash and cash equivalents at the end of the year (refer note 4)		**0.00**	769.48
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 43		

The notes referred to above are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
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DIN : 09447924

Sheetal Jain
Company Secretary
Membership No. A40730

Prasanna Pahade
Chief Executive Officer

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR Lakhs)

a) Equity Share Capital

	Note	No. of Shares	Equity Share Capital
As at April 1, 2023	5	**97,137,796**	**9,713.78**
Changes in equity share capital during the year		**100,832,222**	**10,083.22**
As at March 31, 2024	5	**197,970,018**	**19,797.00**

b) Other Equity

For the year ended March 31, 2024

Particulars	Equity component of preference shares	Reserves & Surplus: Securities premium	Capital Reserve	Retained earnings	Total Other equity
As at April 1, 2023	**11,885.28**	**30,206.57**	**9,589.68**	**(59,549.45)**	**(7,867.92)**
Net loss for the year	–	–	(150.08)	(12,357.16)	(12,507.23)
Add: Share issued during the year	–	–	–	–	–
Other comprehensive income for the year	–	–	–	15.52	15.52
Total comprehensive income	**–**	**–**	**(150.08)**	**(12,341.64)**	**(12,491.71)**
As at March 31, 2024	**11,885.28**	**30,206.57**	**9,439.60**	**(71,891.08)**	**(20,359.63)**

i). Securities premium: Securities premium comprises of the amount received in excess of face value of the equity shares is recognised in Securities premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013.

ii). Capital reserve: Capital reserve accounted during the year comprises of Goodwill arising on account of purchase of "Network" business from Mahindra Logistics Limited

iii). Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

a) Equity Share Capital

	Note	No. of Shares	Equity Share Capital
As at April 1, 2022	5	**97,137,796**	**9,713.78**
Changes in equity share capital during the year		–	–
As at March 31, 2023	5	**97,137,796**	**9,713.78**

b) Other Equity

For the year ended March 31, 2023

Particulars	Equity component of preference shares	Reserves & Surplus: Securities premium	Capital Reserve	Retained earnings	Total Other equity
As at April 1, 2022	**11,885.28**	**30,206.57**	**9,589.68**	**(56,370.70)**	**(4,689.17)**
Net loss for the year	–	–	–	(3,178.74)	(3,178.74)
Add: Share issued during the year	–	–	–	–	1.04
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**(3,178.74)**	**(3,178.74)**
As at March 31, 2023	**11,885.28**	**30,206.57**	**9,589.68**	**(59,549.45)**	**(7,867.92)**

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Servies Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
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DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sheetal Jain
Company Secretary
Membership No. A40730

Prasanna Pahade
Chief Executive Officer

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate information

MLL Express Services Private Limited (Formerly known as Meru Travel Solutions Private Limited) ('the Company') is registered as a private limited company incorporated on December 4,2006 under the Companies Act, 1956 and having its Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli Mumbai City MH 400018, India. The company is a service Provider mainly engaged in the business of Transportation of goods, warehousing, Supply Chain Management.

These financial statements were authorized for issue in accordance with a Board resolution of April 16, 2024.

2A. Material accounting policies

2A.1 Basis of Accounting

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act').

These separate financial statements were approved by the Company's Board of Directors and authorized for issue on April 16, 2024.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for, leasing transactions that are within the scope of Ind AS 116,

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in Lakhs.

The principal accounting policies are set out below.

2A.3 Non-Current assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Incomes from logistics services rendered are recognized on the completion of the services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2A.5 Dividend Income

Dividend income from investments is recognized when the right to receive payment has been established if it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2A.6 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.7. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

  a) the Company as a lessee has the right to operate the asset; or

  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

  This policy is applied to contracts entered, or modified, on or after 1st April 2019.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability

The lease liability is initially measured at amortized cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The amount expected to be payable by the lessee under residual value guarantees; The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is re -measured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease, by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other income’.

2A.8 Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity’s functional currency of Indian Rupee (INR) (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b. foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2A.9 Employee benefits

Retirement benefit costs and termination benefits

i. Defined Contribution Plan

Company’s contributions paid/payable during the year to the ESIC, Provident Fund and labor Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

Short-term and other long-term employee benefits.

A liability is recognised for benefits accruing to employees in respect of wages and salaries. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.10 Borrowing Costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.11 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2A.12 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.12. Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies, and any directly attributable cost of bringing the assets to their working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged in the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight-Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 as mentioned below: -

Particular	Useful Life
Computer	3 Years
Server	6 Years
Furniture & Fixture	10 Years
Office Equipment	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2A.13 Intangible assets

Intangible assets acquired separately.

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Particulars	Life
Software	3 Years
Brand	8 Years
Customer relationship	8 Years

2A.14 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than it is carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognized immediately in profit or loss.

2A.15 Provisions, Contingent liability & Contingent assets

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.16 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits, if any, with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

2A.17 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Significant increase in credit risk

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised based on the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

Financial liabilities & Equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.18 Exceptional Items:

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2A.19 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of Property, Plant and Equipment, Intangibles

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment, Intangibles at the end of each annual reporting period.

ii. Defined Benefit Plans

The cost of defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

v. **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations considering the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vi. **Trade receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts, and internal and external information available to estimate the probability of default in future.

2C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2024.

Note 3: Property, plant and equipment

	Gross carrying amount					Accumulated depreciation					Net carrying amount	Net carrying amount
Asset description	**As at April 01, 2023**	**Additions during the year**	**Disposals during the year**	**Transferred to assets held for sale**	**As at March 31, 2024**	As at April 01, 2023	Acquired for the year	Depriciation during the year	Disposals during the year	**As at March 31, 2024**	**As at March 31, 2024**	As at March 31, 2023
Computers	**1,805.93**	**60.64**	**18.10**	**–**	**1,848.48**	1,741.14	–	25.01	16.64	**1,749.51**	**98.96**	64.80
Furniture and fixtures	**82.13**	**53.87**	**11.98**	**–**	**124.02**	48.05	–	17.51	10.55	**55.01**	**69.01**	34.08
Office equipments	**903.86**	**21.61**	**16.39**	**–**	**909.08**	837.76	–	38.19	15.85	**860.10**	**48.98**	66.10
Plant & Machinery	**–**	**78.19**	**–**	**–**	**78.19**	–	–	24.34	–	**24.34**	**53.84**	–
Electrical Installations	**–**	**12.40**	**–**	**–**	**12.40**	–	–	1.67	–	**1.67**	**10.73**	–
Total	**2,791.93**	**226.70**	**46.46**	**–**	**2,972.17**	2,626.95	–	106.73	43.03	**2,690.64**	**281.52**	164.98

Note 4: Goodwill

	As at March 31, 2024					As at March 31, 2023				
Asset description	**As at April 01, 2023**	**Additions during the year**	**Amortised during the year**	**Disposals during the year**	**As at March 31, 2024**	As at April 01, 2022	Additions during the year	Amortised during the year	Disposals during the year	As at March 31, 2023
Goodwill	**17,441.14**	**208.00**	**–**	**–**	**17,649.15**	–	17,441.14	–	–	17,441.14
Total	**17,441.14**	**208.00**	**–**	**–**	**17,649.15**	–	17,441.14	–	–	17,441.14

Note 5: Intangible Assets

	Gross carrying amount				Accumulated depreciation				Net carrying amount	Net carrying amount
Asset description	**As at April 01, 2023**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2024**	As at April 01, 2023	Amortised during the year	Disposals during the year	**As at March 31, 2024**	**As at March 31, 2024**	As at March 31, 2023
Computer softwares										
Software	**1,677.00**	**–**	**–**	**1,677.00**	217.47	560.53	–	**778.01**	**898.99**	1,459.53
Brand	**2,191.00**	**–**	**–**	**2,191.00**	106.55	276.13	–	**382.67**	**1,808.33**	2,084.45
Customer relationship	**1,777.00**	**–**	**–**	**1,777.00**	86.42	223.95	–	**310.37**	**1,466.63**	1,690.58
Total	**5,645.00**	**–**	**–**	**5,645.00**	410.44	1,060.61	–	**1,471.05**	**4,173.95**	5,234.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 6: Income Tax Assets

	As at March 31, 2024	As at March 31, 2023
Advance Income Tax	**305.99**	46.36
	305.99	46.36

Note 7: Other Assets

	As at March 31, 2024	As at March 31, 2023
Non Current Assets		
Balance with government and statutory authorities	**653.76**	451.14
	653.76	451.14
Current Assets		
Prepaid Expenses	**38.81**	2.00
Advance to Suppliers	**0.00**	13.92
Advance to Employees	**11.92**	5.66
Interest accrued on bank fixed deposits	**23.05**	0.01
	73.78	21.59

Note 8: Investments

	As at March 31, 2024	As at March 31, 2023
Current		
Quoted mutual funds (Classified at Fair value through Profit or Loss)	**130.76**	220.02
	130.76	220.02

Note 9: Trade receivables

	As at March 31, 2024	As at March 31, 2023
Secured, considered good		
Unsecured, considered good	**10,968.91**	8,642.07
Less: Provision Netted Off	**(95.06)**	–
Less: Impairment allowance doubtful trade receivables	**(3,541.17)**	(3,329.25)
	7,332.68	5,312.82

Note 10: Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with bank in current accounts	**0.00**	769.48
	0.00	769.48

Note 11: Other bank balance

	As at March 31, 2024	As at March 31, 2023
Fixed Deposits with Banks with Maturity Period more than 3 months but less then 12 months	**2,502.00**	2.00
	2,502.00	2.00

Note 12: Other Financial Assets

	As at March 31, 2024	As at March 31, 2023
Unbilled Revenue	**2,368.26**	1,322.42
	2,368.26	1,322.42

Note 13: Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised shares:		
20,00,00,000 equity shares of INR 10 each (March 31, 2023: 12,50,00,000)	**20,000.00**	12,500.00
Issued, subscribed and fully paid-up shares:		
19,79,70,018 equity shares of INR. 10/- each (March 31, 2023: 9,71,37,796)	**19,797.00**	9,713.78
	19,797.00	9,713.78

(i) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2024		As at March 31, 2023	
Equity shares	**No.**	**Amount**	No.	Amount
At the beginning of the year	**97,137,796**	**9,713.78**	97,137,796	9,713.78
Issued during the year	**100,832,222**	**10,083.22**	–	–
Outstanding at the end of the year	**197,970,018**	**19,797.00**	97,137,796	9,713.78

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR.10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2024 (March 31, 2023 - Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2024		As at March 31, 2023	
	No.	**Amount**	No.	Amount
Equity shares				
Mahindra & Mahindra Limited	**–**	**–**	–	–
Mahindra Logistics Limited	**197,970,018**	**19,797.00**	97,137,796	9,713.78
Pecentage of holding	*100.00%*		*100.00%*	
% Change during the year	*203.80%*		*0%*	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares

	As at March 31, 2024		As at March 31, 2023	
	No	**%**	No	%
Equity shares				
Mahindra Logistics Limited	**197,970,018**	**100%**	97,137,796	100.00%

(v) Aggregates number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the 5 year periods ended March 31, 2024 and March 31, 2023

603,372 Equity shares of Rs. 10 each allotted as fully paid shares on account of share warrant liability during the financial year March 31, 2020

1,489 Equity shares of Rs. 10 each allotted as fully paid shares by on account of share warrant agreement during the financial year March 31, 2020 (Refer footnote (i) "Equity component of preference shares" to the statement of changes in equity for details.)

20,832,222 Equity shares of Rs. 10 each allotted as fully paid shares on account of Business Transfer Agreement with Mahindra Logistics Limited during the financial year March 31, 2024

Note 13(a): Other Equity

Particulars	**As at March 31, 2024**	As at March 31, 2023
Equity component of preference shares	**11,885.28**	11,885.28
Securities premium	**30,206.57**	30,206.57
Capital Reserve	**9,439.60**	9,589.68
Retained earnings	**(71,891.08)**	(59,549.45)
Total Other Equity	**(20,359.63)**	(7,867.92)

Movement in Reserves

1 Equity component of preference shares

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening balance	**11,885.28**	11,885.28
Add: Shares issued during the year	**–**	–
Closing balance	**11,885.28**	11,885.28

2 Securities premium

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening balance	**30,206.57**	30,206.57
Add: Shares issued during the year	**–**	–
Closing balance	**30,206.57**	30,206.57

3 Capital Reserve

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening balance	**9,589.68**	9,589.68
Add: Acquired through Purchase of Network Business of "MLL"	**(150.08)**	–
Closing balance	**9,439.60**	9,589.68

Capital reserve accounted during the year comprises of Goodwill arising on account of purchase of "Network" business from Mahindra Logistics Limited

4 Retained earnings

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening balance	**(59,549.45)**	(56,370.70)
Net Loss for the year	**(12,357.16)**	(3,178.74)
Other comprehensive income, net of tax	**15.52**	–
Closing balance	**(71,891.08)**	(59,549.45)

Nature of Reserves

i) Securities premium: Securities premium comprises of the amount received in excess of face value of the equity shares is recognised in Securities premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013.

ii) Capital reserve: Capital reserve accounted during the year comprises of Goodwill arising on account of purchase of "Network" business from Mahindra Logistics Limited

iii) Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 14: Borrowings

	As at March 31, 2024	As at March 31, 2023
Non-current		
Term Loans- Secured		
(i) Term Loan from Banks	**22,000.00**	22,000.00
Total Non-current Borrowings	**22,000.00**	22,000.00
Current		
(i) Bank Overdraft	**2,191.94**	–
Total Current Borrowings	**2,191.94**	0.00

The Company has Secured Term Loan from which are repayable over a period of maximum eight years upto 30th September 2030 and carry interest rates which are linked to Repo rate /T-Bill rate with spread ranging from 120 bps to 200 bps. These Loans are Secured by hypothecation of Tangible , Intangible and Current Assets of the Company.

Working capital facilities has been availed at the rate of 3 Month MCLR from Axis Bank and ICICI Bank ranging from 8.4% to 9.6%.

Note 15: Provisions

	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for employee benefits		
Provision for leave encashment	**84.25**	21.24
Provision for gratuity	**242.10**	203.00
Total Non-current	**326.35**	224.24
Current		
Provision for employee benefits		
Provision for leave encashment	**42.41**	10.19
Provision for gratuity	**86.02**	76.44
Total current	**128.43**	86.63

Note 16: Trade Payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
a) total outstanding dues to small enterprise and micro enterprises	**96.37**	45.41
b) total outstanding dues of creditors other than small enterprise and micro enterprises	**11,983.16**	7,567.74
Employee benefits payable	**135.01**	53.85
	12,214.54	7,667.00

Note 17: Other financials liabilities

	As at March 31, 2024	As at March 31, 2023
Deposits from subscribers and customers	**25.11**	3.46
Interest accrued but not due on borrowings	**18.58**	2.60
Deferred Revenue	**368.44**	380.86
	412.13	386.92

Note 18: Other liabilities

	As at March 31, 2024	As at March 31, 2023
Non-Current		
Total-Non current	**0.00**	0.00
Current		
Advances from Customers	**39.87**	–
Statutory dues	**141.89**	179.47
Statutory dues_GST	**646.58**	655.23
Total current	**828.35**	834.70

Note 19: Other Financial Assets

	As at March 31, 2024	As at March 31, 2023
Non Current		
Security Deposits - Unsecured, considered good	**1,058.02**	959.84
Unsecured, considered credit impaired	**0.00**	–
Less: Impairment allowance for doubtful security deposits	**0.00**	–
	1,058.02	959.84

Note 20: Deferred Tax Asset / Liability

	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets / Liabilities (Net)	**1,114.81**	1,071.62
	1,114.81	1,071.62

Note 21: Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operation:		
Revenue from rendering of services	**36,421.68**	12,162.39
	36,421.68	12,162.39

Note 22: Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Profit on sale / write off of property, plant and equipment (net)	**–**	0.17
Interest on FD	**25.60**	102.36
Interest on SD-Ind AS 116	**23.45**	30.08
Gain on mutual funds	**10.74**	20.02
Income tax / CESTAT refund	**9.11**	–
	68.90	152.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 23: Operating Expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Freight & Other Related Expenses	**33,567.98**	10,468.34
Vehicle repairs, maintenance and fuel	**65.91**	14.93
Drivers recruitment, uniform and training expenses	**2.33**	2.32
	33,636.22	10,485.59

Note 24: Employee benefits expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	**5,526.56**	2,007.61
Contribution to provident and other funds	**261.09**	109.56
Gratuity expenses (Refer note 28)	**88.27**	86.63
Compensated absences	**70.66**	37.57
Staff welfare expenses	**900.52**	516.17
	6,847.10	2,757.55

Note 25: Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Finance Charges (Includes CG Commission)	**121.66**	47.07
Interest on borrowings	**2,017.46**	704.73
Interest on Lease Liablity	**189.68**	74.76
	2,328.80	826.56

Note 26: Operating and other administrative expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Legal and professional fees	**161.98**	150.64
Advertisement and sales promotion	**22.74**	4.26
Rent	**2,801.42**	1,119.48
IT Expenses	**302.15**	118.68
Insurance Expenses	**125.21**	39.24
Repairs and maintenance - other than vehicles	**0.05**	12.94
Communication expenses	**23.85**	12.59
Provision for Doubtful Debts	**211.93**	127.06
Security charges	**–**	0.95
Travelling and conveyance	**168.13**	45.18
Rates and taxes	**49.11**	5.67
Loss on sale of property, plant and equipment	**3.43**	–
Printing and stationery	**3.56**	0.98
Auditor’s remuneration (refer note below)	**5.88**	2.50
Bank charges	**1.11**	2.48
Miscellaneous expenses	**89.72**	70.68
	3,970.27	1,713.32

Auditor’s Remuneration (including GST)

Statutory audit fees	**5.88**	2.50
	5.88	2.50

Note 27: Tax expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax Expenses		
- Deferred Tax Income	**48.41**	1,071.62
- current tax	**–**	–
- Mat	**–**	–
	48.41	1,071.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 28: Trade Receivable Ageing

Trade Receivables ageing schedule as at March 31, 2024

(A) Billed and Outstanding

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	6,017.08	166.79	1,148.81	0.00	–	**7,332.68**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(iii) Undisputed Trade Receivables — credit impaired	211.93	–	308.50	254.06	2,861.75	**3,636.23**
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	**–**
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	**–**
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	**–**
Subtotal	**6,229.01**	**166.79**	**1,457.31**	**254.06**	**2,861.75**	**10,968.91**
Less: Loss Allowance	**211.93**	**–**	**308.50**	**254.06**	**2,861.75**	**(3,636.23)**
Total Trade Receivables						**7,332.68**

Trade Receivables ageing schedule as at March 31, 2023

(A) Billed and Outstanding

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	4,279.91	508.54	524.35	0.00	–	5,312.81
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	213.44	–	254.06	860.22	2,001.53	3,329.25
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–
Subtotal	4,493.35	508.54	778.41	860.22	2,001.53	8,642.07
Less: Loss Allowance	213.44	–	254.06	860.22	2,001.53	(3,329.25)
Total Trade Receivables						5,312.82

(B) Unbilled Trade Receivables

Note 29: Trade Payable Ageing

Trade Payables ageing schedule as at March 31, 2024

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	96.37	–	–	–	**96.37**
(ii) Others	6,133.08	5,514.00	437.56	33.54	–	**12,118.17**
(iii) Disputed dues – MSME	–	–	–	–	–	**–**
(iv) Disputed dues – Others	–	–	–	–	–	**–**
Total	**6,133.08**	**5,610.36**	**437.56**	**33.54**	**–**	**12,214.54**

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Micro, Small & Medium enterprises have been identified by the Company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the Act”) are given above in the table. This has been relied upon by the auditors.

Particulars	March 31, 2024	March 31, 2023
a. Principal and interest amount remaining unpaid	**96.37**	45.41
b. Interest paid by the company in terms of section 16 of the micro, small and medium enterprises development act 2006 along with the amount of the payment made to the supplier beyond the appointed day	**–**	–
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under Micro, small and medium enterprises act, 2006	**–**	–
d. Interest accrued and remaining unpaid	**–**	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	March 31, 2024	March 31, 2023
e. Interest remaining due and payable even in the suceeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	**96.37**	45.41
Acceptances	**–**	–
Trade Payable	**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**12,118.17**	7,621.60

Trade Payables ageing schedule as at March 31, 2023

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	45.41	–	–	–	**45.41**
(ii) Others	5,257.23	2,326.67	31.94	5.58	0.17	**7,621.60**
(iii) Disputed dues - MSME	–	–	–	–	–	**–**
(iv) Disputed dues - Others	–	–	–	–	–	**–**
Total	**5,257.23**	**2,372.08**	**31.94**	**5.58**	**0.17**	**7,667.01**

Note 30: Ratio Analysis

Particulars	Numerator	Denominator	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	0.74	0.71	4.71%	
Debt-Equity Ratio	Total Debt	Total equity	(43.00)	11.92	(460.77%)	
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Lease payments	(3.42)	(3.20)	7.00%	
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	(2196%)	(172%)	1175.39%	
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	5.76	2.29	151.63%	REFER NOTE BELOW
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	3.79	1.60	137.61%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(8.45)	(3.87)	118.29%	
Net profit ratio	Profit for the year	Revenue from operations	(34%)	(26%)	29.81%	
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	45%	(16%)	(379.65%)	
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	n/a	n/a	n/a	

Note: As FY 23-24 is the year of stabilization and commercial operations post acquisition of Rivigo hence, the ratios are not comparable with FY 22-23

Note 31: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	**–**	–
Adjustments in respect of current income tax of previous year	**–**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**–**	–
Income tax expense reported in the statement of profit or loss	**–**	–

	March 31, 2024	March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	**–**	–
Income tax expense charged to OCI	**–**	–

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate for the year ended

	March 31, 2024	March 31, 2023
Accounting loss before income tax	**(12,405.57)**	(4,250.36)
At India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	**(3,122.48)**	(1,069.82)
Adjustments in respect of current income tax of previous years	**–**	–
Effect of current year losses for which no deferred tax asset is recognised	**3,122.48**	1,069.82
At the effective income tax rate	**–**	–
Income tax expense reported in the statement of profit and loss	**–**	–

Deferred tax working for the year ended:

	Balance Sheet	
	March 31, 2024	March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment, intangibles and leases as compared to tax base of respective assets	**(95.25)**	(88.71)
Actuarial Gain (OCI)	**(5.22)**	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	Balance Sheet	
	March 31, 2024	March 31, 2023
Tax effect of items constituting deferred tax assets		
Provision For Post Retirement Benefits	**90.33**	24.13
Provision for Doubtful Debts	**53.34**	53.72
Carry forward Unabsorbed business losses	**–**	1,082.48
Deferred Tax (Expense)/Income	**43.20**	1,071.62
Net deferred tax assets	**1,114.81**	1,071.62
Net deferred tax assets\(liabilities) recognised	**43.20**	1,071.62

	Statement of Profit & Loss	
	March 31, 2024	March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**(95.25)**	(88.71)
Actuarial Gain (OCI)	**(5.22)**	–
Tax effect of items constituting deferred tax assets		
Carry forward Unabsorbed business losses	**–**	1,082.48
Provision For Post Retirement Benefits	**90.33**	24.13
Provision for Doubtful Debts	**53.34**	53.72
Deferred tax (expense)/income	**43.20**	1,071.62
Net deferred tax assets\(liabilities) recognised in profit and loss	**43.20**	1,071.62

The Company has following tax losses which arose in India that are available for offsetting against future taxable profits.

	March 31, 2024	March 31, 2023
Carry forward business losses	**16,950.82**	4,545.25

Note: Carry Forward Business Losses of Mar-23 is from ITR filed and Carry forward Business Loss of Mar-24 is sum of Mar-23 ITR and Current Year's Book Loss

The carry forward tax losses would expire beginning from the financial year 2024-25 up to 2031-32.

Note 32: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate Holding Company	Mahindra & Mahindra Limited from effective date 17th May 2022
Holding Company	Mahindra & Mahindra Limited upto 16th May 2022 and from 17th May 2022 onward Mahindra Logistics Limited

Related parties with whom transactions have taken place during the year

Subsidiaries including sub-subsidiaries	NA
Fellow Subsidiaries	Carnot Technologies Private Limited become fellow subsidiary effective date 9th November 2022
	MLL Mobility Private Limited become fellow subsidiary effective date 19th May 2022
Associate of Holding Co.	Brainbees Solutions Private Limited from effective date 9th November 2022
Key Management Personnel (KMP)	Sreeram Venkateswaran (CEO) with effect from 10th Nov 2022 till 28th Aug 2023
	Prasanna Pahade (CEO) with effect from 1st Sep 2023
	Swati Rane (CFO) with effect from 10th Nov 2022 till 19th Jan 2024
	Supriya Naik (CS) with effect from July 27, 2021 upto 14th April 2023
	Gangadaran Chellakrishna: Independent Director with effect from August 3, 2020
	Avani Davda: Independent Director with effect from May 2, 2023
	Abhimanyu Bhattacharya: Independent Director with effect from May 3, 2021 till May 2, 2023
	Rampraveen Swaminathan: Director with effect from May 19, 2022
	Sreenivas Pamidimukkala: Director with effect from May 19, 2022
	Sheetal Jain (CS) with effect from Apr 20, 2023
	Naveen Raju Kollaickal: Director with effect from Jul 19, 2023

Transactions with related parties

Particulars	Holding Company		Key Management Personnel		Subsidiaries		Fellow Subsidiaries		Associate of Holding Co.	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Issue of shares										
Mahindra Logistics Limited	**10,083.22**	–								
Sale of Investment in Subsidiaries										
Mahindra Logistics Limited	**–**	5,048.08								
Purchase of Network Business										
Mahindra Logistics Limited	**2,083.22**	–								
Business Support Services										
Mahindra Logistics Limited	**2,590.78**	904.11								
MLL Mobility Private Limited							**1.13**	–		
Sale of Goods or Services										
Mahindra & Mahindra Limited	**4,645.93**	–								
Mahindra Logistics Limited	**5,527.81**	–								

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Holding Company		Key Management Personnel		Subsidiaries		Fellow Subsidiaries		Associate of Holding Co.	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Reimbursement To Parties										
Mahindra And Mahindra Limited	**–**	0.98								
Mahindra Logistics Limited	**362.21**	124.09								
Reimbursements from Party										
Mahindra Logistics Limited	**795.63**	55.53								
Guarantee for the loan taken										
Mahindra Logistics Limited	**–**	22,000.00								
Guarantee Commission										
Mahindra Logistics Limited	**121.33**	55.55								
Directors sitting fees										
Abhimanyu Bhattacharya			**–**	4.01						
Avani Davda			**2.90**							
Gangadaran Chellakrishna			**2.90**	4.28						
Remmuneration to KMPs			**229.10**	33.80						

Details of Balances Receivable / (Payable) to related parties

Particulars	Holding Company		Key Management Personnel		Subsidiaries		Fellow Subsidiaries		Associate of Holding Co.	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, **2023**
Balance Receivable at the year end										
Carnot Technologies Private Limited							**0.08**	0.08		
Brainbees Solutions Private Limited									**59.79**	59.79
Mahindra Logistics Limited	**276.37**	50.83								
Mahindra & Mahindra Limited	**983.44**	–								
Balance payable at the year end										
MLL Mobility Private Limited	**1.13**	–								
Mahindra Logistics Limited	**240.09**	179.64								

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

Note 33: Employee benefits

a. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 23 under "Contribution to provident and other funds":

Particulars	March 31, 2024	March 31, 2023
Contribution to employees provident fund	**241.93**	98.50
Contribution to ESI	**19.16**	11.06
Total	**261.09**	109.56

b. Defined benefit plans

The Company operates one post-employment defined benefit plan (unfunded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

Liability recognised in the Balance Sheet in respect of Gratuity

	March 31, 2024	March 31, 2023
Present value of the defined benefit obligation at the end of the year	**328.12**	279.45
	328.12	279.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2024	March 31, 2023
Defined benefit obligation at beginning of the year	**279.45**	–
Current service cost	**68.10**	69.73
Interest cost	**20.16**	15.50
Past Service cost and (gains)/losses from settlements	**–**	–
Sub-total included in statement of profit and loss	**88.27**	85.23
Remeasurement (gains)/losses recorded in OCI		
Actuarial changes arising from changes in demographic assumptions	**–**	–
Actuarial changes arising from changes in financial assumptions	**1.10**	–
Experience adjustments	**(21.84)**	0.01
Sub-total included in OCI	**(20.74)**	0.01
Acquisition Adjustment	**77.35**	215.41
Benefits paid	**(96.21)**	(21.20)
Defined benefit obligation at the end of the year	**328.12**	279.45

Following table summarises the principal assumptions used for actuarial valuation of gratuity obligation for each reporting period:

Actuarial assumptions	**March 31, 2024**	March 31, 2023
Discount rate	**7.10%**	7.20%
Future salary increases	**7.00%**	7.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Demographic assumptions	**March 31, 2024**	March 31, 2023
Mortality rate	**100% of IALM 2012-14**	100% of IALM 2012-14
Normal Retirement age	**60 Years**	60 Years
Attrition rate (% p.a.)	**30.00%**	30.00%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc

A quantitative sensitivity analysis for significant assumptions as at each reporting date is as shown below:

	Discount rate assumption	
Gratuity plan:	**March 31, 2024**	March 31, 2023
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**317.39**	270.22
Impact of decrease of 1% p.a. on defined benefit obligation	**339.55**	289.29

	Future salary increase assumption	
Gratuity plan:	**March 31, 2024**	March 31, 2023
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**339.45**	289.21
Impact of decrease of 1% p.a. on defined benefit obligation	**317.28**	270.12

	Future Attrition rate assumption	
Gratuity plan:	**March 31, 2024**	March 31, 2023
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**306.80**	261.49
Impact of decrease of 1% p.a. on defined benefit obligation	**354.76**	304.04

	Future Mortality rate assumption	
Gratuity plan:	**March 31, 2024**	March 31, 2023
Sensitivity Level	**1% Increase**	1% Increase
Sensitivity Level	**1% Decrease**	1% Decrease
Impact of increase of 1% p.a. on defined benefit obligation	**328.13**	279.47
Impact of decrease of 1% p.a. on defined benefit obligation	**328.10**	279.43

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 3 years (March 31, 2024: 5 years).

The following are expected contributions over the future years (valued on undiscounted basis):

	March 31, 2024	March 31, 2023
Within the next 1 year (next annual reporting period)	**86.02**	76.45
Between 2 to 5 years	**229.80**	190.26
Between 6 to 10 years	**87.94**	79.04
Beyond 10 years	**25.57**	22.73
Total expected payments	**429.33**	368.47

C. Other employee benefits

Compensated absences are payable to employees at the rate of Last drwan basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2024 INR 126.66 Lakh (March 31, 2023 INR 31.42 Lakh).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts of financial instruments.

Particulars	Notes	Carrying value\Fair Value March 31, 2024	March 31, 2023
Financial assets carried at amortised cost			
Cash and cash equivalents		**2,502.00**	769.48
Trade Receivables		**7,332.68**	5,312.82
Total		**9,834.68**	6,082.30
FVTPL			
Quoted Mutual Funds		**130.76**	220.02
Total		**130.76**	220.02
Financial liabilities carried at amortised Cost			
Liability portion of Preference shares			
Non-current portion		**–**	–
Borrowing-Long Term		**22,000.00**	22,000.00
Borrowing-Short Term		**2,191.94**	–
Trade and other Payables		**12,214.54**	7,667.00
Total		**36,406.48**	29,667.00

B] Fair Value Measurement

The management assessed that cash and cash equivalents Trade Receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

(i) Liquidity risk

The Company's liquidity risk mainly arises from term loan taken during the year. The Companies Management is responsible for managing this liquidity risk with the oversight of the Board of Directors.

The table below summarises the maturity profile of the Companys' financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended - March 31, 2024						
Borrowing	2,191.94	–	–	16,000.00	6,000.00	**24,191.94**
Trade payables to related parties	–	184.42	56.80	–	–	**241.22**
Other trade payables	–	9,969.76	1,532.46	471.10	–	**11,973.31**
	2,191.94	**10,154.18**	**1,589.26**	**16,471.10**	**6,000.00**	**36,406.48**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended - March 31, 2023						
Borrowings	–	–	–	11,000.00	11,000.00	**22,000.00**
Trade payables to related parties	–	179.64	–	–	–	**179.6**
Other trade payables	–	7,487.36	–	–	–	**7,487.36**
	–	**7,667.00**	**–**	**11,000.00**	**11,000.00**	**29,667.00**

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, preference shares, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. Since Company is non-revenue generating entity, Company monitors its capital considering requirements at Group level after including all subsidiaries' capital requirements as mentioned below.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flows as at each period end and identify need for additional funding from the existing / new share holders to meet the outstanding commitments and future cash flow requirements to meet the business plan for 1 year to 3 years. The Company includes within net debt, interest bearing loans and borrowings (excluding redeemable preference share), less cash and cash equivalents (Including intercorporate deposits & liquid mutual fund units).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 35: Disclosure on Business Combination

for the year ended March 31, 2024

(Currnecy in INR Lakhs)

1 Purchase of B2B express business from Rivigo Services Private Limited ("Rivigo")

i) During the year Company has acquired/purchased B2B express business from Rivigo Services Private Limited ("Rivigo") for cash consideration of Rs. 218.5 crores (post adjustments as per the terms of the Business Transfer Agreement) at end of day on 9th November, 2022. The purchase consideration has been accounted for as per as per Ind AS 103 "Business Combination"

ii) Fair value of assets and liabilities acquired are as follows:

In lacs

Particulars	Total
Assets	
Non-current assets	
Property, plant and equipment	189.86
Intangible assets Identified	5,645.00
Other non-current assets	1,558.00
	7,392.86
Current assets	
Investment	–
Trade receivables	5,251.00
Other current assets	836.00
	6,087.00
Total assets	**13,479.86**
Liabilities	
Non-current liabilities	
Other non current liabilities	1,311.00
	1,311.00
Current liabilities	
Trade payables	7,064.00
Other current liabilities	695.00
	7,759.00
Total liabilities	**9,070.00**
Net Assets	**4,409.86**
Cash purchase consideration	21,851.00
Provisional Goodwill on acquisition	17,441.14

iii) During the year company has recognized the goodwill of INR 2.08 cr. This has been recognized by settling old dues of debtors, provision of doubtful debtts.

iv) As on 31st March 2024 Goodwill is attributable to future growth of business from this acquisition.

Note 36: Right to use assets and lease Liability

i) Amounts recognized in balance sheet

	As at March 31, 2024	As at March 31, 2023
Right of use of asset		
Leasehold premises Opening	**2,655.95**	–
Addition/(Deletion)	**–**	2,998.01
Less: Depreciation	**946.42**	342.06
Total	**1,709.53**	2,655.95
Lease liabilities		
Current	**942.49**	1,815.08
Non-current	**872.59**	813.48
Total	**1,815.08**	2,628.56

ii) Amounts Recognized in statement of profit and loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation charge on right of use asset		
Depreciation	**946.42**	342.06
Total	**946.42**	342.06

*Depreciation is charged on a straight line basis on the right of use of asset

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense		
Interest on lease liabilities	**189.68**	74.76
Total	**189.68**	74.76

iii) Maturities of lease liabilities as on March 31

	Current	Current
Less than 1 year	**820.26**	1,003.16
Between 1 year and 3 years	**900.37**	1,272.20
Between 3 year and 5 years	**339.75**	780.05
5 years and above	**20.52**	28.65
Total	**2,080.91**	3,084.06

Note 37: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2024	March 31, 2023
(Loss) attributable to equity holders	**(12,357.16)**	(3,178.74)
Number of Shares outstanding at the beginning of the year	**97,137,796**	97,137,796
Add: Shares issued during the year	**100,832,222**	–
Number of Shares outstanding at the end of the year	**197,970,018**	97,137,796
Weighted average number of Equity shares for basic EPS	**136,110,185**	97,137,796
Effect of dilution:		
Share options	**–**	–
Convertible preference shares	**–**	–
Basic and diluted EPS (INR Rupees)	**(9.08)**	(3.27)
Weighted average number of Equity shares adjusted for the effect of dilution	**136,110,185**	97,137,796

Note 38: Segment reporting

The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

Note 39: Going Concern

The Company has acquired Express Business during the year and has commenced effective operations from November 2022. In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40: Additional Regulatory Information

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Company has not transacted, during the current year or previous year, with any of the companies which have been struck off.

(c) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

(d) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 41: Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024.

Note 42: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 43: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
MLL Express Services Private Limited
(Formerly known as Meru Travel Solutions Private Limited)
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN : 09447924

Sheetal Jain
Company Secretary
Membership No. A40730

Prasanna Pahade
Chief Executive Officer

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of MLL Mobility Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **MLL Mobility Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 28c to the Financial Statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDA4611

Place : Mumbai
Date : April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (i) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (ii) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Employees' State Insurance, Income-tax, Provident Fund, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed

by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the Company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) (a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm’s Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDA4611

Place : Mumbai
Date : April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **MLL Mobility Private Limited ("the Company")** as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCDA4611

Place : Mumbai
Date : April 16, 2024

BALANCE SHEET AS AT MARCH 31, 2024

(Currency in INR lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
(I) Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	**361.43**	868.14
(b) Intangible assets	4	**19.78**	241.49
(c) Financial assets			
(i) Other financial assets	6	**15.84**	248.63
(d) Non-current tax assets	7	**454.07**	116.23
(e) Other non-current assets	8	**818.65**	669.07
Total non-current assets		**1,669.77**	2,143.56
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	9	**6,396.78**	7,541.86
(ii) Cash and cash equivalents	10	**739.97**	30.77
(iii) Loans	5	**–**	0.60
(iv) Other financial assets	6	**656.58**	337.76
(b) Other current assets	11	**870.43**	1,805.06
Total current assets		**8,663.76**	9,716.05
Total Assets		**10,333.53**	11,859.61
(II) Equity and Liabilities			
(1) Equity			
(a) Equity share capital	12	**46.09**	48.62
(b) Other equity	13	**3,288.15**	3,138.28
(c) Share Application Money Pending Allotment		**17.95**	–
Total Equity		**3,352.19**	3,186.90
(2) Liabilities:			
Non Current Liabilities			
(a) Provisions	15	**1,511.64**	1,496.00
Total non-current liabilities		**1,511.64**	1,496.00
Current liabilities:			
(a) Financial liabilities			
(i) Borrowings	14	**–**	1,631.18
(ii) Trade Payables	16		
(a) total outstanding dues to small and micro enterprises		**292.43**	8.53
(b) total outstanding dues of creditors other than small and micro enterprises		**3,933.59**	4,080.29
(iii) Other financials liabilities	17	**819.03**	928.40
(b) Other current liabilities	18	**226.24**	333.21
(c) Provisions	15	**198.41**	195.10
Total current liabilities		**5,469.70**	7,176.71
Total Liabilities		**6,981.34**	8,672.71
Total Equity and Liabilities		**10,333.53**	11,859.61
Significant accounting policies	2A		
Notes to the financial statements	3 to 44		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 16, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue			
Revenue from operations	19	**33,334.39**	18,514.28
Other income	20	**270.20**	127.86
Total Income (I)		**33,604.59**	18,642.14
Expenses			
Operating expenditure	21	**28,192.29**	15,618.91
Employee benefits expense	22	**3,051.57**	1,947.60
Other expenses	23	**1,375.18**	920.37
Total Expenses (II)		**32,619.04**	18,486.88
Profit before tax [(I) – (II)]		**985.55**	155.26
Depreciation and amortisation expenses	24	**741.16**	954.02
Finance costs	25	**66.12**	58.14
Profit/Loss before tax		**178.27**	(856.90)
Tax expenses		**–**	–
Profit/(Loss) after tax		**178.27**	(856.90)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plans		**13.00**	(23.27)
Income tax related items that will not be reclassified to statement of profit and loss		**–**	–
Total Other Comprehensive loss/(income) for the year		**13.00**	(23.27)
Total Comprehensive income/(loss) for the year, net of tax		**165.27**	(833.63)
Earnings per equity share			
Basic and diluted earnings per share		**38.68**	(348.21)
[Nominal value per share: INR 10]			
Significant accounting policies	2A		
Notes to the financial statements	3 to 44		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 16, 2024

Place : Mumbai
Date : April 16, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**178.27**	(856.90)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation, amortisation and impairment expenses	**741.16**	954.02
Interest expenses	**66.12**	58.14
Provision for compensated absences, gratuity and other contingencies	**49.65**	58.81
Interest income	**(51.24)**	(39.91)
Gain on mutual fund	**–**	(1.16)
Forfeiture of security deposits	**–**	(62.21)
Bad Debts written off and provision for doubtful debts and advances	**83.06**	8.09
Sundry balance and provision no longer required written back	**–**	(0.23)
Loss/ (Profit) on sale of fixed asset & asset held for sale	**(20.87)**	(15.31)
Operating (loss) before working capital changes	**1,046.15**	103.34
Movement in working capital		
Changes in Trade Receivables	**1,062.01**	(4,324.45)
Changes in loans, Other financial assets and other assets	**724.61**	984.96
Changes in trade payable, other payables and other liabilities	**(147.74)**	1,429.88
Cash (used in) operating activities	**2,685.02**	(1,806.26)
Direct taxes paid (net of refunds)	**(337.84)**	47.58
Net cash flows (used in) operating activities	**2,347.18**	(1,758.68)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including Capital work-in-progress)	**–**	(33.17)
Proceeds from disposal of property, plant & equipment	**7.90**	57.77
Proceeds from sale of current investments	**–**	167.72
Interest income on fixed deposits	**51.42**	2.93
Loans given to fellow subsidiaries	**–**	(16.20)
Loans repaid by fellow subsidiaries	**–**	21.79
Deposits with bank as margin money	**–**	43.60
Net cash flows generated from / (used in) investing activities	**59.32**	244.44

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD...)

(Currency in INR lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(66.12)**	(51.29)
Proceeds from shares issued (Including security premium)	**–**	–
Loans received from fellow subsidiaries	**–**	27.33
Loans repaid to fellow subsidiaries	**–**	(32.92)
Repayment of long term borrowings	**(1,631.18)**	(134.80)
Proceeds from Current Borrowings	**–**	1,562.99
Net cash flows generated from / (used in) financing activities	**(1,697.30)**	1,371.31
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**709.20**	(142.92)
Cash and cash equivalents at the beginning of the year	**30.77**	173.69
Cash and cash equivalents at the end of the period	**739.97**	30.77

Significant accounting policies	2A
Notes to the financial statements	3 to 44

The Cash Flow Statement should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

Note: The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 16, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Equity share capital	Equity share capital	Other Equity: Securities premium	General reserve	Capital reserve	Retained earnings	Total	Total
As at April 1, 2022 (I)	17.37	31,436.72	48.44	–	(47,561.50)	(16,076.35)	(16,058.98)
Net (loss) for the year (II)	–	–	–	–	(856.90)	(856.90)	(856.90)
Other comprehensive income for the year (III)	–	–	–	–	23.27	23.27	23.27
Total comprehensive income IV= (II) + (III)	**–**	**–**	**–**	**–**	**(833.63)**	**(833.63)**	**(833.63)**
Add: Acquired through merger by absorption during the year from VASPL & VFSPL (V)	2.53	–	–	–	–	–	2.53
Arising pursuant to slump exchange (Note c)	28.72	3,582.93	–	(269.80)	–	3,313.13	3,341.85
Add: Acquired through merger by absorption of VASPL & VFSPL (VI)	–	16,697.63	–	37.50	–	16,735.13	16,735.13
As at March 31, 2023 (I+IV+V+VI)	**48.62**	**51,717.28**	**48.44**	**(232.30)**	**(48,395.12)**	**3,138.28**	**3,186.91**

Equity share capital	Equity share capital	Other Equity: Securities premium	General reserve	Capital Reserve	Retained earnings	Total	Total
As at April 1, 2023 (I)	48.62	51,717.28	48.44	(232.30)	(48,395.12)	3,138.29	3,186.92
Net Profit/(Loss) for the year (II)	–	–			178.27	178.27	178.27
Other comprehensive income for the year (III)	–	–	–		(13.00)	(13.00)	(13.00)
Total comprehensive income IV= (II) + (III)	–	–	–	–	165.27	165.27	165.27
Add: Acquired through merger by absorption during the year from VASPL & VFSPL (V)	(2.53)	–	–	(15.41)	–	(15.41)	(17.95)
As at March 31, 2024 (I+IV+V)	46.09	51,717.28	48.44	(247.71)	(48,229.85)	3,288.15	3,334.24

a. **Securities premium:** Securities premium comprise of (1) The amount received in excess of face value of the equity shares is recognised in Securities premium. (2) Securities premium standing in the books of “VASPL” (Rs. 16,286 lakh) and “VFSPL” (Rs. 411 lakhs) transferred to MMPL books on account of merger (refer note 32). The securities premium can be utilized as per the provisions of the Companies Act, 2013.

b. **General reserve:** General reserve is in the nature of a free reserve and can be utilised inter-alia for distribution of dividends subject to compliance of the provisions of the Companies Act, 2013.

c. **Capital reserve:** Capital reserve comprise of (1) Goodwill arising on account of purchase of “Alyte” business from Mahindra Logistics Limited (MLL) under slump exchange (refer note 31) and accounted under Ind AS 103 “Business Combination” and (2) Excess of consideration paid to “VASPL” and “VFSPL” over value of net asset acquired on account of merger (refer note 32).

d. **Retained earnings:** Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company and retained earnings standing in the books of “VASPL” (Rs. (13,688 lakh)) and “VFSPL” (Rs. 1,757 lakhs)) transferred to MMPL books on account of merger (refer note 32).

Significant accounting policies 2A

Notes to the financial statements 3 to 44

The Statement of Changes in Equity should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 16, 2024

NOTES ACCOMPANYING FINANCIAL STATEMENTS

1. Corporate information

MLL Mobility Private Limited ('the Company') is registered as a private limited company incorporated on December 4, 2006 under the Companies Act, 1956 and having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli Mumbai Mumbai 400018, India and corporate office at Arena Space, 10 & 11 Floor, Plot No. 20, Jogeshwari Vikhroli Link Road, Near Majas Bus Depot, Jogeshwari (E), Mumbai – 400060. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of owning, operating and maintaining vehicle fleet for transportation of passengers in form of taxis, providing taxi aggregator services and to acquire and operate similar existing businesses.

On May 29, 2018, the name of the Company was changed from Meru Cab Company Private Limited to Meru Mobility Tech Private Limited. Further, on August 23, 2022, the name of the Company was changed from Meru Mobility Tech Private Limited to MLL Mobility Private Limited.

These financial statements were authorized for issue in accordance with a Board resolution of April 16, 2024.

2A. Material accounting policies

2A.1 Basis of accounting

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in lakhs.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

Incomes is recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognized.

<u>**Income from services:**</u>

i. Revenue from taxi services, convenience fees, airport charges

Revenue from taxi services represents revenue earned from transportation of passengers as part of metered tax operations. Revenue from taxi services is measured as per the contractual terms and is recognised on completion of each trip. Convenience fees are charged to customer for facilitating booking of taxi services through the Company. Convenience fees are recognised as revenue at completion of trip. Airport charges are recovered from customers towards the airport charges incurred at airports as per the contractual terms. Airport charges are recognised as revenue at completion of trip.

ii. Revenue from taxi aggregator services

Revenue from taxi aggregator services is recognised net of the share of revenue paid to drivers, as and when the services are rendered as per the terms of the contract. Taxi aggregator services involve the Company providing a platform to facilitate booking of taxi services by passengers with third party independent taxi service providers.

iii. Revenue from B2B Customers

Revenue from B2B Customers represents revenue earned from providing taxi services to corporates for their employee transportation. Revenue is measured as per the contractual terms and recognised as and when the service is rendered as per contract terms.

iv. Advertisement revenue

Revenue from advertisement contracts are recognised pro-rata over the period of contract as and when services are rendered. Revenue is measured as per the contractual terms.

The Company generally does not offer a credit period in respect of its billing to drivers. In respect of corporate customers, the Company credit period offered generally ranged from 30 days to 90 days.

NOTES ACCOMPANYING FINANCIAL STATEMENTS

Dividend:

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.5 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after April 01, 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

2A.6 Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost in a foreign currency are are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2A.7 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.8 Employee benefits

2A.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses,

NOTES ACCOMPANYING FINANCIAL STATEMENTS

the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2A.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.9 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2A.10 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘Profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.10.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.11 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset’s carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Equipment individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Equipment individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 - 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2A.12 Intangible assets

2A.12.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired

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separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2A.12.2. Useful lives of intangible assets

Taxi permits (Leased):

Taxi permits are amortised using the straight-line method over a period of 8 years or contractual life whichever is lower.

Software:

ERP software is amortised using the straight-line method over a period of 5 years and other software are amortised using the straight-line method over a period of 3 years or contractual life, whichever is lower.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2A.13 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.14 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.15 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.15.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2A.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2A.16.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2A.16.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.16.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.16.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2A.17 Financial liabilities & Equity instruments

2A.17.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2A.17.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2A.17.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in

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equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.17.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.18 Segment reporting

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "People transportation".

iii) The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

2A.19 Exceptional Items:

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2A.20 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2A.21 Business Combination

The company accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognized as goodwill.

Before recognizing capital reserve in respect thereof, the company determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional asset or liabilities that are identified in that reassessment. The company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the company recognizes it directly in equity as capital reserve.

Non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to initial acquisition, the carrying amount of noncontrolling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the company in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

When a business combination is achieved in stages, the company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the company reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognized at that date. In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the company interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company. Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognized as capital reserve on common control business combination.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of intangibles and property, plant and equipment:

As described in note 2A.10 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

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ii. **Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. **Fair Value of financial assets and liabilities and investments**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. **Estimated Lead Time for determining completion of performance obligation**

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. **Contracts with Driver - Whether the arrangement with drivers contains a lease:**

Significant judgement is required to apply lease accounting rules under Appendix C of Ind AS 17 - Determining whether an arrangement contains a lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant terms and conditions of the arrangements to conclude whether the arrangements meet the criteria under Appendix C.

vi. **Leases**

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vii. **Trade Receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

2C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2024.

Note 3: Property, plant and equipment (PPE)

(Currency in INR lakhs)

	Office Equipments	Computers and Peripherals	Furniture and Fittings	* Motor Vehicles - Fleet	Electric Chargers	Total
Gross Block						
Balance at March 31, 2022	21.05	172.06	4.99	4,575.09	34.34	4,807.52
Additions	3.96	23.02	6	–	–	33.23
Acqusition under slump exchange#	8.49	14.19	0.08	–	–	22.75
Disposals	–	–	–	(586.37)	–	(586.37)
Balance at March 31, 2023	**33.49**	**209.27**	**11.32**	**3,988.72**	**34.34**	**4,277.14**
Addition	4.59	39.15	–	111.90	–	155.65
Disposals	(35.09)	(168.56)	(5.39)	(481.20)	(4.53)	(694.76)
Balance at March 31, 2024	**2.99**	**79.86**	**5.93**	**3,619.43**	**29.81**	**3,738.03**
Accumulated depreciation & Amortisation and impairment						
Balance at March 31, 2022	13.21	155.75	4.27	3,115.68	6.19	3,295.10
Depreciation charge for the year	8.47	17.20	2.62	624.66	4.87	657.82
Disposals	–	–	–	(543.91)	–	(543.91)
Balance at March 31, 2023	**21.68**	**172.95**	**6.89**	**3,196.42**	**11.06**	**3,409.00**
Depreciation charge for the year	9.21	22.48	2.11	480.77	4.87	519.45
Disposals	(29.08)	(166.92)	(5.18)	(348.03)	(2.64)	(551.85)
Balance at March 31, 2024	**1.81**	**28.51**	**3.82**	**3,329.16**	**13.29**	**3,376.60**
Net block						
Balance at March 31, 2024	**1.18**	**51.35**	**2.11**	**290.27**	**16.52**	**361.43**
Balance at March 31, 2023	**11.81**	**36.32**	**4.43**	**792.30**	**23.28**	**868.14**
Balance at March 31, 2022	**7.84**	**16.31**	**0.72**	**1,459.41**	**28.15**	**1,512.42**

Notes:

\# Refer note 31

* Motor Vehicles - Fleet having net carrying value of INR NIL as at March 31, 2024 are given as security against secured loans from NBFCs (March 31, 2023 : INR 76.91 lacs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Note 4: Intangible assets

	Computer software	Total
Gross Block		
Balance at March 31, 2022	71.39	71.39
Additions	–	–
Acqusition under slump exchange#	537.65	537.65
Disposals	–	–
Balance at March 31, 2023	**609.04**	**609.04**
Additions	–	–
Disposals	–	–
Balance at March 31, 2024	**609.04**	**609.04**
Accumulated Amortization and impairment		
Balance at March 31, 2022	**71.39**	**71.39**
Additions	296.16	296.16
Disposals	–	–
Balance at March 31, 2023	**367.55**	**367.55**
Additions	221.71	221.71
Disposals	–	–
Balance at March 31, 2024	**589.26**	**589.26**
Balance at March 31, 2024	**19.78**	**19.78**
Balance at March 31, 2023	**241.49**	**241.49**

Refer note 31

Note 5 : Loans

(Measured at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good;		
Loans to employees **		
Unsecured, considered good	**–**	0.60
Total Current	**–**	0.60

** Loan to employee is in the normal course of business.

Note 6 : Other financial assets

(Measured at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Security Deposits - Unsecured, considered good	**7.74**	203.58
Unsecured, considered credit impaired	**42.58**	42.58
Less: Impairment allowance for doubtful security deposits	**(42.58)**	(42.58)
	7.74	203.58
Balances with banks held as margin money *	**8.10**	45.05
Total Non current	**15.84**	248.63
Current		
Other Receivables		
Unsecured, considered good	**42.44**	22.15
Unsecured, considered credit impaired	**15.44**	15.44
Less: Impairment allowance for doubtful advance recoverable in cash	**(15.44)**	(15.44)
	42.44	22.15
Other loans:		
Security deposits		
Unsecured, considered good	**507.23**	282.44
Unsecured, considered good		
Interest accrued on bank fixed deposits	**0.51**	0.32
Receivables towards assets given on finance lease	**106.40**	32.85
Total current	**656.58**	337.76

* These balances are given as margin money against the bank guarantees issued by the banks for Airport contracts / to Transport authorities for issuance of licenses in respective cities. The remaining maturity is more than 12 months from the Balance Sheet date.

Note 7 : Non-current tax assets

Particulars	As at March 31, 2024	As at March 31, 2023
Income-tax assets	**454.07**	116.23
	454.07	116.23

Note 8 : Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with government and statutory authorities		
Unsecured, considered good	**818.65**	669.07
	818.65	669.07

Note 9 : Trade receivables

(Measured at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good	**54.46**	125.14
Unsecured, considered good	**6,342.32**	7,416.72
Unsecured, considered credit impairment	**834.70**	501.95
Less: Impairment allowance doubtful trade receivables	**(834.70)**	(501.95)
	6,396.78	7,541.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Trade receivables from drivers are due immediately. The Company also holds security deposit from a number of the drivers as collateral. Trade receivables from corporate customers are generally on credit terms of 30 to 60 days.

Refer Note 26 for information about credit risk. Refer note 34.1 for Ageing of Trade Recievable as per Schedule-III.

Note 10 : Cash and cash equivalents

Particulars	**As at March 31, 2024**	As at March 31, 2023
Cash on hand	**1.30**	1.25
Balances with bank in current accounts	**738.67**	23.84
Cheque on hand	**–**	5.68
	739.97	30.77

Note 11 : Other current assets

Particulars	**As at March 31, 2024**	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers		
Unsecured considered good	**788.85**	1,741.79
Unsecured considered credit impaired	**62.18**	62.35
Less: Impairment allowance for doubtful advances	**(62.18)**	(62.35)
	788.85	1,741.79
Prepaid Expenses	**81.58**	63.27
	870.43	1,805.06

Note 12 : Equity share capital

Particulars	**As at March 31, 2024**	As at March 31, 2023
Authorised share capital:		
700,000 equity shares of INR.10 each (March 31, 2023: 5,00,000)	**70.00**	50.00
Issued, subscribed and fully paid-up shares:		
4,60,899 equity shares of INR. 10 each fully paid up (March 31, 2023: 4,86,243)	**46.09**	48.62

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	**As at March 31, 2024**	As at March 31, 2023
Outstanding at the beginning of the year		
No. of shares	**486,243**	460,899
Amount	**48.62**	46.09
Issued during the year for consideration other than cash *		
No. of shares - "VASPL"	**(13,294)**	13,294
No. of shares - "VFSPL"	**(12,050)**	12,050
Amount	**(2.53)**	2.53
Outstanding at the end of the year		
No. of shares	**460,899**	486,243
Amount	**46.09**	48.62

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. All equity shares rank equally with regard to dividends and share in the residual assets of the Company. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the period ended April 30, 2023 (March 31, 2023: Nil). No dividend has been proposed for the period ended March 31, 2024.

* During the current year NCLT has approved the Scheme of merger by Absorption of V-Link Automative Services Private Limited ('VASPL'), and V-Link Fleet Solution Private Limited with MLL Mobility Private Limited ('MMPL') (formerly known as Meru Mobility Tech Private Limited). The Scheme inter-alia provides merger of VASPL and VFSPL with MMPL. In Compliance with the order of NCLT, previous year numbers are restated to include the numbers of "VASPL" and "VFSPL". Accordingly the share capital of "VASPL" and "VFSPL" is added to the share capital of "MMPL". Shareholders holding shares of "VASPL" and "VFSPL" are being cancelled during the year and fresh share of "MMPL" will be issued to the shareholders of "VASPL" and "VFSPL" in FY 2024-25.

(c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

Particulars	**As at March 31, 2024**	As at March 31, 2023
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No. of shares	**460,899**	486,243
Amount	**46.09**	48.62
Percentage of holding	**100%**	100%
% Change during the year	**0%**	100%

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares

Particulars	**As at March 31, 2024**	As at March 31, 2023
Mahindra Logistics Limited, the Holding and Promotor Company (including nominees)		
No. of shares	**460,899**	486,243
Percentage(%)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

(e) For period of five years immediately preceding the date as at which the Balance Sheet is prepared, the following details are shown:

Particulars	As at March 31, 2024	As at March 31, 2023
a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	**NIL**	NIL
b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	**NIL**	NIL
c) Aggregate number separately for each class of shares bought back.	**NIL**	NIL

Note 13: Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	**51,717.28**	51,717.28
General reserve	**48.44**	48.44
Capital Reserve	**(247.72)**	(232.31)
Retained earnings	**(48,229.85)**	(48,395.12)
Total Other Equity	**(3,288.15)**	(3,138.28)

Movement in Reserves

a) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**51,717.28**	31,436.72
Add: Shares issued during the year	-	3,582.93
Add: Acquired through merger of "VASPL"	-	16,286.96
Add: Acquired through merger of "VFSPL"	-	410.67
Closing balance	**51,717.28**	51,717.28

b) General reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**48.44**	48.44
Closing balance	**48.44**	48.44

c) Capital Reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**(232.31)**	–
Adjustment pursuant to slump exchange*	**–**	(269.80)
Add: Acquired through merger of "VASPL" & "VFSPL".	**(15.41)**	37.49
Closing balance	**(247.72)**	(232.31)

* Capital reserve comprise of (1) Goodwill arising on account of purchase of “Alyte” business from Mahindra Logistics Limited (MLL) under slump exchange (refer note 31) and accounted under Ind AS 103 “Business Combination” and (2) Excess of consideration paid to “VASPL” and “VFSPL” over value of net asset acquired on account of merger (refer note 32)

d) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**(48,395.12)**	(47,561.50)
Loss for the year “MMPL”	**178.27**	(861.73)
Loss for the year “VASPL”	**–**	(0.40)
Loss for the year “VFSPL”	**–**	5.25
Other comprehensive income, net of tax	**(13.00)**	23.27
Closing balance	**(48,229.85)**	(48,395.12)

Note 14 : Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
(a) Term Loan- Secured:		
(i) Vehicle loan from NBFC	**–**	68.19
(ii) Cash credit from bank (Secured)	**–**	1,562.99
Total Secured Current Borrowings	**–**	1,631.18

(i) Vehicle loan from NBFCs

The loans are secured against hypothecation of vehicles as a first charge. The rate of interest on these loans ranges from 9.29% p.a. to 10.15% p.a. The loans are repayable in 36 to 48 equal monthly instalments. Refer note 26[C](iii) ‘Liquidity risk’ for maturity profile of future instalments. These loans is fully repaid on December 15, 2023.

The carrying value of vehicles pledge as at March 31, 2024 is INR NIL lakhs (March 31, 2023: INR 76.91 lakhs)

(ii) Cash credit from bank (Secured)

The loans are secured by first pari pasu charge by way of hypothecation on all current assets of the company, both present and future. The rate of interest stipulated by the bank shall be sum of I-MCLR-3M and “spread” per annuam, subject to minumum of I-MCLR-3M, plus applicable statutory levy, if any.

Note 15 : Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Provision for employee benefits		
Provision for gratuity *(Refer Note 27)*	**23.11**	68.85
Other provisions		
Provision for contingencies*	**1,488.53**	1,427.15
Total Non current	**1,511.64**	1,496.00
Current		
Provision for employee benefits		
Provision for gratuity *(Refer Note 27)*	**48.81**	31.72
Provision for leave encashment	**149.60**	163.38
Total current	**198.41**	195.10

* The Company has created provision towards various disputed legal matters that arise in the ordinary course of business on a best estimate basis. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash out flows, if any, pending resolution. Movement of provision is as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	**1,427.15**	1,394.46
Created during the year	**61.38**	61.00
Reversed during the year	**–**	(28.31)
At the end of the year	**1,488.53**	1,427.15
Current portion	**–**	–
Non-current portion	**1,488.53**	1,427.15

Note 16 : Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
a) total outstanding dues to small enterprise and micro enterprises	**292.43**	8.53
b) total outstanding dues of creditors other than small enterprise and micro enterprises	**3,933.59**	4,080.29
	4,226.02	4,088.82

Notes:

i) Trade payables are non-interest bearing and the credit terms generally range from 30 to 90 days.

Refer Note-34.2 for the Ageing of Trade Payables as per Schedule-III.

ii) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

iii) Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below: This has been relied upon by the auditors.

Particulars	As at March 31, 2024	As at March 31, 2023
a. Principal and interest amount remaining unpaid	**292.43**	8.53
b. Interest paid by the company in terms of section 16 of the micro, small and medium enterprises development act 2006 along with the amount of the payment made to the supplier beyond the appointed day	–	–
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under Micro, small and medium enterprises act, 2006	**1.23**	–
d. Interest accrued and remaining unpaid	**–**	–
e. Interest remaining due and payable even in the suceeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–

Note 17: Other financials liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits from subscribers and customers	**472.57**	587.16
Employee benefits payable	**345.23**	332.44
Interest accrued but not due on borrowings	**–**	8.80
Interest accrued but not due (MSME)	**1.23**	–
	819.03	928.40

Note 18: Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from drivers and customers	**152.71**	268.21
Statutory dues	**73.53**	65.00
	226.24	333.21

Note 19: Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operation:		
Revenue from operation	**33,323.41**	18,467.98
Other operating revenue:		
Advertisement revenue	**6.64**	22.13
Enrolment fees	**2.78**	1.10
Infrastructure Support Services	**1.56**	–
Income from operating lease	**–**	23.07
	10.98	46.30
	33,334.39	18,514.28

Note 20: Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Interest Income		
Financial assets carried at amortised cost	**1.78**	2.98
Finance income on net investment in lease	**5.12**	5.14
Other asset	**44.33**	31.91
b) Miscellaneous Income		
Liabilities no longer required written back	**198.07**	9.14
Forfeiture of security deposits	**–**	62.21
Profit on sale / write off of property, plant and equipment (net)	**20.87**	15.31
Gain on mutual funds	**0.02**	1.16
	270.20	127.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Note 21: Operating expenditure

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service provider service charges	**600.34**	1,122.48
Car Hire Charges	**25,193.41**	12,604.39
Accreditation fee	**2,070.33**	1,531.17
Insurance	**70.86**	74.67
Vehicle Electricity, repairs and maintenance	**241.37**	259.74
Registration charges and taxes	**3.52**	22.42
Drivers recruitment, uniform and training expenses	**12.46**	4.04
	28,192.29	15,618.91

Note 22: Employee benefits expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	**2,849.39**	1,752.33
Contribution to provident and other funds	**60.14**	69.63
Gratuity expenses (Refer note 27)	**31.45**	36.03
Compensated absence expenses	**18.20**	22.26
Share based payment to employees	**7.75**	2.74
Staff welfare expenses	**84.64**	64.61
	3,051.57	1,947.60

Note 23: Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Legal and professional fees	**129.81**	38.23
Information Technology Cost	**312.18**	316.61
Advertisement and sales promotion	**13.99**	17.61
Rent	**203.65**	221.59
Repairs and maintenance - other than vehicles	**5.94**	10.29
Communication expenses	**12.37**	7.91
Provision for doubtful debts	**331.07**	89.74
Bad debts written off	**83.06**	48.95
Security charges	**72.97**	67.56
Travelling and conveyance	**74.24**	35.67
Rates and taxes	**81.66**	80.49
Electricity charges	**2.81**	0.65
Printing and stationery	**12.09**	5.05
Auditor’s remuneration (refer note below)	**6.37**	7.46
Bank charges	**32.22**	67.59
Provision for doubtful advances	**(0.17)**	(122.26)
Miscellaneous expenses	**0.92**	27.23
	1,375.18	920.37

Auditor's Remuneration (including GST)

Statutory audit fees	4.97	6.28
Other services	1.40	1.18
	6.37	7.46

Note 24: Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment	**519.45**	657.86
Amortisation on intangible assets	**221.71**	296.16
	741.16	954.02

Note 25: Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings	**65.03**	58.14
Interest others	**1.09**	–
	66.12	58.14

Note 26: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net of any provision for impairment) of financial instruments.

Particulars	Notes	Carrying value/ Fair Value March 31, 2024	March 31, 2023
Financial assets carried at amortised cost			
Security deposits	6	**514.97**	486.02
Loans to employees	5	**–**	0.60
Balances with banks held as margin money (non-current)	6	**8.10**	45.05
Advances recoverable in cash	6	**42.44**	22.15
Accrued interest	6	**0.51**	0.32
Receivables towards assets given on finance lease	6	**106.40**	32.85
Trade Receivables	9	**6,396.78**	7,541.86
Cash and cash equivalents and other bank balances	10	**739.97**	30.77
Total		**7,809.17**	8,159.62
Financial liabilities carried at amortised cost			
Long term Borrowings	14	**–**	1,631.18
Other financial liabilities	17	**819.03**	928.40
Trade payables	16	**4,226.02**	4,088.82
Total		**5,045.05**	6,648.40

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, loans, other financial assets trade payables, borrowings and other financial liability approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments in mutual funds are recorded at fair value. The fair value is determined at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

liquidation sale. Fair value of investments in mutual fund units is based on Net Asset Value (NAV) on the balance sheet date as published by the mutual fund. The fair value is categorised as Level 2 in the fair value measurement hierarchy.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Market risk - interest rate risk
– Credit risk
– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings are all in fixed rate instruments and there is no investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), liquid mutual fund units, inter corporate deposits, cash deposits and other financial instruments.

Trade receivables

The Company's Management divides its customers primarily into following two categories for purposes of monitoring credit risk:

Trade receivables from subscribers

Credit risk relating to subscribers is managed in accordance with the Company's established policy, procedures and controls relating to driver credit risk management. Trade receivables are non-interest bearing. Outstanding receivables are regularly monitored. The Company recognises impairment of trade receivables from drivers based on outstanding receivable, its historical experience and its expectation of credit losses in the future except to the extent the trade receivables are secured by way of deposits received from customers.

	March 31, 2024	March 31, 2023
Gross Trade receivables from subscribers	**378.81**	207.99
Less: Impairment allowance doubtful trade receivables	**(186.82)**	(142.88)
Net Trade receivables from subscribers	**191.99**	65.10
Security deposits received from above subscribers held as at the respective reporting dates	**54.46**	125.14

Trade receivables from other customers

Credit risk relating to other customers is managed in accordance with the Company's established policy, procedures and controls relating to other customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from other customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

Particulars	March 31, 2024	March 31, 2023
Gross Trade receivables from other customers	**6,852.67**	7,835.82
Less: Impairment allowance doubtful trade receivables	**(647.89)**	(359.07)
Net Trade receivables from other customers	**6,204.80**	7,476.76
Ageing of gross trade receivables relating to other customers:		
Less than 6 months	**5,915.02**	7,410.56
More than 6 months	**937.66**	425.26
	6,852.67	7,835.82

Reconciliation of loss allowance provision for Trade Receivables

Particulars	March 31, 2024	March 31, 2023
Opening balance	**442.23**	349.01
Add: Net impairment allowance provision for the year	**331.07**	93.23
Add: Transfer from "VASPL" and "VFSPL" on account of merger.	**59.72**	–
Closing balance	**833.02**	442.23

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behaviour.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 26A. The Company has assessed the concentration risk with respect to trade receivables as low for its business.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations including deposits received from drivers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Undiscounted amount					
Year ended - March 31, 2024	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Borrowings						
(i) Vehicle loan from NBFC	–	–	–	–	–	–
(ii) Cash credit from bank (Secured)	–	–	–	–	–	–
Interest free loan from fellow subsidiary repayable on demand	–	–	–	–	–	–
Deposits from Subscribers and customers	**472.57**	**472.57**	–	–	–	**472.57**
Interest accrued but not due on borrowings	–	–	–	–	–	–
Employee benefits payable	**345.23**	**345.23**	–	–	–	**345.23**
Trade Payable	**4,226.02**	**4,226.02**	–	–	–	**4,226.02**
	5,043.82	**5,043.82**	–	–	–	**5,043.82**

	Undiscounted amount					
Year ended - March 31, 2023	Carrying Value	Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Borrowings						
(i) Vehicle loan from NBFC	68.19	68.19	–	–	–	68.19
(ii) Cash credit from bank (Secured)	1,562.99	1,562.99	–	–	–	1,562.99
Interest free loan from fellow subsidiary repayable on demand	–	–	–	–	–	–
Deposits from Subscribers and customers	587.16	587.16	–	–	–	587.16
Interest accrued but not due on borrowings	8.80	8.80	–	–	–	8.80
Employee benefits payable	332.44	332.44	–	–	–	332.44
Trade Payable	4,088.82	4,088.82	–	–	–	4,088.82
	6,648.40	6,648.40	–	–	–	6,648.40

D] Capital management

For the purpose of capital management, the Company considers capital to include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the loan covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flows as forecasts at each period end and identifies need for additional funding from the share holders to meet the outstanding commitments and future cash flow requirements to meet the business plans. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and liquid mutual fund units.

Particulars	**March 31, 2024**	March 31, 2023
Borrowings	**–**	1,631.18
Less: Cash and Cash Equivalent and liquid mutual fund units	**739.97**	30.77
Net Debt/(Surplus funds)	**(739.97)**	1,600.41

Note 27: Employee benefits

a. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 22 under "Contribution to provident and other funds":

Particulars	**March 31, 2024**	March 31, 2023
Contribution to employees provident fund	**59.63**	67.24
Contribution to ESI	**0.50**	2.39
Total	**60.14**	69.63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

b. Defined benefit plans

The Company operates one post-employment defined benefit plan (funded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

Liability recognised in the Balance Sheet in respect of Gratuity

	March 31, 2024	March 31, 2023
Present value of the defined benefit obligation at the end of the year	**71.92**	100.57
	71.92	100.57

Changes in the present value of the defined benefit obligation are as follows :

	March 31, 2024	March 31, 2023
Defined benefit obligation at beginning of the year	**100.57**	93.03
Current service cost	**17.19**	25.62
Interest cost	**14.26**	10.41
Past Service cost	**–**	–
Sub-total included in statement of profit and loss	**31.45**	36.03
Remeasurement (gains)/losses recorded in OCI		
Actuarial changes arising from changes in demographic assumptions	**(0.97)**	(0.22)
Actuarial changes arising from changes in financial assumptions	**1.38**	(29.06)
Experience adjustments	**12.58**	6.00
Sub-total included in OCI	**13.00**	(23.27)
Transfer in / Out	**(0.31)**	19.28
Employer Contribution	**(5.00)**	(5.78)
Benefits paid	**(67.77)**	(18.72)
Defined benefit obligation at the end of the year	**71.92**	100.57

Following table summarises the principal assumptions used for actuarial valuation of gratuity obligation for each reporting period:

Actuarial assumptions	**March 31, 2024**	March 31, 2023
Discount rate	**7.15%**	7.30%
Future salary increases	**7.00%**	7.00%
Attrition rate (% p.a.)	**refer note below**	refer note below

Note : Call center – 20%, Non Call center – 20%, Management committee –20% (March 31, 2023:Call center – 15.32%, Non Call center – 15.32%, Management committee –15.32%)

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions :

Mortality in Service: Indian Assured Lives Mortality 2012-14 Mortality in Retirement : 60 Years (March 31, 2023: Mortality in Service: Indian Assured Lives Mortality 2012-14) Mortality in Retirement : 60 Years

A quantitative sensitivity analysis for significant assumptions as at each reporting date is as shown below:

	Discount rate assumption	
	March 31, 2024	March 31, 2023
Gratuity plan:		
Impact of increase of 1% p.a. on defined benefit obligation	**171.31**	185.73
Impact of decrease of 1% p.a. on defined benefit obligation	**186.29**	205.66

	Future salary increase assumption	
	March 31, 2024	March 31, 2023
Gratuity plan:		
Impact of increase of 1% p.a. on defined benefit obligation	**185.94**	204.71
Impact of decrease of 1% p.a. on defined benefit obligation	**171.46**	186.34

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2023: 5 years).

The following are expected contributions over the future years (valued on undiscounted basis):

	March 31, 2024	March 31, 2023
Within the next 1 year (next annual reporting period)	**48.81**	31.72
Between 2 to 5 years	**97.33**	117.88
Between 6 to 10 years	**66.85**	77.51
Beyond 10 years	**39.27**	77.90
Total expected payments	**252.27**	305.01

C. Other employee benefits

Compensated absences are payable to employees at the rate of basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2024 INR 18.20 Lakh (March 31, 2023: INR 22.26 Lakhs).

Note 28: Commitments and contingencies

A. Leases

a Finance lease - where the Company is lessor

The Company has taken taxi permits on finance lease by paying the consideration upfront as a onetime payment.

The Company has leased out 10 vehicles (March 31, 2023 : 31) on finance lease. The lease term is for 4 years and is non-renewable, after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Gross investments	March 31, 2024	March 31, 2023
Within one year	**35.09**	34.06
After one year but not more than five years	**93.57**	–
More than five years	**–**	–
	128.66	34.06
Less: Unearned finance income	**(22.27)**	(1.21)
Present value of minimum lease payments	**106.40**	32.85
Present value of future rentals		
Within one year	**25.10**	32.85
After one year but not more than five years	**81.30**	–
More than five years	**–**	–
Present value of minimum lease payments	**106.40**	32.85

During the year ended March 31, 2024, the Company has earned INR 5.12 Lakhs (March 31, 2023: INR 5.14 Lakh) as interest income. This has been recorded under "Other income - Finance income on net investment in lease" in the statement of profit and loss.

Movement for the receivables towards assets given on finance lease	Amount
Opening balance as at 1 April 2022	**82.03**
Less: amount recovered during the year	**(49.19)**
Closing balance as at March 31, 2023	**32.84**
Add: Additions made during the tear	**114.20**
Less: amount recovered during the year	**(40.64)**
Closing balance as at March 31, 2024	**106.40**

B. Commitments

The Company has entered into License Agreements/Contracts with Airport authorities at some locations. These agreements are for periods of 1 to 5 years and include non-cancellable period of 1 to 3 years. Under the contracts, the Company guarantees a certain minimum payment to the airports each month. Management believes that it would perform its obligations for the entire period of these contracts taking into account the past experience and management's intent and future business plans. Management has disclosed contractual commitments under these contracts below based on the total contractual period.

	As at March 31, 2024	As at March 31, 2023
Minimum commitment to Airports		
Delhi Airport Terminal 1	**28.35**	72.90
Delhi Airport Terminal 2	**42.53**	109.35
Delhi Airport Terminal 3	**85.05**	218.70
Delhi Airport Parking services Ltd.-T1,T2,T3 Parking Bay-(10, 15, 40), Level 3-MLCP	**11.63**	–
Mumbai Airport Terminal 1 & 2	**11.00**	120.00
Ahmedabad Airport	**18.00**	–
Hyderabad Airport	**1,438.05**	1,618.23
	1,634.61	2,139.18

C] Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts (Refer note "a" below)	**17.68**	126.85
Advertisement tax (refer note "b" below)	**55.40**	55.40
	73.08	182.25

Note:

a) Claims against the Company pertain to various legal claims filed against the Company by customers/ third parties. The Company has contested these claims and the same are pending adjudication at various judicial forums. The timing of any possible cash outflows with regard to the aforesaid matters depends upon the final outcome of the respective litigations and exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the possible outflow, if any.

b) Advertisement tax liability pertains to earlier years, where Muncipal Corporation of Delhi has demanded unproportionately higher Advertisement taxes, which are part of the on-going legal cases with MCD at High Court Delhi.

Note 29: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	**–**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**–**	–
Income tax expense reported in the statement of profit or loss	**–**	–

Statement of OCI

	March 31, 2024	March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	**–**	–
Income tax expense charged to OCI	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate for the years ended

	March 31, 2024	March 31, 2023
Accounting profit/(loss) before income tax	**178.27**	(856.90)
At India's statutory income tax rate of 26% [March 31, 2023: 26%]	**46.35**	(222.79)
Effect of set off of carried forward tax losses for which no deferred tax asset was recognised previously	**(46.35)**	222.79
Effect of current year losses for which no deferred tax asset is recognised	**–**	–
At the effective income tax rate for the Company	**–**	–
Income tax expense reported in the statement of profit and loss	**–**	–

Deferred tax working for the year ended:

	March 31, 2024	March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
	–	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**272.49**	221.44
Provisions (Doubtful debts/Impairment/Advances)	**248.27**	146.23
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**57.60**	68.63
Carry forward Tax Loss (Unabsorbed depreciation)		
Unabsorbed depreciation	**7091.88**	5,833.36
Unabsorbed business losses	**4.98**	–
Provision for contingencies	**387.02**	359.09
	8062.26	6,628.74
Net deferred tax assets/(liabilities)	**8062.26**	6,628.74
Net deferred tax assets/(liabilities) recognised	**–**	–

	Statement of Profit and Loss	
Tax effect of items constituting deferred tax liabilities	**March 31, 2024**	March 31, 2023
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**51.06**	16.38
Provisions (Doubtful debts/Impairment/ Advances)	**102.04**	(7.55)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**(11.03)**	27.94
Carry forward Tax Loss	**–**	–
Unabsorbed depreciation	**1258.53**	(477.53)
Unabsorbed business losses	**4.98**	(815.01)
Provision for contingencies	**27.93**	8.50
Deferred tax expense/(income)	**1433.51**	(1,247.29)
Deferred tax expense/(income) recognised in profit and loss	**–**	–

The Company has following tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

	March 31, 2024	March 31, 2023
Losses that expire - Carry forward business losses	**1,916.51**	–
Losses that never expire - Unabsorbed depreciation	**25,379.13**	22,435.99

The Company has a net deferred tax asset position as at March 31, 2024, However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets considering there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/unabsorbed depreciation may be offset.

Note 30: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate holding Company ('UHC')	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited (MTSPL)) (up to May 12, 2022)
	Mahindra Logistics Limited ('MLL') (w.e.f May 12, 2022)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	Mahindra Electric Mobility Limited
	Mahindra Integrated Business Solutions Pvt. Ltd.
	Mahindra Logistics Limited ('MLL') (up to May 11, 2022)
	Mahindra & Mahindra Financial Services Ltd.
	MLL Express Services Private Limited (MESPL) (Formerly Known As Meru Travel Solutions Private Limited (MTSPL)) (up to May 12, 2022)
	Mahindra Heavy Engines Limited
	NBS International Limited
Key Management Personnel (KMP) & other relationships	Tech Mahindra Business Services Limited (Associate of UHC)
	Mahindra World City (Jaipur) Limited (Joint Venture of UHC)
	Mahindra Homes Private Limited (Joint Venture of UHC)
	Classic Legends Private Limited (Joint Venture of UHC)
	Kannan Chakravarthy (CEO) with effect from January 1, 2022 upto May 12, 2022

Details of transactions during the year with related parties

Particulars	**Holding companies**		**Fellow subsidiaries**		**KMP & Other relationships**	
	March, 31 2024	March, 31 2023	**March, 31 2024**	March, 31 2023	**March, 31 2024**	March, 31 2023
Sale of services :						
Mahindra & Mahindra Ltd.	**1,223.40**	417.29	**–**	–	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**2,432.79**	3,019.28	**–**	–	**–**	–
Tech Mahindra Business Services Limited	**–**	–	**–**	–	**1,645.46**	455.77
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**23.79**	13.75
Mahindra & Mahindra Financial Services Ltd.	**–**	–	**–**	–	**0.97**	2.10
Mahindra Lifespace Developers Limited	**–**	–	**1.17**	–	**–**	–
Mahindra Heavy Engines Limited	**–**	–	**3.58**	3.60	**–**	–
Classic Legends Private Limited	**–**	–	**–**	–	**–**	5.89
MLL Express Services Private Limited	**–**	–	**1.08**	–	**–**	–
Services received:						
Mahindra & Mahindra Ltd.	**12.71**	–	**–**	–	**–**	–
NBS International Limited	**–**	–	**16.52**	14.03	**–**	–
Mahindra Integrated Business Solutions Pvt. Ltd.	**–**	–	**0.39**	1.34	**–**	–
Reimbursements made to parties						
Mahindra & Mahindra Ltd.	**130.65**	124.92	**–**	–	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**239.49**	114.83	**–**	–	**–**	–
NBS International Limited	**–**	–	**0.07**	–	**–**	–
Equity Share issued:						
Mahindra Logistics Limited	**–**	3,611.65	**–**	–	**–**	–
Remuneration to key management personnel @						
Kannan Chakravarthy	**–**	–	**–**	–	**–**	88.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Details of Balances receivable from/payable to related parties

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2024	March, 31 2023	**March, 31 2024**	March, 31 2023	**March, 31 2024**	March, 31 2023
Balance receivable / (payable) as at year end :						
Mahindra & Mahindra Ltd.	**187.39**	130.15	**–**	–	**–**	–
Mahindra & Mahindra Ltd. #	**(24.98)**	(187.41)	**–**	–	**–**	–
Mahindra Integrated Business Solutions Pvt. Ltd.	**–**	–	**–**	(0.30)	**–**	–
Mahindra Logistics Limited (up to May 11, 2022)	**–**	–	**–**	–	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**364.96**	927.46	**–**	–	**–**	–
Mahindra Logistics Limited (w.e.f May 12, 2022)	**–**	(87.53)	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**5.58**	4.98
MLL Express Services Private Limited	**–**	–	**1.13**	–	**–**	–
NBS International Limited	**–**	–	**(0.65)**	(0.46)	**–**	–
Tech Mahindra Business Services Limited	**–**	–	**–**	–	**69.05**	187.75
Mahindra Heavy Engines Limited	**–**	–	**–**	3.74	**–**	–

Note: Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

@ The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Mahindra Electric Mobility Limited, merged with Mahindra & Mahindra Ltd.

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The loans receivable and payable are all repayable on demand.

Note 31: Disclosures pursuant to Ind AS 103 "Business Combinations".

On September, 26, 2022, the Company entered into a Business Transfer Agreement (BTA) with Mahindra Logistics Limited (MLL) to acquired Enterprise Mobility business of the MLL as a going concern on slump exchange basis, effective October 1, 2022, for a lump sum consideration of Rs. 3611.65 lakhs. Consideration for the slump exchange has been discharged by the company through issue of 2,87,204 equity shares of Rs.10 each. As per the method of accounting under Ind AS for the company has recognised negative capital reserve of INR 269.78 lakhs.

Particulars	Amount	Amount
Sale consideration		3,611.66
Less: Book value of assets transferred		
Total Assets Transferred	5,357.60	
Total Liabilities Transferred	2,015.73	
Book value of assets transferred		3,341.87
Debited to Capital reserve		**269.78**

Note 32: Disclosures pursuant to Ind AS 103 "Business Combinations".

Scheme of Amalgamation and arrangement

The Board at its meeting held on April 24, 2023 had approved the Scheme of merger by Absorption of V-Link Automative Services Private Limited ('VASPL'), and V-Link Fleet Solution Private Limited with MLL Mobility Private Limited ('MMPL') (formerly known as Meru Mobility Tech Private Limited) and their respective shareholders ('the Scheme')under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The Scheme inter-alia provides merger of VASPL and VFSPL with MMPL. The National Company Law Tribunal ("NCLT"), Mumbai Bench vide its order dated 7 March 2024 has approve the above Scheme. As part of consideration mentioned in the Scheme, MMPL has on April 16, 2024 issued 1,79,470 equity shares of Rs. 10 each to the Company in lieu of its shareholding in VASPL and VFSPL.

The Appointed Date of the Scheme is April 1, 2023 but operative with effect from the Effective Date i.e. March 28, 2024 being the date of filing of the certified copy of the Order sanctioning the Scheme by the NCLT with the Registrar of Companies. Upon coming into effect of the Scheme, net operating assets including reserves are transferred in the Company with effect from the Appointed Date and accordingly have restated its results for the comparative periods including Earnings Per Share ("EPS") in accordance with IND AS 103 Business Combination.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Calculation of capital reserve arising on merger.

Sr. No.	Particulars	Amount
1	Equity shares of "VASPL" held by shareholders.(A)	1.33
2	Equity shares of "VFSPL" held by shareholders.(B)	1.21
3	Equity shares issued by "MMPL" pursuant to the scheme approved.(C)	17.95
4	Capital reserve (C -A-B)	15.41

Note 33: Operating Segments Reporting

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. “People transportation”.

iii) The Chief Operating Decision Maker (“CODM”) monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

Note 34.1: Trade Receivable Ageing

Trade Receivables ageing schedule as at March 31, 2024

(A) Billed and Outstanding

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	**2,330.82**	**1,105.11**	**92.71**	**289.52**	**35.46**	**34.40**	**3,888.02**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables — credit impaired	**–**	**–**	**495.24**	**34.47**	**59.61**	**245.38**	**834.70**
(iv) Disputed Trade Receivables — considered good	**–**	**–**					**–**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi) Disputed Trade Receivables — credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**2,330.82**	**1,105.11**	**587.95**	**323.99**	**95.07**	**279.78**	**4,722.73**
(B) Unbilled Trade Receivables	**2,508.76**		**–**	**–**	**–**	**–**	**2,508.76**
(C) Impairment allowance doubtful trade receivables	**–**	**–**	**(495.24)**	**(34.47)**	**(59.61)**	**(245.38)**	**(834.70)**
(D) Net Trade Receivable (A+B+C)	**4,839.58**	**1,105.11**	**92.71**	**289.52**	**35.46**	**34.40**	**6,396.78**

Trade Receivables ageing schedule as at March 31, 2023

(A) Billed and Outstanding

Particulars	Not Due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	2,508.11	1,607.90	37.98	4.68	5.50	42.87	4,207.06
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	–	50.24	123.99	35.22	20.13	272.39	501.96
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–	–
Total	**2,508.11**	**1,658.15**	**161.97**	**39.90**	**25.63**	**315.26**	**4,709.02**
(B) Unbilled Trade Receivables	–	3,334.80	–	–	–	–	3,334.80
(C) Impairment allowance doubtful trade receivables	–	(50.24)	(123.99)	(35.22)	(20.13)	(272.39)	(501.95)
(D) Net Trade Receivable (A+B+C)	2,508.11	4,942.70	37.98	4.68	5.50	42.87	7,541.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Note 34.2: Trade Payable Ageing

Trade Payables ageing schedule as at March 31, 2024

Particulars	Unbilled	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	**–**	**292.43**	**–**	**–**	**–**	**292.43**
(ii) Others	**3,323.18**	**557.85**	**51.81**	**0.03**	**0.72**	**3,933.59**
(iii) Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**–**
Total	**3,323.18**	**850.28**	**51.81**	**0.03**	**0.72**	**4,226.02**

Trade Payables ageing schedule as at March 31, 2023

Particulars	Unbilled	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	8.53	–	–	–	8.53
(ii) Others	3,123.48	851.36	100.60	4.84	–	4,080.29
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues — Others	–	–	–	–	–	–
Total	**3,123.48**	**859.90**	**100.60**	**4.84**	**–**	**4,088.82**

Note 34.3: Financial Ratios

Ratio	Numerator	Denominator	Year ended March 31, 2024	Year ended March 31, 2023	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	**1.58**	1.35	17%	
Debt-Equity Ratio	Debt	Total equity	**–**	0.02	-100%	The change is on account of repayment of debt during the year.
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service= Lease payments	**–**	2.02	-100%	No debt in current FY.
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	**5.35%**	-26.89%	-120%	Improvement in ratio is on account of Increase in business in current FY.
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	**4.16**	3.34	24%	
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	**7.11**	6.59	8%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	**10.22**	9.58	7%	
Net profit ratio	Profit for the year	Revenue from operations	**1%**	-5%	-112%	Ratio has improved due to increase in turnover in current FY.
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	**5%**	-17%	-129%	Ratio has improved due to increase in turnover in current FY.
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	**6.76%**	10.10%	-33%	Decrease in ratio is on account of disposal of investment in current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Currency in INR lakhs)

Note 35: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2024	March 31, 2023
Profit / (Loss) attributable to equity holders	**178.27**	(856.90)
Number of Shares outstanding at the beginning of the year	**460,899**	173,695
Add: Weighted average shares issued during the year	**–**	72,391
Number of Shares outstanding at the end of the year	**460,899**	246,086
Weighted average number of Equity shares for basic EPS and diluted	**460,899**	246,086
Basic and diluted EPS calculations	**38.68**	(348.21)
Weighted average number of Equity shares adjusted for the effect of dilution	**–**	–

Note 36: IND AS 115 'Revenue from Contracts with Customers'

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss

Revenue from operations

Revenue from contract with customers

Particulars	**March 31, 2024**	March 31, 2023
Revenue from operation	**33,334.39**	18,514.28
	33,334.39	18,514.28

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

Revenue from contract with customers

Particulars	**March 31, 2024**	March 31, 2023
People Transportation (refer note 21)	**33,334.39**	18,514.28
	33,334.39	18,514.28

iii) Revenue by geography

Revenue from contract with customers

Particulars	**March 31, 2024**	March 31, 2023
Asia		
India	**33,334.39**	18,514.28
	33,334.39	18,514.28

Note 37: During the previous year, the earstwhile holding Company i.e. MESPL, has transferred its entire shareholding into the Company and its fellow subsidiaries i.e. VFSPL and VASPL, to MLL and the shares of MESPL were transferred by utlimate holding Company i.e. M&M to MLL. Pursuant to this restructuring, the Company has become 100% subsidiary of MLL and fellow subsidiary of MESPL.

Note 38: Based on the contracts with taxi operators under the taxi aggregator services, the Company's revenue is determined as a share of the total passenger revenue of INR 7,562.22 lakhs (March 31, 2023: INR 6,908.40 lakhs) generated by these taxi operators.

Note 39: As at March 31, 2024, the Company has accumulated losses of INR 48,229.85 lakhs (March 31, 2023: INR 48,395.12 lakhs) and a positive net worth of INR 3,352.19 lakhs (March 31, 2023: positive net worth INR 3,186.90 lakhs). The Company has significant improvement in operations during the year and the Company is expected to be profitable starting next year.

In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 40: The Company had given Loan to VFSPL of INR 1422.48 Lakhs and borrowed INR 2958.91 Lakhs from VFSPL in the earlier years. As per the merger scheme approved by the NCLT, intercompany balances have been knocked off and previous year figures have been restated in accordance with IND AS 103 Business Combination.

Note 41: Additional regulatory information:

Balance outstanding Receivable / (Payable)

Name of the struck off company	**March 31, 2024**	March 31, 2023#
1. Ride Car Zone Private Limited	**–**	0.39
2. T.R. Travels Private Limited	**–**	0.00
3. Jatayu Logistics Private Limited	**–**	(0.03)
4. Trimurty Tourism Private Limited	**–**	(0.22)
5. Purwanchal Tours And Travels Privatelimited	**–**	(0.01)
6. Swiss Cabs India Private Limited	**–**	(0.77)
7. S K S Automobiles India Private Limited	**–**	(0.26)
8. SST Concierge Private Limited	**–**	(0.07)
Total	**–**	**(0.97)**

These parties are not in current years list of struck off companies.

b) Quarterly returns/statements filed by the Company with banks are in agreement with the books of accounts.

Note 42: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 43: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

Note 44: Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 16, 2024

For and on behalf of the Board of Directors of
MLL Mobility Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Sreenivas Pamidimukkala
Director
DIN: 09447924

Place : Mumbai
Date : April 16, 2024

INDEPENDENT AUDITORS' REPORT

To the members of

V-Link Freight Services Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **V-Link Freight Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) Reporting on the adequacy of internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, under Section 143(3)(i) of the Act, is not applicable in view of the exemption available to the Company in terms of the Notification No. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with General Circular No. 08/2017 dated 25 July 2017.

   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to managerial remuneration are not applicable to the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCO4699

Place: Mumbai
Date: 15th April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified its entire property, plant and equipment during the current year and no material discrepancies were noticed on such verification.

   (c) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident Fund, Income-tax, Cess and other material statutory dues and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Income-tax, Cess as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause

3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans taken in earlier years have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies.

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 136.68 lakhs during the current financial year and Rs. 12.12 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our

knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCO4699

Place: Mumbai
Date: 15th April 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Rs. in lakhs

Particulars		Note No.	As at 31st March, 2024	As at 31st March, 2023
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4	**0.26**	–
	(b) Right of Use Assets	4	**40.10**	61.09
	(c) Intangible Assets	5	**0.42**	–
	(d) Financial Assets			
	(i) Other Financial Asset	6	**0.20**	0.20
	(e) Income Tax Assets (Net)	7	**–**	0.99
	TOTAL NON-CURRENT ASSETS		**40.98**	62.28
II	**CURRENT ASSETS**			
	(a) Financial assets			
	(i) Cash and cash equivalents	8	**0.02**	79.90
	(b) Other current assets	9	**6.51**	3.91
	TOTAL CURRENT ASSETS		**6.53**	83.81
	Total Assets		**47.51**	146.09
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	10	**100.00**	100.00
	(b) Other equity	11	**(171.76)**	(13.90)
	Total Equity		**(71.76)**	86.10
	LIABILITIES			
I	**NON-CURRENT LIABILITIES**			
	(a) Financial liabilities			
	(i) Lease Liability	27	**16.79**	37.84
	TOTAL NON-CURRENT LIABILITIES		**16.79**	37.84
II	**CURRENT LIABILITIES**			
	(a) Financial liabilities			
	(i) Lease Liability	27	**21.04**	19.60
	(ii) Borrowings	12	**59.11**	–
	(iii) Trade Payables	13		
	Due to Micro and Small Enterprises		**0.01**	–
	Other then Micro and Small Entreprises		**9.36**	2.00
	(iv) Other Financials Liabilites	14	**8.79**	–
	(c) Other Current Liabilities	15	**4.17**	0.55
	TOTAL CURRENT LIABILITIES		**102.48**	22.15
	TOTAL		**47.51**	146.09

The accompanying notes 1 to 30 are an integral part of the financial statements.

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 15th April 2024

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 15th April 2024

Naveen Raju Kollaickal
Director
DIN: 07653394
Place : Mumbai
Date : 15th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. in lakhs

	Particulars	Note No.	**As at 31st March, 2024**	As at 31st March, 2023
I	Revenue from operations	16	**645.86**	49.46
II	Other Income	17	**0.08**	–
III	**Total Revenue (I + II)**		**645.94**	49.46
IV	**EXPENSES**			
	(a) Freight & other related expense	18	**641.42**	48.53
	(b) Employee benefit expense	19	**108.82**	–
	(c) Finance costs	20	**4.71**	0.34
	(d) Depreciation and amortization expense	21	**21.18**	1.78
	(e) Other expenses	22	**27.67**	12.71
	Total Expenses (IV)		**803.80**	63.36
V	**Profit/(loss) before tax (III-IV)**		**(157.86)**	(13.90)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**–**	–
	Total tax expense		**–**	–
VII	**Profit/(loss) after tax (V-VI)**		**(157.86)**	(13.90)
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	Total Other Comprehensive Income /(Loss)		**–**	–
IX	**Total Comprehensive Income for the period (VII+VIII)**		**(157.86)**	(13.90)
X	**Earnings per equity share**			
	(1) Basic	23	**(15.79)**	(1.39)
	(2) Diluted	23	**(15.79)**	(1.39)
	(3) No. of Shares		**1,000,000**	1,000,000

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 15th April 2024

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 15th April 2024

Naveen Raju Kollaickal
Director
DIN: 07653394
Place : Mumbai
Date : 15th April 2024

STATEMENT OF CASH FLOWS AS ON 31ST MARCH 2024

Rs. in lakhs

	Particulars	As at March 31, 2024	As at March 31, 2023
A.	**Cash flows from operating activities**		
	Profit before tax for the year	**(157.86)**	(13.90)
	Adjustments for:		
	Depreciation and amortization of non-current assets	**21.18**	1.78
	Finance Charges	**4.71**	0.34
	Other	**(0.04)**	–
	Total	**(132.01)**	(11.78)
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**–**	–
	(Increase)/decrease in other assets	**(2.60)**	(3.91)
	Decrease in trade and other payables	**19.82**	2.34
	Cash generated from operations	**(114.79)**	(13.35)
	Income taxes (paid)/refund received	**0.99**	(0.99)
	Net cash generated by operating activities	**(113.80)**	(14.34)
B.	**Cash flows from investing activities**		
	Payment to acquire property, plant and equipment & other intangible assets including CWIP	**(0.87)**	–
	Loss/(Gain) on disposal of property, plant and equipment	**–**	–
	Net cash (used in)/generated by investing activities	**(0.87)**	–
C.	**Cash flows from financing activities**		
	Issue of Equity Share Capital	**–**	100.00
	Proceeds from short term borrowings	**59.11**	–
	Rent Paid as per IND AS 116	**(23.06)**	(5.76)
	Interest paid	**(1.26)**	–
	Net cash used in financing activities	**34.79**	94.24
	Net increase in cash and cash equivalents	**(79.88)**	79.90
	Cash and cash equivalents at the beginning of the year	**79.90**	–
	Cash and cash equivalents at the end of the year	**0.02**	79.90

Notes :

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7.

2 Figures in bracket indicates cash out flow.

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Date : 15th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(a) Equity Share Capital

Rs. in lakhs

Particulars	Number of Shares	Equity share capital
As at 1st April, 2022	1,000,000	100
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the year	–	–
As at 31st March, 2023	1,000,000	100
As at 1st April, 2023	1,000,000	100
Changes in Equity Share Capital due to prior period errors	–	–
Changes in equity share capital during the year	–	–
As at 31st March, 2024	1,000,000	100

(b) Other Equity

Particulars	Reserves & Surplus	Total
	Retained earnings	
Balance as at 1st April, 2022	–	–
Changes in accounting policy or prior period errors		
Restated balance at the beginning of the current reporting period	–	–
Total Comprehensive income for the year		
- Profit for the year	(13.90)	(13.90)
- Other Comprehensive Income transferred to retained earnings	–	–
Balance as at 31st March, 2023	**(13.90)**	**(13.90)**
Balance as at 1st April, 2023	(13.90)	(13.90)
Changes in accounting policy or prior period errors		
Restated balance at the beginning of the current reporting period	(13.90)	(13.90)
Total Comprehensive income for the year		
- Profit for the year	(157.86)	(157.86)
- Other Comprehensive Income transferred to retained earnings	–	–
Balance as at 31st March, 2024	**(171.76)**	**(171.76)**

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
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For and on behalf of the Board of Directors
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Director
DIN: 07653394
Place : Mumbai
Date : 15th April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Corporate information

V-Link Freight Services Private Limited is a private limited company incorporated on 9th September, 2022 under the Companies Act, 2013. The address of its registered office is disclosed in the introduction to the Annual Report. The Company's main activities are freight forwarding including transportation of goods via sea & air.

The financial statements for the year ended 31st March, 2024 are approved for issue in accordance with a resolution of the directors on 15th April, 2024.

2. Material accounting policies

2.1. Basis of Accounting

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee (INR) and denominated in lakhs. The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Revenue recognition

2.4.1. Rendering of services

Incomes from freight forwarding services rendered are recognised on the completion of the services as per the terms of contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the Company as part of the contract, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2. Dividend income

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.4.3. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

<u>As a lessee</u>

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

  The amount expected to be payable by the lessee under residual value guarantees; The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is re -measured whenever :

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease, by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<u>As a lessor</u>

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

2.6. Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupee (INR) (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.7. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.8. Employee benefits

2.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan :

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2. Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.8.3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.11. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.12. Intangible assets

2.12.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2.12.2. Useful lives of intangible assets

The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

2.13. Impairment of tangible and intangible assets

The management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.15. Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.16. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.16.4

All other financial assets are subsequently measured at fair value.

2.16.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.16.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2.16.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Significant increase in credit risk

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.17. Financial liabilities and equity instruments

2.17.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17.3. Financial liabilities

All financial liabilities are subsequently measured at amortized cost or at FVTPL.

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.18. Segment Accounting:

The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

2.19. Exceptional Items:

An item of income or expense which by its size, type or incidence is material & requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.20. Earnings per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, Plant and Equipment

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iv) Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

(v) Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(vi) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

3 (b). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 4 - Property, Plant and Equipment

Rs. in lakhs

As at 31st March, 2024

Description of Assets	Computer	Right of Use Assets	Total
A. Gross Carrying Amount			
Balance as at 1st April, 2023	–	62.87	62.87
a) Additions	0.35	–	0.35
b) Less: Disposals/Adjustments	–	–	–
Balance as at 31st March, 2024	0.35	62.87	63.22
B. Accumulated depreciation and impairment			
Balance as at 1st April, 2023	–	1.78	1.78
a) Depreciation/amortisation expense for the year	0.09	20.99	21.08
b) Less: Disposals/Adjustments	–	–	–
Balance as at 31st March, 2024	0.09	22.77	22.86
C. Net carrying amount as at 31st March, 2024 (A-B)	0.26	40.10	40.36

As at 31st March, 2023

Description of Assets	Computer	Right of Use Assets	Total
A. Gross Carrying Amount			
Balance as at 1st April, 2022	–	–	–
a) Additions	–	62.87	62.87
b) Less: Disposals/Adjustments	–	–	–
Balance as at 31st March, 2023	–	62.87	62.87
B. Accumulated depreciation and impairment			
Balance as at 1st April, 2022	–	–	–
a) Depreciation/amortisation expense for the year	–	1.78	1.78
b) Less: Disposals/Adjustments	–	–	–
Balance as at 31st March, 2023	–	1.78	1.78
C. Net carrying amount as at 31st March, 2023 (A-B)	–	61.09	61.09

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2024 is Rs. Nil (31st March 2023: Rs. NIL).

Note No. 5 - Intangible Assets

Rs. in lakhs

As at 31st March, 2024

Description of Assets	Computer	Total
A. Gross Carrying Amount		
Balance as at 1st April, 2023	–	–
a) Additions on business combination	0.52	0.52
b) Less: Disposals/ Adjustments	–	–
Balance as at 31st March, 2024	0.52	0.52
B. Accumulated depreciation and impairment		
Balance as at 1st April, 2023	–	–
a) Amortization expense for the year	0.10	0.10
b) Less: Disposals/ Adjustments	–	–
Balance as at 31st March, 2024	0.10	0.10
C. Net carrying amount as at 31st March, 2024 (A-B)	0.42	0.42

As at 31st March, 2024

Description of Assets	Computer	Total
A. Gross Carrying Amount		
Balance as at 1st April, 2023	–	–
a) Additions on business combination	–	–
b) Less: Disposals/ Adjustments	–	–
Balance as at 31st March, 2023	–	–
B. Accumulated depreciation and impairment		
Balance as at 1st April, 2023	–	–
a) Amortization expense for the year	–	–
b) Less: Disposals/ Adjustments	–	–
Balance as at 31st March, 2023	–	–
C. Net carrying amount as at 31st March, 2023 (A-B)	–	–

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at **31st March 2024 is Rs. Nil** (31st March 2023: Rs. NIL).

Note No. 6 - Other Financial Asses

Rs. in lakhs

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
A. Security Deposits				
a) Unsecured, considered good	–	0.20	–	0.20
Less: Allowance for Credit Losses		–		–
Total	–	0.20	–	0.20

Note No. 7 - Income Tax Assets(Net)

Rs. in lakhs

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-Current	Current	Non-Current
Advance Income Tax/TDS Receivable (Net off Provision for Tax)	–	–	–	0.99
Total	–	–	–	0.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 8 - Cash and Cash Equivalents

Rs. in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Cash and cash equivalents				
a) Balances with banks	0.02		79.90	
Total	**0.02**		**79.90**	

Note No. 9 - Other Current Assets

Rs. in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
A. Capital advances				
a) For Capital work in progress	–	–	–	–
b) For intangible asset under development	–	–	–	–
Total (A)	–	–	–	–
B. Advances other than capital advances				
a) Prepaid Expenses	0.22	–	–	–
b) Balances with government authorities (Other than income taxes)	6.29	–	3.91	–
Total (B)	**6.51**	–	**3.91**	–
Total (A+B)	**6.51**	–	**3.91**	–
Less: Allowances for Credit Losses	–	–	–	–
Total (C)	–	–	–	–
Total (A+B+C)	**6.51**	–	**3.91**	–

Note No. 10 - Equity Share Capital

Rs. in lakhs

Particulars	As at 31st March, 2024 No. of shares	As at 31st March, 2024 Amount	As at 31st March, 2023 No. of shares	As at 31st March, 2023 Amount
I Authorised:				
Equity shares of Rs.10 each with voting rights	**5,000,000**	**500.00**	**5,000,000**	**500.00**
Total	**5,000,000**	**500.00**	**5,000,000**	**500.00**
II Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**1,000,000**	**100.00**	**1,000,000**	**100.00**
Total	**1,000,000**	**100.00**	**1,000,000**	**100.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in lakhs

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
A. Equity Shares with Voting rights				
a) Year Ended 31st March 2024				
No. of Shares	1,000,000	–	–	1,000,000
Amount	100.00	–	–	100.00
b) Year Ended 31st March 2023				
No. of Shares	–	1,000,000	–	1,000,000
Amount	–	100.00	–	100.00

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Rs. in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Mahindra Logistics Limited	**999,994**	**999,994**

(iv) Details of shares held by each shareholder holding more than 5% shares:

Rs. in lakhs

Class of shares / Name of shareholder	As at 31st March, 2024 Number of shares held	As at 31st March, 2024 % holding in that class of shares	As at 31st March, 2023 Number of shares held	As at 31st March, 2023 % holding in that class of shares
Equity shares with voting rights				
Mahindra Logistics Limited	999,994	**100.00%**	999,994	**100.00%**

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March,2024 Rs. in lakhs

Promoter name	No. of Shares	% of total shares	% change during the year
Mahindra Logistics Limited	999,994	100.00%	–

Shares held by promoters as at 31st March,2023 Rs. in lakhs

Promoter name	No. of Shares	% of total shares	% change during the year
Mahindra Logistics Limited	999,994	100.00%	100.00%

(vi) Additional Disclosures:

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL
(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares	NIL	NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	As at 31st March, 2024	As at 31st March, 2023
(c) Aggregate number separately for each class of shares bought back	NIL	NIL

Note No. 11 - Other Equity

Rs. in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained earnings	(171.76)	(13.90)
Total	**(171.76)**	**(13.90)**

Movement in Reserves

Rs. in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
(D) Retained Earnings		
Balance as at the beginning of the year	(13.90)	–
Add: Profit/(Loss) for the year	(157.86)	(13.90)
Less: Actuarial gain/(loss) for the year	–	–
Balance as at the end of the year	**(171.76)**	**(13.90)**

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the company in accordance with the Companies Act, 2013.

Note No. 12 - Borrowings

Rs. in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non- Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non- Current
A. Unsecured Borrowings				
Loans repayable on demand from Banks	59.11	–	–	–
Total	**59.11**	–	–	–

Notes:

i) Unsecured loan from banks is in the nature of Cash Credit facility.

ii) Cash credit facililty has been availed at the rate of interest ranging from 8.00% to 8.50% pa

iii) Bank sanctioned facility comprises of Cash Credit limit and working capital facility of Rs 500 lacs and facility availed as on **31st March, 2024 is Rs. 59.11 Lacs** (31st March 2023 - Rs Nil)

Note No. 13 - Trade Payables

Rs. in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	0.01	–
b) Total outstanding dues other than micro enterprises and small enterprises:		
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	9.36	2.00
Total	**9.37**	**2.00**

Trade Payables ageing as at 31st March, 2024

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment # Less Than 1 year	1 to 2 years	Total
(i) MSME	0.01	–	0.01
(ii) Others	9.36	–	9.36
(iii) Disputed Dues - MSME			
(iv) Disputed Dues - Others			

Trade Payables ageing as at 31st March, 2023

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment # Less Than 1 year	1 to 2 years	Total
(i) MSME	–	–	–
(ii) Others	2.00	–	2.00
(iii) Disputed Dues - MSME			
(iv) Disputed Dues - Others			

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

ii) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”) are given below

Rs. in lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dues remaining unpaid		
— Principal	–	–
Interest on the above	–	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–	–
Principal paid beyond the appointed date	–	–
Interest paid in terms of Section 16 of the MSMED Act	–	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Amount of interest accrued and remaining unpaid	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 14 - Other Financials Liabilites

Rs. in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Other Financial Liabilities Measured at Amortised Cost				
Salary & other payable to employees	8.79		–	
Total	**8.79**	**–**	**–**	**–**

Note No. 15 - Other Liabilites

Rs. in lakhs

Particulars	As at 31st March, 2024 Current	As at 31st March, 2024 Non-Current	As at 31st March, 2023 Current	As at 31st March, 2023 Non-Current
Statutory dues				
a) Taxes payable	3.20		**0.55**	
b) Employee Liabilities	0.97		**–**	
Total	**4.17**	**–**	**0.55**	**–**

Note No. 16 - Revenue from Operations

Rs. in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from rendering of services	**645.86**	**49.46**
Total	**645.86**	**49.46**

A. Continent-wise break up of Revenue

Rs. in lakhs

Continent	Year ended 31st March, 2024 Revenue from contracts with customers (IndAS 115)	Year ended 31st March, 2024 Total Revenue from Operations	Year ended 31st March, 2023 Revenue from contracts with customers (IndAS 115)	Year ended 31st March, 2023 Total Revenue from Operations
Asia	**645.86**	**645.86**	**49.46**	**49.46**
Total	**645.86**	**645.86**	**49.46**	**49.46**

B. Reconciliation of revenue from contract with customer

Rs. in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from contract with customer as per the contract price	**645.86**	**49.46**
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	–	–
b) Sales Returns / Reversals	–	–
c) Deferrment of revenue	–	–
d) Changes in estimates of variable consideration	–	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	–	–
f) Any other adjustments	–	–
Revenue from contract with customer as per the statement of Profit and Loss	**645.86**	**49.46**

C. Movement of Contract Assets and Contract Liabilities

Rs. in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening Balance	–	–
Additions during the year	**645.86**	**49.46**
Reclassification Adjustments:	–	–
- Reclass of opening balances of contract assets to trade receivables	–	–
- Reclass of contract assets (out of additions during the year) to trade receivables	**645.86**	**49.46**
Cumulative catch up adjustment recognized during the year	–	–
Adjustments due to contract modification	–	–
Impairment of contract asset	–	–
Addition on account of merger / acquisition of subsidiary	–	–
Deletion on account of demerger / sale of subsidiary	–	–
Closing Balance	**645.86**	**49.46**

Note No. 17 - Other Income

Rs. in lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Interest Income		
i) Financial assets carried at amortised cost		
ii) Other Assets	**0.04**	–
Foreign Exchange gain/(loss)	**0.04**	–
Total	**0.08**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 18 - Freight & Other related Expenses

Rs. in lakhs

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
Freight & Other related Expenses	**641.42**	48.53
Total	**641.42**	48.53

Note No. 19 - Employee Benefits Expense

Rs. in lakhs

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
a) Salaries and wages, including bonus	**104.93**	–
b) Contribution to provident and other funds	**3.74**	–
c) Gratuity	**–**	–
d) Staff welfare expenses	**0.15**	–
e) Share based payment expenses	**–**	–
Total	**108.82**	–

Notes:

i) Salaries and wages would include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.

ii) Employee would deem to include directors, in full time or part time employment of the Company, but would exclude directors who are not under a contract of employment with the Company.

iii) Contribution to provident fund and other funds would include contributions to other funds like superannuation fund etc.pertaining to employees. Contributions to ESIC, Labour Welfare Fund.

Note No. 20 - Finance Cost

Rs. in lakhs

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
a) Interest expense on financial instruments designated at amortised cost	**1.26**	–
b) Interest expense on lease liability	**3.45**	0.34
Total	**4.71**	0.34

Note No. 21 - Finance Cost

Rs. in lakhs

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
Depreciation	**0.09**	
Amortisation on Software	**0.10**	
Amortisation on Right of use asset	**20.99**	1.78
Total	**21.18**	1.78

Note No. 22 - Other Expenses

Rs. in lakhs

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
a) Rent including lease rentals	**–**	–
a) Travelling and Conveyance Expenses	**9.61**	0.02
c) Provision for expected credit losses (Net of Reversals)	**–**	–
d) Bad Debts Written off	**–**	–
e) Bad Advances Written off	**–**	–
f) Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**1.81**	–
ii) For Taxation matters	**0.50**	
iii) For Other services	**–**	–
g) Repairs and maintenance :		
i) Machinery	**–**	–
ii) Others	**0.02**	–
h) Legal & Professional charges	**3.33**	0.35
i) Rates and Taxes	**1.02**	10.25
j) Business Promotion Expenses	**2.36**	–
k) Bank Charges	**2.21**	–
l) Miscellaneous expenses	**6.81**	2.09
Total	**27.67**	12.71

Note No. 23 - Earnings per Share

Rs. in lakhs

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
	Per Share	Per Share
A. Basic Earnings per share (in Rs) (face value Rs. 10/- per share)	**(15.79)**	(1.39)
B. Diluted Earnings per share (in Rs) (face value Rs. 10/- per share)	**(15.79)**	(1.39)

Notes:

i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**Year ended 31st March, 2024**	Year ended 31st March, 2023
a) Profit / (loss) for the year attributable to owners of the Company	**(157.86)**	(13.90)
b) Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**(157.86)**	(13.90)
Total number of equity shares	**1,000,000**	1,000,000
Earnings per share from continuing operations - Basic	**(15.79)**	(1.39)

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Profit / (loss) for the year used in the calculation of basic earnings per share	**(157.86)**	(13.90)
b) Add: Dilutive Impact		
Profit / (loss) for the year used in the calculation of diluted earnings per share	**(157.86)**	(13.90)

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**1,000,000**	1,000,000
Add: Dilutive Impact		
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,000,000**	1,000,000
Earnings per share from continuing operations - Diluted (in Rs.)	**(15.79)**	(1.39)

Note 24: Financial instruments

I. Capital management Policy

a) The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of company's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Equity	**(71.76)**	**86.10**
Borrowings	**59.11**	**–**
Total	**(12.65)**	**86.10**

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

Particulars	Amortised Costs	FVTPL	FVOCI	Total
				As at 31st March 2024
A. Non-current Assets				
a) Other Financial Assets	**0.20**	**–**	**–**	**0.20**
Total	**0.20**	**–**	**–**	**0.20**
B. Current Assets				**–**
a) Trade Receivables	**–**	**–**	**–**	**–**
b) Cash and Bank Balances	**0.02**	**–**	**–**	**0.02**
c) Other Financial Assets	**–**	**–**	**–**	**–**
Total	**0.02**	**–**	**–**	**0.02**
C. Non-current Liabilities				
a) Lease Liabilities	**16.79**	**–**	**–**	**16.79**
Total	**16.79**	**–**	**–**	**16.79**
D. Current Liabilities				
a) Lease Liabilities	**21.04**	**–**	**–**	**21.04**
b) Borrowings	**59.11**	**–**	**–**	**59.11**
c) Trade Payables	**9.37**	**–**	**–**	**9.37**
d) Other Financial Liabilities	**8.79**	**–**	**–**	**8.79**
Total	**98.31**	**–**	**–**	**98.31**

Particulars	Amortised Costs	FVTPL	FVOCI	Total
				As at 31st March 2023
A. Non-current Assets				
a) Other Financial Assets	**0.20**	**–**	**–**	**0.20**
Total	**0.20**	**–**	**–**	**0.20**
B. Current Assets				**–**
a) Trade Receivables	**–**	**–**	**–**	**–**
b) Cash and Bank Balances	**79.90**	**–**	**–**	**79.90**
c) Other Financial Assets	**–**	**–**	**–**	**–**
Total	**79.90**	**–**	**–**	**79.90**
C. Non-current Liabilities				
a) Lease Liabilities	**37.84**	**–**	**–**	**37.84**
Total	**37.84**	**–**	**–**	**37.84**
D. Current Liabilities				
a) Lease Liabilities	**19.60**	**–**	**–**	**19.60**
b) Borrowings	**–**	**–**	**–**	**–**
c) Trade Payables	**2.00**	**–**	**–**	**2.00**
d) Other Financial Liabilities	**–**	**–**	**–**	**–**
Total	**21.60**	**–**	**–**	**21.60**

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit period which is monitored through an approved policy.

(ii) No trade receivables as at 31st March 2024 and immediate preceeding financial year.

(iii) There was no Concentration of credit risk.

(iv) There is no change in estimation techniques or significant assumptions during the reporting period.

(v) There is no change in estimation techniques or significant assumptions during the reporting period.

(vi) The loss allowance provision is determined as follows:

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
				As at 31st March 2024
a) Gross carrying amount				–
b) Loss allowance provision				–

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
				As at 31st March 2023
a) Gross carrying amount				–
b) Loss allowance provision				–

(vii) Reconciliation of loss allowance provision for Trade Receivables

Particulars	Rs. in lakhs 31st March, 2024	Rs. in lakhs 31st March, 2023
a) Balance as at beginning of the year	–	–
b) Impairment losses recognised in the year based on lifetime expected credit losses	–	–
– On receivables originated in the year	–	–
– Other receivables	–	–
c) Impairment losses reversed / written back	–	–
d) Balance at end of the year	–	–

(viii) During the period, the company has not made write off of trade receivable. These trade receivables and advances are not subject to enforcement activity.

Cash and Cash equivalents

As at 31st March, 2024 the company held cash and cash equivalents of Rs.0.02 Lacs (As at 31st March, 2023 Rs. 79.90 Lacs) . The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial iabilites:

Rs. **in lacs**

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial liabilities				
As at 31st March 2024				
a) Lease Liabilities	21.04	16.79	–	–
b) Borrowings	59.11	–	–	–
c) Trade Payables	9.37	–	–	–
d) Other Financial Liabilities	8.79	–	–	–
Total	98.31	16.79	–	–
As at 31st March 2023				
a) Lease Liabilities	19.60	37.84	–	–
b) Borrowings	–	–	–	–
c) Trade Payables	2.00	–	–	–
d) Other Financial Liabilities	–	–	–	–
Total	21.60	37.84	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	Rs. in lakhs 31st March, 2024	Rs. in lakhs 31st March, 2023
a) Unsecured Cash credit facility		
– Expiring within one year	440.89	–
– Expiring beyond one year	–	–

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Rs. **in lacs**

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial assets				
As at 31st March 2024				
a) Trade Receivables	–	–	–	–
b) Cash and Bank Balances	0.02	–	–	–
c) Other Financial Assets	–	0.20	–	–
Total	0.02	0.20	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs. in lacs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31st March 2023				
a) Trade Receivables	–	–	–	–
b) Cash and Bank Balances	79.90	–	–	–
c) Other Financial Assets	–	0.20	–	–
Total	**79.90**	**0.20**	–	–

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

C) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	31 March, 2024	31 March, 2023
Trade Payables	AED	29,625	

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in Interest rates, with all other variables held constant.

Particulars	Name of borrowing	Type of Interest	Rate of interest	Loan amount outstanding	Increase in Base Rate	"Sensitivity Impact on P&L (pre-tax)"	Decrease in Base Rate	"Sensitivity Impact on P&L (pre-tax)"
As at 31st March, 2024	Cash Credit	Floating	8.75%	59	1.00%	(1)	1.00%	0.59
As at 31st March, 2023	Cash Credit	Floating	8.75%	–	1.00%	–	1.00%	–

Note 25: Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortized cost:

Particulars	31st March, 2024 Carrying amount	31st March, 2024 Fair value	31st March, 2023 Carrying amount	31st March, 2023 Fair value
A) Financial assets				
a) Financial assets carried at amortized Cost				
i) Trade and other receivables	–	–	–	–
ii) Deposits given	**0.20**	**0.20**	0.20	0.20
iii) Cash and cash equivalents	**0.02**	**0.02**	79.90	79.90
Total	**0.22**	**0.22**	80.10	80.10
B) Financial liabilities				
b) Financial liabilities held at amortized cost				
i) Lease Liabilities	**37.83**	**37.83**	57.44	57.44
ii) Borrowings	**59.11**	**59.11**	–	–
iii) Trade and other payables	**9.37**	**9.37**	2.00	2.00
iv) Other financial Liabiliites	**8.79**	**8.79**	–	–
Total	**115.10**	**115.10**	59.44	59.44

Note 26: Segment information

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "Freight Forwarding".

iii) The Chief Operating Decision Maker ("CODM") monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

The Segmental Disclosures are as follows :-

(v) Geographic information

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from external customers		
India	–	49.46
Outside India	**645.86**	–
Total Revenue as per statement of Profit or Loss	**645.86**	49.46

vi) Non- current operating assets

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
India	**0.68**	–
Outside India	–	–
Total	**0.68**	–

Non-current assets for this purpose consist of property, plant and equipment, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note 27: Leases

Following are the changes in the carrying value of right of use assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at 1st April	**61.09**	–
Addition	**–**	62.87
Deletion	**–**	–
Amortisation expense for the year	**(20.99)**	(1.78)
Balance at 31st March	**40.10**	61.09

The aggregate Amortisation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at 1st April	**57.44**	**–**
Additions	**–**	**62.87**
Finance cost accrued during the period	**3.45**	**0.34**
Deletions		
Payment of lease liabilities	**(23.06)**	**(5.77)**
Balance at 31st March	**37.83**	**57.44**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current lease liabilities	**21.04**	19.60
Non-current lease liabilities	**16.79**	37.84
Total	**37.83**	57.44

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than one year	**23.06**	23.06
One to five years	**17.29**	40.35
More than five years	**-**	–
Total	**40.35**	63.41

Rental expense recorded for short-term leases was for the year ended March 31, 2024 Rs. NIL (31st March 2023 Rs. NIL)

Amounts recognised in Statement of Profit and Loss

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest on lease liabilities	**3.45**	**0.34**
Expense relating to short term leases	**–**	**–**
Amortisation expense of right of use asset	**20.99**	**1.78**
Total Expenses	**24.44**	**2.12**

Amounts recognised in Statement of cash flows

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Total cash outflows for leases	**23.06**	**5.76**

Note No. 28 - Related Party Transactions

i) List of Related Parties:

a) Holding Company:

1 **Mahindra Logistics Limited**

b) Fellow Subsidiaries:

1 **Lords Freight (India) Private Limited**

c) Key management Personnel:

	Name of KMP	Designation
1	Rampraveen Swaminathan	Non-Executive Director
2	Naveen Raju Kollaickal	Non-Executive Director
3	Yogesh Patel (Upto 01st March, 2023)	Non-Executive Director
4	Edwin Lobo	Non-Executive Director

ii) Details of transaction between the Company and its related parties are disclosed below:

Rs. in lakhs

Particulars	Year	Holding Company	Fellow Subsidiaries	KMP
Nature of transactions with Related Parties				
a) Rendering of services	31-Mar-24	–	–	–
	31-Mar-23	–	49.46	–
b) Reimbursements made to parties	31-Mar-24	–	–	–
	31-Mar-23	6.08	2.00	–
Nature of Balances with Related Parties				
a) Trade payables	31-Mar-24			–
	31-Mar-23		2.00	–

iii) All the outstanding balances, whether receivables or payables are unsecured.

iv) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

v) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

vi) Amount of all the transactions reported above are excluding GST and including unbilled income / accrued expenses, as applicable.

vii) Material related party transactions are as under:

Rs. in lakhs

Particulars	Year	Holding Company	Fellow Subsidiaries	KMP
a) Rendering of Services				
Lords Freight (India) Private Limited	31-Mar-24	–	–	–
	31-Mar-23	–	49.46	–
b) Reimbursements made to parties				
Mahindra Logistics Limited	31-Mar-24	–	–	–
	31-Mar-23	6.08	2.00	–
Lords Freight (India) Private Limited	31-Mar-24	–	–	–
	31-Mar-23	–	2.00	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 29 - Ratio

S. No.	Ratio	Numerator	Denominator	**31st March 2024**	31st March 2023	% variance	Reasons
1	Current Ratio	Current Assets	Current Liabilities	**0.06**	3.78	-98%	
2	Debt-equity Ratio	Borrowing	Networth	**(0.82)**	NA	100%	Borrowing for working capital requirement availed in FY 23-24
3	Debt service coverage Ratio	Net Profit + Interest	Borrowing	**(2.65)**	NA	100%	Interest on borrowing for working capital requirement in FY23-24
4	Return on equity Ratio	PAT-Pref Dividend	Shareholder's Equity	**2.20**	(0.16)	-1475%	PAT & shareholder's equity both are negative as on 31st March 2024, therefore ratio is positive. Reason for variance: PAT negative due to 1st year of operation
5	Inventory Turnover Ratio	NA*	NA*	**NA**	NA	NA	
6	Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivables + Avg. Accrued Receivables	**–**	–	0%	
7	Trade payables turnover ratio	Net Purchases of Freight Services	Avg. Accounts Payable	**112.73**	24.27	364%	There has been some trade payable as on 31st March 2024, however the amount being significantly low the ratio variance is too high
8	Net capital turnover ratio	Revenue from Operations	Working Capital	**(6.73)**	0.80	-941%	Negative working capital due to 1st year of operation
9	Net profit ratio	Net Profit	Revenue from Operations	**(0.24)**	(0.28)	-14%	
10	Return on capital employed	EBIT***	Capital Employed****	**2.13**	(0.16)	-1431%	EBIT & Capital Employed both are negative as on 31st March 2024, therefore ratio is positive. Reason for variance: Due to 1st year of actual operation, EBIT and capital employed numbers being insignificant but % variance too high
11	Return on investment	NA*	NA*	**NA**	NA	NA	

NA* ratios are not applicable

EBIT***= Earnings before Interest and tax

Capital Employed**** = Shareholder's fund + Borrowings

Note No. 30 - Additional Information

(i) The Company do not have any transactions with companies struck off.

(ii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

(iv) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(iv) Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024.

(v) Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of the Board of Directors
V-Link Freight Services Private Limited

Aniruddha Joshi
Partner
Membership No. 040852
Place : Mumbai
Date : 15th April 2024

Rampraveen Swaminathan
Director
DIN: 01300682
Place : Mumbai
Date : 15th April 2024

Naveen Raju Kollaickal
Director
DIN: 07653394
Place : Mumbai
Date : 15th April 2024

BALANCE SHEET AS AT 31 MARCH 2024

REGISTERED NUMBER :14525679

	2024 £
Fixed Assets	
Intangible assets	**0.00**
Tangible assets	**0.00**
	0.00
Current Assets	
Debtors: amounts falling due within one year	**0.00**
Cash at bank and cash equivalents	**0.00**
	0.00
Creditors: amounts falling due within one year	**0.00**
Net Current liabilities	**0.00**
Total assets less current liabilities	**0.00**
Net assets/(liabilities)	**0.00**
Capital & Reserves	
Called up share capital	**0.00**
Profit & Loss Account	**0.00**
	0.00

The Balance Sheet is prepared for the period 6 December 2022 to 31 March 2024.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

For and on behalf of Board of Directors
MLL GLOBAL LOGISTICS LIMITED

Rampraveen Swaminathan
Director
Date: 15 April 2024

Place : Mumbai

Naveen Raju
Director
Date: 15 April 2024

Place : Mumbai

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD 6 DECEMBER 2022 TO 31 MARCH 2024

	2024 £
INCOME	
Turnover	**0.00**
Other external charges	**0.00**
Gross Profit	**0.00**
Staff costs	**0.00**
Depreciation & amortisation	**0.00**
Operating Loss	**0.00**
Interest receivable and similar income	**0.00**
Interest payable and similar expense	**0.00**
Profit / (loss) before tax	**0.00**
Tax on profit /(loss)	**0.00**
Profit / (loss) after tax	**0.00**
Retained earnings at the beginning of the year	**0.00**
Profit/ (loss) for the year	**0.00**
Retained earnings at the end of the year	**0.00**

The STATEMENT OF INCOME AND RETAINED EARNINGS is prepared for the period 6 December 2022 to 31 March 2024.

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of income & retained earnings.

For and on behalf of Board of Directors
MLL GLOBAL LOGISTICS LIMITED

Rampraveen Swaminathan
Director
Date: 15 April 2024

Place : Mumbai

Naveen Raju
Director
Date: 15 April 2024

Place : Mumbai

ANNEXURE A

MANAGEMENT CERTIFICATE ON FINANCIALS OF MLL GLOBAL LOGISTICS LIMITED

MLL Global Logistics Limited ("MGL") has been incorporated as a private limited company in London, UK, with effect from 6 December 2022 as a wholly-owned subsidiary of Mahindra Logistics Limited.

MGL has not commenced its operations till 31 March 2024, accordingly, there is no financial transaction till 31 March 2024 and hence nil financials for the period 6 December 2022 to 31 March 2024.

Further, there is no independent auditor's report for financial statements of MGL for the period ended 31 March 2024 as there is no statutory audit requirement as per the local laws of United Kingdom.

Rampraveen Swaminathan (Director)

Naveen Raju (Director)

INDEPENDENT AUDITORS' REPORT

To the members of Zipzap Logistics Private Limited Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Zipzap Logistics Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to Financial Statements.

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCZ3899

Place : Hyderabad
Date : April 16, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets. Hence, the provisions of Clause 1 (a) (B) are not applicable to the Company.

   (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanations given to us, the Company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has made private placement of preference shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. In our opinion and according to the information and explanations given to us, the Company has utilised the funds for the purposes for which they were raised.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

   (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT- 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

   (c) As represented to us by the management, no whistleblower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non- cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(x\vi)(a) of the Order is not applicable to the Company.

   (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

   (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

   (d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has four Core Investment Companies

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 173.78 lakhs during the current financial year and Rs. 655.31 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates

of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCZ3899

Place : Hyderabad
Date : April 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub- section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Zipzap Logistics Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 24040852BKCCCZ3899

Place : Hyderabad
Date : April 16, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

₹ in Lakhs

Particulars		Note No.	Year Ended 31st March, 2024	Year Ended 31st March, 2023
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	**285.42**	299.48
	(b) Intangible Assets	4	**–**	–
	(c) Financial Assets			
	Other Financial Assets	5	**–**	–
	(d) Deferred Tax Assets (Net)	24	**56.05**	56.05
	(e) Income Tax Assets (Net)	6	**137.48**	216.99
	SUB-TOTAL		**478.95**	572.52
II	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	7	**1,925.32**	1,979.46
	(ii) Cash and Cash Equivalents	8	**162.77**	147.99
	(iii) Bank Balances other than (ii) above	8	**1,156.87**	207.79
	(iv) Other Financial Assets	5	**288.32**	273.89
	(b) Other Assets	9	**38.74**	35.13
	SUB-TOTAL		**3,572.02**	2,644.26
	TOTAL ASSETS		**4,050.97**	3,216.78
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	10	**64.24**	32.62
	(b) Other Equity	11	**2,823.46**	1,038.69
	SUB-TOTAL		**2,887.70**	1,071.31
	LIABILITIES			
I	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	**–**	226.33
	(b) Provisions	13	**–**	–
	(c) Lease Liabilities	14	**–**	–
	SUB-TOTAL		**–**	226.33
II	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	**0.58**	111.50
	(ii) Trade Payables	15	**1,017.30**	1,447.95
	(iii) Other Financial Liabilities	16	**5.61**	0.30
	(b) Provisions	13	**89.32**	181.47
	(c) Lease Liabilities	14	**–**	15.60
	(d) Other Liabilities	17	**50.46**	162.32
	SUB-TOTAL		**1,163.27**	1,919.14
	TOTAL EQUITY AND LIABILITIES		**4,050.97**	3,216.78
	Summary of Significant Accounting Policies			

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Zipzap Logistics Private Limited

Aniruddha Joshi
Partner
Membership No. 040852

Place: Hyderabad
Date: 16th April, 2024

Ankit Mandhania
Director
DIN:08343799

Place: Hyderabad
Date: 16th April, 2024

Arun Venkatramani Rao
Director
DIN:07057058

Place: Hyderabad
Date: 16th April, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

₹ in Lakhs

	Particulars	Note No.	Year Ended 31st March, 2024	Year Ended 31st March, 2023
I	Revenue from Operations	18	**12,523.90**	11,448.38
II	Other Income	19	**29.47**	39.57
III	**Total Income (I + II)**		**12,553.37**	11,487.95
IV	**EXPENSES**			
	(a) Operating Expenses	20	**11,228.18**	10,516.44
	(b) Employee benefits expense	21	**1,054.66**	977.54
	(c) Finance costs	22	**29.09**	72.65
	(d) Depreciation and amortisation expense	3 & 4	**120.25**	123.21
	(e) Other expenses	23	**415.24**	576.63
	Total Expenses		**12,847.42**	12,266.47
V	**Profit before tax (III - IV)**		**(294.05)**	(778.51)
VI	**Tax Expense**			
	(1) Current Tax	24	**–**	–
	(2) Deferred Tax	24	**–**	(23.09)
	Total Tax Expense		**–**	(23.09)
VII	**Profit After Tax (V - VI)**		**(294.05)**	(755.42)
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans- Losses		**(4.76)**	2.84
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	Total Other Comprehensive Income		**(4.76)**	2.84
IX	**Total comprehensive income for the year (VII + VIII)**		**(298.81)**	(752.58)
X	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		**(298.81)**	(752.58)
	Non controlling interests		**–**	–
XI	**Earnings per equity share (face value ₹1/- per share)**			
	(1) Basic (in ₹)	25	**(286.87)**	(741.08)
	(2) Diluted (in ₹)	25	**(205.88)**	(741.08)

In terms of our report attached.
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Zipzap Logistics Private Limited

Aniruddha Joshi
Partner
Membership No. 040852

Place: Hyderabad
Date: 16th April, 2024

Ankit Mandhania
Director
DIN:08343799

Place: Hyderabad
Date: 16th April, 2024

Arun Venkatramani Rao
Director
DIN:07057058

Place: Hyderabad
Date: 16th April, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

₹ in Lakhs

	Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
A	**Cash flows from operating activities**		
	Profit before tax for the year	**(294.05)**	(778.51)
	Adjustments for :		
	Employee compensation expenses	**–**	–
	Loss on Sale of vehicle	**0.85**	17.10
	Finance Charges - Non Cash	**29.09**	72.65
	Interest Income	**(18.51)**	(39.57)
	Rent Paid	**–**	–
	Depreciation and amortisation expense	**120.25**	123.21
	Operating Profit before Working Capital changes	**(162.37)**	(605.13)
	Movements in working capital:		
	Increase in trade and other receivables	**(833.46)**	(428.57)
	Increase in trade and other payables	**(649.71)**	22.37
	Cash generated from operations	**(1,645.54)**	(1,011.33)
	Income taxes paid	**–**	72.62
	Net cash generated by/(used in) operating activities	**(1,645.54)**	(938.71)
B	**Cash flows from investing activities**		
	Payment to acquire property, plant and equipment & other intangible assets	**(107.04)**	(88.34)
	Maturity/(Investment) of FD	**–**	(29.39)
	Investment Income	**18.51**	39.57
	Net cash generated by investing activities	**(88.53)**	(78.16)
C	**Cash flows from financing activities**		
	Repayment of Loan	**(337.25)**	–
	Interest Paid	**(29.09)**	(72.65)
	Write Back of share warrants	**–**	–
	Redemption of Preference shares	**–**	–
	Issue of Share Capital	**31.62**	31.60
	Long Term Borrowings	**–**	(1,073.57)
	Share premium received	**2,083.57**	2,083.39
	Net cash generated by/(used in) financing activities	**1,748.85**	968.77
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**14.78**	(48.08)
	Cash and cash equivalents at the beginning of the year	**147.99**	196.07
	Cash and cash equivalents at the end of the year	**162.77**	147.99
	Components of cash and cash equivalents		
	Cash / Cheques on hand	**–**	–
	With Banks - on Current account/Balance in Cash Credit Accounts	**162.77**	147.99
		162.77	147.99

Notes :

1. The above Cash Flow Statement has been prepared under the Indirect Method set out in 'IND AS 7- Statement of Cash Flows'.
2. Figures in bracket indicates cash outflow.

In terms of our report attached.
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Zipzap Logistics Private Limited

Aniruddha Joshi
Partner
Membership No. 040852

Place: Hyderabad
Date: 16th April, 2024

Ankit Mandhania
Director
DIN:08343799

Place: Hyderabad
Date: 16th April, 2024

Arun Venkatramani Rao
Director
DIN:07057058

Place: Hyderabad
Date: 16th April, 2024

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2024

(a) Share Capital

₹ in Lakhs

Particulars	No. of Shares	Amount
Balance as at 1st April, 2022	101,936	1.00
Changes in equity share capital during the year		
Issue of New Shares of ₹ 1 each	–	–
Balance as at 1st April, 2023	101,936	1.02
Changes in equity share capital during the year	2,058	0.02
Issue of New Shares of ₹ 1 each	–	–
Balance as at 31st March, 2024	**103,994**	**1.04**
Balance as at 1st April, 2022	31,600	31.60
Changes in preference share capital during the year	–	–
Issue of New Shares of ₹ 1 each	–	–
Balance as at 1st April, 2023	31,600	31.60
Changes in preference share capital during the year	–	–
Issue of 0.0001% Cumulative Compulsory Convertible Preference Shares of ₹ 100 each	31,600	31.60
Balance as at 31st March, 2024	**63,200**	**63.20**

(b) Other Equity

₹ in Lakhs

	Reserves & Surplus			
Particulars	Securities premium reserve	Equity-settled employee benefits reserve	Retained earnings	Total
Balance at 1st April, 2023	2,083.39	2.46	(1,047.16)	1,038.69
Changes in accounting policy or prior period items	–	–	–	–
Restated balance at the beginning of the current reporting period	2,083.39	2.46	(1,047.16)	1,038.69
Total Comprehensive income for the year	–	–	–	–
– Profit for the year	–	–	(294.05)	(294.05)
– Addition	2,083.39	0.18	–	2,083.57
Balance at 31st March, 2024	2,083.39	0.18	(1,341.21)	1,789.52
Changes in accounting policy or prior period items			–	–
Restated balance at the beginning of the current reporting period				
– Addition				–
Total Comprehensive income for the year	–	–	–	–
– Other Comprehensive Income transferred to retained earnings	–	–	(4.76)	(4.76)
Balance as at 31st March, 2024	**4,166.79**	**2.64**	**(2,388.38)**	**2,828.21**

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.
For B K Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Zipzap Logistics Private Limited

Aniruddha Joshi
Partner
Membership No. 040852

Ankit Mandhania
Director
DIN:08343799

Arun Venkatramani Rao
Director
DIN:07057058

Place: Hyderabad
Date: 16th April, 2024

Place: Hyderabad
Date: 16th April, 2024

Place: Hyderabad
Date: 16th April, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 1

Corporate information

Zipzap Logistics Private Limited is incorporated in India on 27th July 2018 under Companies Act, 2013 engaged in carry on the businesses of provider of transportation logistics services to any person, firm, company, body corporate or association of persons in India or abroad in relation to transport of persons and goods, of all kind and description, including but not limited to planning, design, documentation management and co-ordination in relation to transportation, physical transport by all means of transportation by land, sea, inland waterways, air and multimodal transport, etc. The Company is a deemed public company having its head quarters in Hyderabad, India.

Note No. 2

Material Accounting Policies:

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2 Basis of Accounting

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.3 Basis of preparation of financial Statements:

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee (INR) and denominated in lakhs. The principal accounting policies are set out below.

2.4 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.5 Revenue Recognition:

a) Revenue from Services:

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue is measured by the charges made to customers or clients for the services rendered to them as per terms & conditions of contract and by the charges and rewards arising from the use of resources by them.

b) Dividend income:

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

c) Interest income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

a) the Company as a lessee has the right to operate the asset; or

b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after 1st April, 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

  The amount expected to be payable by the lessee under residual value guarantees; The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

  The lease liability is presented as a separate line in the balance sheet.

  The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

  It is re -measured whenever :
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease, by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

2.7 Borrowing Costs:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence

2.8 Employee Benefits:

Short term Employee Benefits:

Retirement benefit costs and termination benefits

i. Defined Contribution Plan :

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

2.9 Share-based payment arrangements

Equity-settled share-based payments to employees and others are measured at the fair value of the equity instruments at the grant date.

2.10 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.11 Property, Plant & Equipment:

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred. Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis in case of :

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.12 Intangible assets

12.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

12.2. Useful lives of intangible assets

The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

2.13 Provisions, Contingent Liabilities & Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.14 Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.15 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost. Refer note 12.3 below

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

b. Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

c. Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

d. Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

e. Derivative financial instruments classified as fair value through profit or loss:

The Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.16 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

C. Financial liabilities

All financial liabilities are subsequently measured at amortized cost or at FVTPL.

1. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

i. it has been incurred principally for the purpose of repurchasing it in the near term; or

ii. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

iii. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

i. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

ii. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

2. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17 Earnings per Share

a. Basic Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

b. Diluted Earnings per share:

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective year.

2.18 Ind AS 116 – Leases:-

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2.19 Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future.

2.20 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

There is no such notification which is applicable from April 1, 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 3 - Property, Plant and Equipment

₹ in Lakhs

Description of Assets		Office Equipment	Computers	Furniture & Fittings	Vehicles	Electrical Vehicles	ROU	Total
A.	**Cost**							
	Balance as at 1st April, 2023	324.83	174.07	18.74	39.25	6.96	31.56	**595.41**
	b) Additions	73.14	26.74	6.56	–	2.54	–	**108.98**
	c) Less: Disposals / adjustments	–	–	–	(9.94)	–	–	**(9.94)**
	Balance as at 31st March, 2024	**397.97**	**200.81**	**25.30**	**29.31**	**9.50**	**31.56**	**694.45**
B.	**Accumulated depreciation**							**–**
	Balance as at 1st April, 2023	126.38	115.65	5.60	28.09	2.17	18.04	**295.93**
	a) Depreciation expense for the Year	63.01	34.32	1.87	3.76	1.79	13.52	**118.28**
	b) Less: Disposals / adjustments				(5.18)			**(5.18)**
	Balance as at 31st March, 2024	**189.39**	**149.97**	**7.47**	**26.67**	**3.96**	**31.56**	**409.02**
C.	**Net carrying amount (A-B)**	**208.58**	**50.84**	**17.83**	**2.64**	**5.54**	**0.00**	**285.42**

As at 31st March, 2023

Description of Assets		Office Equipment	Computers	Furniture & Fittings	Vehicles	Electrical Vehicles	ROU	Total
A.	**Cost**							
	Balance as at 1st April, 2023	253.08	144.75	17.62	126.82	6.96	31.56	**580.79**
	b) Additions	71.75	29.32	1.12	–	–	–	**102.19**
	c) Less: Disposals / adjustments	–	–	–	(87.57)	–	–	**(87.57)**
	Balance as at 31st March, 2023	**324.83**	**174.07**	**18.74**	**39.25**	**6.96**	**31.56**	**595.41**
B.	**Accumulated depreciation**							**–**
	Balance as at 1st April, 2023	76.84	80.63	4.04	65.96	1.30	–	**228.77**
	a) Depreciation expense for the year	49.54	35.02	1.56	18.19	0.87	18.04	**123.22**
	b) Less: Disposals / adjustments	–	–	–	(56.06)	–		**(56.06)**
	Balance as at 31st March, 2023	**126.38**	**115.65**	**5.60**	**28.09**	**2.17**	**18.04**	**295.93**
C.	**Net carrying amount (A-B)**	**198.44**	**58.42**	**13.14**	**11.16**	**4.79**	**13.52**	**299.48**

Note No. 4 - Intangible Assets

₹ in Lakhs

Right on Usage of Asset	**As at 31st March 2024**	As at 31st March, 2023
A. Cost		
Balance as at 1st April, 2023	–	–
a) Additions	–	–
b) Less: Disposals / adjustments	–	–
Balance as at 31st March, 2024	**–**	–
B. Accumulated amortisation		
Balance as at 1st April, 2023	–	–
a) Amortisation expense for the year	–	–
Balance as at 31st March, 2024	**–**	–
C. Net carrying amount (A-B)	**–**	–

Note No. 5 - Other Financial Assets

₹ in Lakhs

Particulars	**As at 31st March 2024**		As at 31st March, 2023	
	Current	**Non – Current**	Current	Non – Current
a) Security Deposits				
i. Secured, considered good			–	–
ii. Unsecured, considered good	**262.32**	**–**	245.11	
Total	**262.32**	**–**	245.11	–
b) Other items				
i. Other Receivables	**26.00**		28.77	–
Total	**26.00**	**–**	28.77	
Total - Other Financial Assets	**288.32**	**–**	273.89	–

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 6 - Income Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
Advance Income Tax/TDS Receivable (Net)	**137.48**	216.99
Total	**137.48**	216.99

Note No. 7 - Trade receivables

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
Unsecured, considered good	**1,935.39**	1,987.13
Doubtful	**–**	–
	1,935.39	1,987.13
Less: Allowance for Credit Losses	**10.07**	7.67
TOTAL	**1,925.32**	1,979.46

Note:

The company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

Trade Receivable ageing as at March, 2024

₹ in Lakhs

	Outstanding for following period from due date of payment					
Particulars	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
Undisputed Trade Receivable -Considered Good	1,873.32	42.17	9.83	–	–	1,925.32
Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade Receivable -Credit Impaired	–	–	0.64	3.12	6.30	10.07
Disputed Trade Receivable -Considered Good	–	–	–	–	–	–
Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–
Total Trade Receivables	**1,873.32**	**42.17**	**10.48**	**3.12**	**6.30**	**1,935.39**
Less: Allowance for Expected Credit Losses	**–**		**0.64**	**3.12**	**6.30**	**10.07**
Total	**1,873.32**	**42.17**	**9.83**	**–**	**–**	**1,925.32**

Trade Receivable ageing as at March, 2023

	Outstanding for following period from due date of payment					
Particulars	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
Undisputed Trade Receivable -Considered Good	1,660.75	208.83	106.32	3.56	–	1,979.46
Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade Receivable -Credit Impaired	–	1.37	–	6.30	–	7.67
Disputed Trade Receivable -Considered Good	–	–	–	–	–	–
Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–
Total Trade Receivables	**1,660.75**	**210.20**	**106.32**	**9.86**	**–**	**1,987.13**
Less: Allowance for Expected Credit Losses		**1.37**		**6.3**		**7.67**
Total	**1,660.75**	**208.83**	**106.32**	**3.56**	**–**	**1,979.46**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 8 - Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
A. Cash and cash equivalents		
a) Balances with banks	**162.77**	147.99
b) Cash in hand	**–**	–
c) Bank deposits with original maturity of less than 3 months		–
TOTAL	**162.77**	147.99
B. Other Bank Balances		
Fixed Deposits with original maturity greater than 3 months but less than 12 months	**1,156.87**	207.79
TOTAL	**1,156.87**	207.79

Note No. 9 - Other assets

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Current	**Non – Current**	Current	Non – Current
A. Advances other than capital advances				
a) Prepaid Expenses	**20.49**		24.24	–
b) Advances to employees (refer note (a) below)	**18.25**		6.65	–
c) Other receivables	**–**		4.24	–
TOTAL (A+B)	**38.74**	**–**	35.13	–

Note:

a) Advances given to employees are as per the Company's policy and are not required to be disclosed u/s 186(4) of Companies Act, 2013.

Note No. 10 - Equity Share Capital

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	No. of shares	**Amount**	No. of shares	Amount
A. Authorised:	**10,00,000**	**10.00**	10,00,000	10.00
a) Equity Shares of Rs.1 each with voting rights	**4,90,000**	**490.00**	4,90,000	490.00
b) 0.0001% Cumulative Compulsory Convertible Preference Shares of Rs. 100 each ("CCCPS")				
Total	**14,90,000**	**500**	14,90,000	500.00

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	No. of shares	**Amount**	No. of shares	Amount
B. Issued, Subscribed and Fully Paid:				
a) Equity shares of Rs.1 each with voting rights	**1,03,994**	**1.04**	1,01,936	1.02
b) 0.0001% Cumulative Compulsory Convertible Preference Shares of Rs. 100 each ("CCCPS")	**63,200**	**63.20**	31,600	31.60
Total	**1,67,194**	**64.24**	1,33,536	32.62

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

₹ in Lakhs

Particulars	No. of Shares	Amount
A. Equity Shares with Voting rights		
a) As at 31st March, 2023	1,01,936.00	1.02
Additions during the year	2,058.00	0.02
b) As at 31st March 2024	1,03,994.00	1.04
B. 0.0001% Cumulative Compulsory Convertible Preference Shares of Rs. 100 each		
a) As at 31st March, 2023	31,600.00	31.60
Additions during the year	31,600.00	31.60
b) As at 31st March 2024	63,200.00	63.20

(ii) Rights, preferences and restrictions attached to equity shares

The holders of the Series A CCCPS have right to convert whole or part of their holdings into Equity Shares at any time before 19 (nineteen) years from the date of issuance of the same based on specific events as prescried in the Investment Agreement. In any event, CCCPS would be compulsory convertible into equity shares post the completion of specified period or any such event whichever earlier.

(iii) Shares held by Holding and Promoter Company, Percentage of Holding and % Change During the Year

Particulars	31st March 2024	31st March 2023
Mahindra Logistics Limited, Holding and Promoter Company		
A. Equity Shares with Voting rights		
No.of Shares	**43,972**	21,327
Amount (Rs in Lakhs)	**0.44**	0.21
% of Holding	**42.28%**	20.92%
% Change during the year	**21.36%**	

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Particulars	31st March 2024	31st March 2023
B. 0.0001% Cumulative Compulsory Convertible Preference Shares of Rs. 100 each		
No.of Shares	**63,200.00**	31,600.00
Amount (Rs in Lakhs)	**63.20**	31.60
% of Holding	**100%**	100%
% Change during the year	**100%**	100%

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
A. Equity shares with voting rights				
a) Ankit Mandhania	**25,208**	**24.24%**	33,853	33.21%
b) Arun Kumar Mendu	**2,400**	**2.31%**	3,225	3.16%
c) Arun Venkatramani Rao	**32,414**	**31.17%**	43,531	42.70%
c) Mahindra Logistics Limited	**43,972**	**42.28%**	21,327	20.92%
B. Compulsory Convertible Preference Shares (CCPS)				
a) Mahindra Logistics Limited	**63,200**	**100.00%**	31,600	100.00%

(v) For period of five years immediately preceeding the date at which the Balance Sheet is prepared, the following details are Shown:

Particulars	31st March 2024	31st March 2023
a. Aggregate number and class of shares alloted as fully paid up pursuant to Contract(s) without payment being received in cash	**Nil**	Nil
b. Aggregate number and class of shares alloted as fully paid by way of bonus shares	**Nil**	Nil
a. Aggregate number separately for each class of shares bought back	**Nil**	Nil

Note No. 11 - Other Equity

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
Securities premium reserve	**4,166.79**	2,083.39
Share based payment to employees	**2.64**	2.46
Retained earnings	**(1,345.97)**	(1,047.16)
Total	**2,823.46**	1,038.69

Movement in Reserves

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
(A) Securities Premium Reserve		
Balance as at the beginning of the year	**2,083.39**	–
Add: Additions during the year	**2,083.39**	2,083.39
Less: Deletion during the year		–
Balance as at the end of the year	**4,166.79**	2,083.39
(B) Retained Earnings		
Balance as at the beginning of the year	**(1,047.16)**	(294.58)
Add: Additions during the year	**(294.05)**	(755.42)
Add: Other Comprehensive Income for the year	**(4.76)**	2.84
Less: Deletion during the year		
Balance as at the end of the year	**(1,345.97)**	(1,047.16)
(C) Share Based Payment to employees		
Balance at the beginning of the year	**2.46**	2.46
Add: Additions during the year	**0.18**	–
Balance at the end of the year	**2.64**	2.46
Balance as at the end of the year	**2,823.46**	1,038.69

Nature and purpose of other reserves:

Securities Premium Reserve:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings represents the accumulated surplus The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Shared Based Payments

This reserve is created for allotment of ESOPS to employees and would be exhausted on allotment of shares

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 12 - Borrowings

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Current	**Non – Current**	Current	Non – Current
Secured Borrowings				
Loans repayable on demand				
(1) From Banks	**0.58**	**–**	75.12	
Term Loan				
(1) From Banks	**–**	**–**	–	–
(1) From Financial Institutions	**–**	**–**	18.59	–
Unsecured Borrowings				
(1) From Banks	**–**	**–**	17.79	–
(2) From Financial Institutions	**–**	**–**	–	–
(3) From Directors	**–**	**–**	–	196.33
(4) From Others	**–**	**–**	–	30.00
Total	**0.58**	**–**	111.50	226.33

i. Loans repayable on demand under secured borrowings consist of cash credit taken from ICICI bank at an interest rate ranging between 8.80% to 8.90% secured by way of exclusive charge on the movable fixed assets and on fixed deposits amounting to Rs.105 Lakhs and by way of first pari-passu charge on the current assets of the company. Also, these facilities are personally guaranteed by 2 directors of the company

ii. Secured borowings from financial institutions consist of term loan taken for the purpose of working capital from Kalandari capital at an interest rate of 14.5% per annum repayable in 18 equal instalments. Last instalment falls due in May 2023. This loan has been secured by of exclusive charge on Fixed Deposits of the company amounting to Rs. 22.50 Lakhs, however these loans are repaid during the current financial year.

iii. Unsecured borrowing from banks consist of term loan from ICICI bank for the business purpose of the company at an interets rate of 15.25% per annum payable in 36 equal montly instalments. The loan is repaid during the current financial year

iv. Unsecured borrowings from Directors and Others taken for the purpose of working capital requirements at an interest of 15% per annum, however these loans are repaid during the current financial year.

Note No. 13 - Provisions

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
Provisions				
Provision for Gratuity	**20.70**	**–**	18.38	–
Provision for Shipments Lost	**68.61**	**–**	163.10	–
Total	**89.32**	**–**	181.47	–

Note No. 14 - Lease Liabilities

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
Lease Liabilities	**–**		15.60	–
Total	**–**	**–**	15.60	–

Note No. 15 - Trade Payables

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
Due to Micro and Small Enterprises	**–**	18.03
Trade payable - Other than Micro and Small Enterprises	**1,017.30**	1,429.92
Total	**1,017.30**	1,447.95

Particulars	As at 31st March 2024	As at 31st March, 2023
a. Principal and interest amount remaining unpaid	**–**	18.03
b. Interest paid by the company in terms of section 16 of the micro, small and medium enterprises development act 2006 along with the amount of the payment made to the supplier beyond the appointed date	**–**	–
c. Interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, small and medium enterprises act, 2006	**–**	–
d. Interest accrued and remaining unpaid	**–**	–
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Notes:

Trade payables Ageing as at March 2024	Outstanding for following periods from due date of payment					
	less than 6 Months	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
b) Total outstanding dues other than micro enterprises and small enterprises:						–
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	1,017.25	0.05	–	–	–	1,017.30
- Acceptances	–	–	–	–	–	–
Total	**1,017.25**	**0.05**	**–**	**–**	**–**	**1,017.30**

Trade payables Ageing as at March 2023	Outstanding for following periods from due date of payment					
	less than 6 Months	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	**Total**
a) Total outstanding dues of micro enterprises and small enterprises	18.03	–	–	–	–	18.03
b) Total outstanding dues other than micro enterprises and small enterprises:						–
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	507.92	–	–	0.02	–	507.94
– Acceptances	–	–	–	–	–	–
Total	**525.95**	**–**	**–**	**0.02**	**–**	**525.97**

Notes:

i) Traade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Based on the information available with the Company, no trade payables have been registered as 'supplier' within the meaning of 'Micro Small & Medium Enterprises Development Act, 2006 as on **31st** March 2024. This has been relied upon by the auditors.

Note No. 16 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Security Deposits	**5.61**	**–**	0.30	–
Total	**5.61**	**–**	0.30	–

Note No. 17 - Other Liabilities

₹ in Lakhs

Particulars	As at 31st March 2024		As at 31st March, 2023	
	Current	**Non-Current**	Current	Non-Current
A. Statutory dues				
a) TDS and GST	**34.92**	**–**	142.00	–
b) Others	**15.54**	**–**	20.32	–
Total	**50.46**	**–**	162.32	–

Note No. 18 - Revenue from Operations

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
Revenue from services rendered	**12,523.90**	11,448.38
Total	**12,523.90**	11,448.38

Note No. 19 - Other Income

₹ in Lakhs

Particulars	As at 31st March 2024	As at 31st March, 2023
a) Interest Income		
i. Interest on Bank FD	**18.51**	8.41
ii. Interest on Income Tax Refund	**8.35**	14.75
b) Miscellaneous Income		
i. Other income	**2.62**	16.42
Total	**29.47**	39.57

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 20 - Operating Expenses

₹ in Lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Driver Charges	**9,910.65**	9,064.47
Rentals	**403.31**	409.07
Station Team Payout Charges	**914.22**	1,042.90
Total Operating Expenses	**11,228.18**	10,516.44

Note No. 21 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Salaries and wages, including bonus	**952.81**	894.70
b) Gratuity	**6.72**	9.61
c) Contribution to provident fund	**22.97**	26.97
d) Retention and Performance Pay	**–**	–
e) Staff welfare expenses	**72.16**	46.26
Total Employee Benefit Expense	**1,054.66**	977.54

Note :

Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

Note No. 22 - Finance Costs

₹ in Lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Expenses	**29.09**	72.65
Total Finance Cost	**29.09**	72.65

Note No. 23 - Other Expenses

₹ in Lakhs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Commission Charges and License Fees	**20.69**	15.09
b) Communication Expenses	**18.40**	5.93
c) Rent including lease rentals	**25.35**	8.38
d) Legal and Other professional costs	**132.63**	148.23
e) Travelling and Conveyance Expenses	**37.24**	53.78
f) Provision for expected credit loss on trade receivables	**2.81**	1.43
g) Power and Fuel	**47.94**	49.19
h) Insurance	**–**	0.74
i) Advertisement	**–**	–
j) Repairs and maintenance:	**16.10**	30.64
k) Auditors remuneration and out-of-pocket expenses	**4.11**	4.75
i) As Auditors	**4.05**	3.85
ii) For Taxation matters	**–**	–
iii) For Other services	**–**	–
iv) For reimbursement of expenses	**0.06**	0.90
l) Other expenses	**109.98**	258.47
i) Miscellaneous Expenses	**109.85**	255.96
ii) Loss arising on derecognition of financial assets- Bad debts/advances written off	**0.13**	2.51
Total	**415.24**	576.63

Note No. 24 - Current Tax and Deferred Tax

₹ in Lakhs

(a) Income Tax recognised in Profit & Loss

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
A. Current Tax:		
a) In respect of current year	**–**	–
b) In respect of prior years	**–**	–
Total	**–**	–
B. Deferred Tax:		
In respect of current year	**–**	56.05
Total	**–**	56.05
Total (A+B)	**–**	56.05

(b) Income tax recognised in Other Comprehensive Income

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
A. Current Tax:		
Remeasurement of defined benefit obligations	**–**	–
Total		–
B. Deferred Tax:		–
Total	**–**	–
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**–**	–
Income taxes related to items that will be reclassified to profit or loss	**–**	–
Total	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
a) Profit Before tax		
b) Income Tax using the Company's domestic tax rate #		
c) Change in tax rate		
d) Expenses not allowed for tax purpose		
e) Deferred tax credit on ESOP		
f) Exempt Income for tax purpose		
g) Deduction under Income tax (u/s 80G)		
h) Adjustments recognised in the current year in relation to the current tax of prior years		
Income tax expense recognised In profit or loss		

Note:

The tax rate used in reconciliations above is the corporate tax rate of 22% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

(d) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items since it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
a) Deductible Temporary differences	**–**	–
b) Unused Tax losses (revenue in nature)	**–**	–
a) Unused Tax losses (capital in nature)	**–**	–
Total	**–**	–

Note No. 25 - Earnings Per Share

₹ in Lakhs

Particulars	Year ended 31st March 2024	Year Ended 31st March 2023
A. Basic Earnings Per Share (in ₹) (face value ₹ 1/- per share)	**(286.87)**	(741.08)
B. Diluted Earnings Per Share (in ₹) (face value ₹ 1/- per share)	**(205.88)**	(741.08)

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31st March 2024	Year Ended 31st March 2023
Profit for the year attributable to owners of the Company	**(294.05)**	(755.42)
Profit for the year used in the calculation of basic earnings per share	**(294.05)**	(755.42)
Weighted average number of equity shares	**1,02,503**	1,01,936
Earnings per share from continuing operations - Basic (in ₹)	**(286.87)**	(741.08)

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

Particulars	Year ended 31st March 2024	Year Ended 31st March 2023
a) Profit for the year used in the calculation of basic earnings per share	**(294.05)**	(755.42)
b) Add: adjustments on account of dilutive potential equity shares		
Profit for the year used in the calculation of diluted earnings per share	**(294.05)**	(755.42)

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March 2024	Year Ended 31st March 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**1,02,503**	1,01,936
Add: CCCPS	**40,320**	
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,42,823**	1,01,936
Earnings per share from continuing operations - Diluted (in ₹)*	**(205.88)**	(741.08)

Note No. 26 - Contingent Liability

₹ in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
Contingent Liability		
Bank Guarantee	**60.00**	70.00
Legal and Other matters	**4.00**	8.00
Total	**64.00**	78.00

Note:

a. Bank gauarantee are performance guarantees given for Rs. 50.00 lakhs (FY 2023 60.00 lakhs) given to Amazon Transportation Services Pvt. Ltd and for Rs. 10.00 lakhs(FY 2023 10.00 lakhs) given to InstaKart Services Private Limited as required in the normal course of business b. The Company has filed a cheque bounce case in Hyderabad against Lorryzone Technologies Private Limited under Section 138 of Negotiable Instruments Act. for Rs. 4.00 lakhs

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits

a) Defined Contribution Plan

The Company's contribution to Provident Fund, superannuation Fund and other funds aggregating Rs 22.97 lakhs (2024: Rs. 26.97 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

b) Defined Benefit Plans:

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(c) Significant Acturial Assumptions

The significant acturial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**Valuation** Year Ended 31st March 2024	Year Ended 31st march 2023
a) Discount rate(s)	**7.09%**	7.34%
b) Expected rate(s) of salary increase	**5.00%**	5.00%
c) Mortality rate during employment	**100% IALM (2012-14)**	100% IALM (2012-14)

(d) Defined benefit plans – as per actuarial valuation

Particulars	**Funded** Year Ended 31st March 2024	Year Ended 31st march 2023
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
a) Current Service Cost	**5.71**	8.78
b) Past service cost and (gains)/losses from settlements	**–**	–
c) Net interest expense	**1.01**	0.83
Components of defined benefit costs recognised in profit or loss	**6.72**	9.61
Remeasurement on the net defined benefit liability		
a) Return on plan assets (excluding amount included in net interest expense)	**–**	–
b) Actuarial (gains)/loss arising form changes in financial assumptions	**–**	–
c) Actuarial (gains)/loss arising form changes in demographic assumptions	**–**	–
d) Actuarial (gains)/loss arising form experience adjustments	**4.76**	(2.84)
Components of defined benefit costs recognised in other comprehensive income	**4.76**	(2.84)
Total	**11.48**	6.76
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
a) Present value of defined benefit obligation	**(20.70)**	(18.38)
b) Fair value of plan assets	**–**	–
c) Surplus/(Deficit)	**(20.70)**	(18.38)
d) Current portion of the above	**(1.03)**	(0.92)
e) Non current portion of the above	**(19.67)**	(17.46)
III. Change in the obligation during the year ended 31st March		
a) Present value of defined benefit obligation at the beginning of the year	**18.38**	11.61
b) Add/(Less) on account of Scheme of Arrangement/Business	**–**	–
c) Transfer	**(9.16)**	–
d) Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**5.71**	8.78
- Past Service Cost	**–**	–
- Interest Expense (Income)	**1.01**	0.83
e) Recognised in Other Comprehensive Income	**–**	–
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	**–**	–
ii. Demographic Assumptions	**–**	–
iii. Experience Adjustments	**4.76**	(2.84)
f) Benefit payments	**–**	–
g) Present value of defined benefit obligation at the end of the year	**20.70**	18.38

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits

₹ in Lakhs

IV. Change in fair value of assets during the year ended 31st March		
i) Fair value of plan assets at the beginning of the year	–	–
ii) Expenses Recognised in Profit and Loss Account	–	–
- Expected return on plan assets	–	–
iii) Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	–	–
iv) Contributions by employer (including benefit payments recoverable)	–	–
v) Benefit payments	–	–
vi) Fair value of plan assets at the end of the year	**–**	**–**
V The Major categories of plan assets		
- Insurance Funds	–	–
VI. Actuarial assumptions		
a) Discount rate	7.09%	7.34%
b) Expected rate of return on plan assets	–	–
c) Attrition rate	5.00%	5.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation			
		Year Ended 31st March 2024		Year Ended 31st march 2023	
Principal assumption	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**	Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**18.81**	**22.95**	16.93	20.06
b) Salary growth rate	1.00%	**26.38**	**16.24**	23.53	14.35
c) Rate of employee turnover	50.00%	**23.16**	**17.81**	21.78	13.75
d) Mortality Rate	10.00%	**21.23**	**20.15**	19.16	17.51

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The effect of change in the defined benefit due to change in actuarial assumptions like mortality rate, atrition rate, discount rate, salary escalation rate, etc.

iii) The weighted average duration of the defined benefit obligation as at **31st** March 2023 is 5 years (**31st** March 2022 is 5 years)

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	**2024**	2023
Within 1 year	**–**	
2-5 years	**–**	
6-10 years	**–**	
More than 10 years	**126.88**	124.66

g) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 28 - Related Party Transactions

i) List of Related Parties:

a) Ultimate Holding Company	Mahindra & Mahindra Limited (w.e.f. 22nd December, 2023)
b) Holding Company	Mahindra Logistics Limited (w.e.f. 22nd December, 2023)
c) Key Managerial Personnel	Arun Kumar Mendu
	Ankit Mandhania
	Arun Venkatramani Rao
	Rampraveen Swaminathan
	Mala Paropakari
	Naveen Raju
d) Relative of Key Managerial Personnel	Arjun Kumar Mendu
	Arti Mandhania
	Soujanya Ivaturi
e) Others - Firm in Which Director is Interested	Chlorophyll Consulting

ii) Details of transaction between the Company and its related parties are disclosed below:

Particulars	**Year**	**Amount**
Nature of transactions with Related Parties		
a) Rendering of services		
To Holding Company	31-Mar-24	737.03
	31-Mar-23	422.29
b) Reimbursements made to parties	31-Mar-24	13.63
	31-Mar-23	9.86
c) Availing services		
From Holding Company	31-Mar-24	1,763.34
	31-Mar-23	997.96
From Others	31-Mar-24	9.00
	31-Mar-23	21.24
d) Interest on Unsecured Loan	31-Mar-24	20.83
	31-Mar-23	27.75
e) Issue of Share Capital :		
(i) Equity Share capital	31-Mar-24	–
	31-Mar-23	–

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Particulars		Year	Amount
(ii)	0.01% Compulsory Convertible Preference Shares	31-Mar-24	2,114.99
	31600 shares of Face value of ₹ 100 each allotted at a premium of 6,593.02 per share	31-Mar-23	2,114.99

Balances Outstanding with Related Parties as on 31.03.2024

a)	Trade payables	31-Mar-24	50.45
		31-Mar-23	490.34
b)	Trade receivables	31-Mar-24	(7.23)
		31-Mar-23	48.21
C)	Reimbursements payable	31-Mar-24	–
		31-Mar-23	1.49

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

iii) Compensation of key managerial personnel

The remuneration of key managerial personnel during the year was as follows:

Particulars	Year Ended 31st March 2024	Year ended 31st March, 2023
Remuneration to Directors	**90.00**	90.00
	90.00	90.00

Note No. 29

During the year Mahindra Logistics Limited has further acquired 22645 equity shares from existing shareholders and subscribed to 31600 CCCPS, which taken together with the previous holding of the Company constitutes 60% of the Share capital on a fully diluted basis

Note No. 30 - Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortized cost:

₹ in Lakhs

Particulars	31st March 2024		31st March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at amortized Cost				
i) Trade and other receivables	**1,925.32**	**1,925.32**	1,979.46	1,979.46
ii) Deposits given	**550.65**	**550.65**	519.00	519.00
iii) Cash and cash equivalents	**162.77**	**162.77**	147.99	147.99
iv) Bank balances other than iii) above	**1,156.87**	**1,156.87**	207.79	207.79
Total	**3,795.61**	**3,795.61**	2,854.24	2,854.24
B) Financial liabilities				
b) Financial liabilities held at amortized cost				
i) Borrowings	**0.58**	**0.58**	337.83	337.83
ii) Trade and other payables	**1,017.30**	**1,017.30**	1,447.95	1,447.95
Total	**1,017.88**	**1,017.88**	1,785.77	1,785.77

Note No. 31 - Financial Instruments

₹ in Lakhs

I. Capital management Policy

a) The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of company's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

Particulars	31st March 2024	31st March 2023
Equity	**2,887.70**	1,071.31
Capital	**2,887.70**	1,071.31

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

Particulars	31st March 2024			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	–	–	–	–
Total	**–**	**–**	**–**	**–**
B. Current Assets				–
a) Investments	–	–	–	–
b) Trade Receivables	1,925.32	–	–	1,925.32
c) Cash and Bank Balances	162.77	–	–	162.77
d) Bank Balances other than c) above	1,156.87	–	–	1,156.87
e) Other Financial Assets	288.32	–	–	288.32
Total	**3,533.28**	**–**	**–**	**3,533.28**
C. Non-current Liabilities				
a) Borrowings	0.58	–	–	0.58
Total	**0.58**	**–**	**–**	**0.58**
D. Current Liabilities				
a) Trade Payables	1,017.30	–	–	1,017.30
b) Other Financial Liabilities	5.61	–	–	5.61
Total	**1,022.91**	**–**	**–**	**1,022.91**

Particulars	31st March 2023			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	–	–	–	–
Total	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Particulars	31st March 2023			
	Amortised Costs	FVTPL	FVOCI	Total
B. Current Assets				–
a) Investments	–	–	–	–
b) Trade Receivables	1,979.46	–	–	1,979.46
c) Cash and Bank Balances	147.99	–	–	147.99
d) Bank Balances other than c) above	207.79	–	–	207.79
e) Other Financial Assets	273.89	–	–	273.89
Total	**2,609.13**	**–**	**–**	**2,609.13**
C. Non-current Liabilities				
a) Borrowings	337.83	–	–	337.83
Total	**337.83**	**–**	**–**	**337.83**
D. Current Liabilities				
a) Trade Payables	1,447.95	–	–	1,447.95
b) Other Financial Liabilities	0.30	–	–	0.30
Total	**1,448.25**	**–**	**–**	**1,448.25**

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from one large customer of the company, the company does not have significant credit risk exposure to any single customer.Concentration of credit risk related to a single company did not exceed 15 % of gross monetary assets at any time during the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting period.

(vi) The loss allowance provision is determined as follows:

Particulars	As at 31st March 2024			
	Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	**1,752.07**	**110.40**	**72.93**	**1,935.40**
b) Loss allowance provision	**–**	**–**	**10.07**	**10.07**
	1,752.07	**110.40**	**62.86**	**1,925.33**

Particulars	As at 31st March 2023			
	Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	1,375.57	286.40	325.16	1,987.13
b) Loss allowance provision	–	–	7.67	7.67
	1,375.57	286.40	317.49	1,979.46

(vii) Reconciliation of loss allowance provision for Trade Receivables

Particulars	₹ in Lakhs	
	31 March, 2024	31 March, 2023
a) Balance as at beginning of the year	**7.67**	6.23
b) Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year		
- Other receivables	**2.40**	1.44
c) Impairment losses reversed / written back		
d) Balance at end of the year	**10.07**	7.67

(viii) During the period, the company has written off of Rs. 0.12 lacs (31 March, 2023: Rs. 2.51 lacs) of trade receivable. These trade receivables and advances are not subject to enforcement activity.

Cash and Cash equivalents

As at 31st March, 2024 the company held cash and cash equivalents of Rs.162.77 Lacs (As at 31st March, 2023 Rs. 147.99 Lacs). The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial iabilites:

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial liabilities				
As at 31st March 2024				
a) Trade Payables	1,017.30	–	–	–
b) Security Deposits	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
c) Borrowings	0.58		–	–
d) Employee Dues	–	–	–	–
Total	**1,017.88**	**–**	**–**	**–**
As at 31st March 2023				
a) Trade Payables	1,447.95	0.02	–	–
b) Security Deposits	–	–	–	–
c) Borrowings	75.12	262.71	–	–
d) Employee Dues	–	–	–	–
Total	**1,523.06**	**262.73**	**–**	**–**

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the unJdiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Particulars	Less than 1 Year In Rs. Lacs	1-3 Years In Rs. Lacs	3 Years to 5 Years In Rs. Lacs	5 years and above In Rs. Lacs
Non-derivative financial assets				
As at 31st March 2024				
Trade Receivables	1,915.49	9.83	–	–
Security Deposits	262.32		–	–
Others	288.32	–	–	–
Total	**2,466.14**	**9.83**	**–**	**–**
As at 31st March 2023				
Trade Receivables	1,863.28	116.18	–	–
Security Deposits	–	245.11	–	–
Others	268.43	–	–	–
Total	**2,131.72**	**361.30**	**–**	**–**

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

C) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 32 - Ind AS 116 Disclosures

i) Following are the changes in the carrying value of right of use assets :

₹ in Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
Balance as at the beginning of the year	**13.52**	31.56
Addition	**–**	–
Deletion		
Depreciation & Amortization	**(13.52)**	(18.04)
Balance as at the end of the year	**0.00**	13.52

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

ii) The following is the break-up of current and non-current lease liabilities :

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
Current lease liabilities	**–**	15.60
Non-current lease liabilities	**–**	–
	–	

iii) The following is the movement in lease liabilities during the year :

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
Balance as at the beginning of the year	**15.60**	32.29
Additions	**–**	–
Finance cost accrued during the period	**–**	3.61
Deletions	**–**	–
Payment of lease liabilities	**(15.60)**	(20.30)
Balance as at the end of the year	**0.00**	15.60

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	Year ended 31st March 2024	Year ended 31st March, 2023
Less than one year	**–**	–
One to three years	**–**	–
More than three years	**–**	–
	–	–

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases for the year ended 31st March 2024 ₹ 16.38 lacs (2023 - 20.30 lacs)

Note No. 33 Transactions with Struck off Companies

There are no transactions with Struck off Companies during the year.

Note No. 34 Other Information

The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2024

Note No: 35

Analytical Ratios

Ratio	Numerator	Denominator	Current Period 23-24	Previous Period 22-23	Variance %	Reason for variance
(a) Current ratio	Current Assets	Current Liabilities	2.05	1.38	48.70%	Current ratio has increased due to early payment of trade payables
(b) Debt-equity ratio	Total Debt	Shareholder's Equity	–	0.21	-100.00%	We have retired all the term loans this year
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	–	(3.12)	-100.00%	We have retired all the term loans this year, also there is a reduction in utilisation of the working capital limits
(d) Return on equity ratio	Net Profit after Taxes	Average Shareholder's equity	(0.10)	(0.71)	-85.56%	Due to reduction in losses and investment in the current year return on equity ratio has improved
(e) Trade receivables turnover ratio	Revenue	Average trade receivables	6.41	6.38	0.54%	
(f) Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	9.45	9.67	-2.31%	
(g) Net capital turnover ratio	Revenue	Working capital	5.20	15.79	-67.07%	Decrease in the ratio is due to increase in working capital requirement on account of reduction in payables
(h) Net profit ratio	Net Profit	Revenue	(0.02)	(0.07)	-64.42%	Loss has reduced this year due to control on costs and loss to due to shipment loss
(i) Return on capital employed	Earning before interest and taxes	Capital employed	(0.09)	(0.54)	-83.13%	

Note No: 36

Previous year number have been regrouped/ reclassified wherever necessary.

Note No 37:- Other Additional Information

a) Information with regards to other matters specified in schedule III to Act, is either nil or not applicable to the Company for the financial year ended March 31, 2024. The Company is not having any Benami property as defined under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b) Disclosure on Segment reporting is not applicable as the company does not have any segments to report.

For B. K. Khare & Co.
Chartered Accountants
Firm's Reg. No: 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Hyderabad
Date: 16th April, 2024

For and on behalf of the Board of Directors
Zipzap Logistics Private Limited

Ankit Mandhania
Director
DIN:08343799

Place: Hyderabad
Date: 16th April, 2024

Arun Venkatramani Rao
Director
DIN:07057058

Place: Hyderabad
Date: 16th April, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Aerospace Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerospace Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company does not have any pending litigations which would impact its financial position.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The Company has neither declared nor paid any dividend during the year.

   f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. In our opinion and according to the information and explanations given to us, the Company has not paid remuneration to any of its directors during the current year. The Ministry of corporate affairs has not prescribed other details under section 197(16) of The Act which are required to be commented by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration N0.: 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN:24079893BKEYXS2291

Place: Bengaluru
Date: 22 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSPACE PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(a)(A) of the Order is not applicable

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(b) of the Order is not applicable

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have Property, Plant and Equipment or intangible assets during the year. The Company has not revalued its Right of Use assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company did not hold any physical inventories during the year. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried out by the company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Income-Tax, or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employee State Insurance, Duty of Customs or Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax, or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. The Company does not hold any investement in any associate or joint venture (as defined under the Act) during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group

(xvii) The Company has incurred cash losses of Rs 25.62 Lakhs in the current financial year and Rs 72.18 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN:24079893BKEYXS2291

Place: Bengaluru
Date: 22 April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSPACE PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Aerospace Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN:24079893BKEYXS2291

Place: Bengaluru
Date: 22 April 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rs in Lakhs

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Right of use asset	3	**7.99**	10.03
Financial assets			
Investments	4	**37,200.00**	37,200.00
Non-Current tax assets (net)	6	**2.48**	1.17
Other non-current assets	7	**–**	–
Total non-current assets		**37,210.47**	37,211.20
Current assets			
Financial assets			
Cash and cash equivalents	8	**6.80**	9.98
Bank balances other than cash and cash equivalents	8A	**173.00**	218.00
Other financial assets	5	**2.30**	2.30
Other current assets	9	**16.52**	8.70
Total current assets		**198.62**	238.98
Total assets		**37,409.09**	37,450.18
Equity and liabilities			
Equity			
Equity share capital	10	**91,238.96**	91,238.96
Other equity	11	**(53,844.40)**	(53,808.45)
Total equity		**37,394.56**	37,430.51
Non-current liabilities			
Financial liabilities			
Lease liabilities	31	**6.84**	8.59
Total non-current liabilities		**6.84**	8.59
Current liabilities:			
Financial liabilities			
Lease liabilities	31	**1.75**	1.50
Trade payable	12	**4.00**	7.46
Other current liabilities	13	**1.94**	2.12
Total current liabilities		**7.69**	11.08
Total equity and liabilities		**37,409.09**	37,450.18
Material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. Vinod Sahay
Director
DIN No. 07884268

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Place: Mumbai
Date: April 22, 2024

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs in Lakhs

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Other income	14	**13.15**	17,697.50
Total income		**13.15**	17,697.50
Expenses			
Employee benefits expense	15	**–**	–
Finance costs	16	**0.81**	0.24
Depreciation	17	**2.04**	3.33
Other expenses	18	**46.25**	86.92
Total expenses		**49.10**	90.49
Profit/(Loss) before tax		**(35.95)**	17,607.01
Tax expense:			
Current tax		**–**	–
Deferred tax		**–**	–
Income tax expense		**–**	–
Profit/(Loss) for the year		**(35.95)**	17,607.01
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans		**–**	–
Income tax effect		**–**	–
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive loss for the year		**(35.95)**	17,607.01
Earnings per equity share:			
(Nominal value of Rs. 10 per share)	23		
Basic		**(0.00)**	1.93
Diluted		**(0.00)**	1.93
Material accounting policies	2		

The accompanying notes form an integral part of the financial statements

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Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 22, 2024

STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2024

Rs in Lakhs

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Cash flow from operating activities:				
Loss before tax		**(35.95)**		17,607.01
Adjustments for:				
Depreciation	**2.04**		3.33	
Finance costs	**0.81**		0.24	
Reversal of Provision for diminution of long term Investments	**–**		(17,686.00)	
Provision for doubtful Goods service tax credit receivable	**8.29**		3.48	
Interest income	**(13.15)**		(11.46)	
		(2.01)		(17,690.41)
Operating gain/(loss) before working capital changes		**(37.96)**		(83.40)
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Current financial and other current assets	**(16.11)**		(2.13)	
Non-current financial and other non-current assets	**–**		0.87	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	**(3.46)**		4.46	
Other current liabilities	**(0.18)**		1.68	
		(19.75)		4.88
Cash generated from/(used in) operations		**(57.71)**		(78.52)
Net income tax Refund/(paid)		**(1.31)**		2.95
Net Cash generated from/(used in) operating activities (A)		**(59.02)**		(75.57)
B. Cash flow from investing activities:				
Bank deposits (net)	**45.00**		67.00	
Interest income received	**13.15**		11.46	
Net cash generated from/(used in) investing activities (B)		**58.15**		78.46
C. Cash flow from financing activities				
Repayment of lease liabilities	**(2.31)**		(4.20)	
Finance costs	**–**		–	
Net cash generated from/(used in) financing activities (C)		**(2.31)**		(4.20)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(3.18)**		(1.31)
Cash and cash equivalents at the beginning of the year		**9.98**		11.29

STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2024 (CONTINUED)

Rs in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Cash and cash equivalents at the end of the year	**6.80**	9.98
Components of cash and cash equivalents (Refer note 8)		
Balance with banks		
– On Current Accounts	**6.80**	9.98
Cash on Hand	**–**	–

Material accounting policies (Refer Note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

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Mr. Vinod Sahay
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Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Place: Mumbai
Date: April 22, 2024

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a. Equity share capital:

	Rs in Lakhs
At April 1, 2022	**91,238.96**
Add: Issued during the year	–
At March 31, 2023	**91,238.96**
Add: Issued during the year	–
At March 31, 2024	**91,238.96**

b. Other equity

Rs in Lakhs

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2022	153.47	31,243.98	(102,813.50)	0.59	(71,415.46)
Profit for the period	–	–	17,607.01	–	17,607.01
Re-measurement (loss)/gain on defined benefit plans	–	–	–	–	–
Total comprehensive income	**–**	**–**	**17,607.01**	**–**	**17,607.01**
At March 31, 2023	**153.47**	**31,243.98**	**(85,206.49)**	**0.59**	**(53,808.45)**

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2023	153.47	31,243.98	(85,206.49)	0.59	(53,808.45)
Loss for the period	–	–	(35.95)	–	(35.95)
Re-measurement (loss)/gain on defined benefit plans	–	–	–	–	–
Total comprehensive income	**–**	**–**	**(35.95)**	**–**	**(35.95)**
At March 31, 2024	**153.47**	**31,243.98**	**(85,242.44)**	**0.59**	**(53,844.40)**

Material accounting policies (Refer Note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
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Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Place: Mumbai
Date: April 22, 2024

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2024

1. Corporate Information

Mahindra Aerospace Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai - 400018. The Company was incorporated on February 28, 2008, under the provisions of the Indian Companies Act, 1956. Presently the Company is holding investments in subsidiaries engaged in the business of manufacturing aircrafts and Aerostructures and design and development of 5 seat aircraft.

2. Basis of preparation and Significant accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 22 April 2024.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 is included in the following notes:

Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 29 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Notes 4 and 5 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

– Note 21 - financial instruments.

2.2 Significant accounting policies

a) Impairment of assets

i. Financial Assets

The company accounts for its investment in subsidiaries at cost less accumulated impairment, if any. Investment in subsidiaries is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

b) Other Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

c) **Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

d) **Financial Instruments**

A. **Recognition and initial measurement**

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

B. **Classification and subsequent measurement**

i. **Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

C. **De-recognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

e) **Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

– temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

f) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

g) Business combination

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

h) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

(iii) Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

i) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

j) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) **Earnings per share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

l) **Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

m) **Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU.

An impairment loss in respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

n) **Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at March 31, 2024, MCA has not notified any significant new standards or significant amendments to the existing standards which are applicable to the Company.

Note 3: Right of use assets

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**10.03**	3.16
Leasehold improvements - Additions during year ended	**–**	10.20
Depreciation on right-of-use asset	**2.04**	3.33
Net carrying amount	**7.99**	10.03

Interest on lease liabilities is Rs. 0.81 Lakhs (2023: Rs.0.24 Lakhs)

Note 4: Investments

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
At cost less provision for other than temporary impairment		
Unquoted equity shares		
Investment in wholly owned subsidiaries		
Mahindra Aerospace Australia PTY Ltd	**71,924.28**	71,924.28
[102,238,500 (2023: 102,238,500) Equity Shares of AU $ 1 each, 18,100,000 (2023: 18,100,000) Equity Shares of AU $ 0.58 each & 15,116,000 (2023: 15,116,000) Equity Shares of AU $ 0.43 each & 15,266,000,000 (2023: 15,266,000,000) Equity Shares of AU $ 0.0015 each]		
Less: Provision for diminution in value of investment	**(71,924.28)**	(71,924.28)
	–	–
Mahindra Aerostructures Pvt Ltd	**46,450.00**	46,450.00
[464,500,000 (2023: 464,500,000) Equity Shares of Rs.10 each]		
Less: Provision for diminution in value of investment	**(9,250.00)**	(9,250.00)
	37,200.00	37,200.00
	37,200.00	37,200.00
Total unquoted non-current investments	**118,374.28**	118,374.28
Aggregate provision for impairment in value of investments	**(81,174.28)**	(81,174.28)

Note 5: Other financial assets

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Current		
Security deposits to related party (Refer note 20)	**2.30**	2.30
	2.30	2.30

Note 6: Income tax assets (net)

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
TDS receivable (net of provision for taxation Rs. Nil (2023: Rs. Nil))	**2.48**	1.17
	2.48	1.17

Note 7: Other non-current assets

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST Credit Receivable	**164.84**	156.55
Less: Provision	**(164.84)**	(156.55)
	–	–

Note 8: Cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In current accounts	**6.80**	9.98
Cash on hand	**–**	–
	6.80	9.98

Note 8A: Bank balance other than cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits	**173.00**	218.00
	173.00	218.00

Note 9: Other current assets

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Others	**8.61**	8.70
Prepaid expenses	**7.91**	–
	16.52	8.70

Note 10 - Share Capital

Rs in Lakhs

	Particulars	As at March 31, 2024		As at March 31, 2023	
		No of shares	Amount	No of shares	Amount
1	Authorised:				
	Equity shares of Rs. 10 each	**1,000,000,000**	**100,000.00**	1,000,000,000	100,000.00
	5% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10 each	**15,000,000**	**1,500.00**	15,000,000	1,500.00
	0.10% Cumulative Compulsorily Convertible Preference shares of Rs.10 each	**190,000,000**	**19,000.00**	190,000,000	19,000.00
	Total	**1,205,000,000**	**120,500.00**	1,205,000,000	120,500.00
2	Issued:				
	Equity shares of Rs 10 each:				
	Opening balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
	Add: Issued during the year	**1,700,000**	**170.00**	–	–
	Less: Unsubscribed shares (Refer below note 5)	**(1,700,000)**	**(170.00)**	–	–
	Closing balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
3	Subscribed and fully paid up:				
	Equity shares of Rs 10 each:				
	Opening balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
	Add: Issued during the year	**–**	**–**	–	–
	Closing balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96

Notes:

1) Out of the total equity shares, 91,23,89,607 (2023: 91,23,89,607) equity shares are held by Mahindra & Mahindra Limited, the holding company, Including shares held jointly with nominees.

2) Details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholder	**As at March 31, 2024**		As at March 31, 2023	
	No of shares	**%**	**No of shares**	%
Mahindra and Mahindra Limited and its nominees*	**912,389,607**	**100.00%**	912,389,607	100.00%

* Includes 8 shares (2023: 8 shares) held by nominees jointly with Mahindra & Mahindra Limited

3) Shareholding of Promoters

As at 31 March 2024

Promoter Name	**No of shares at the beginning of the year**	**Change during the year**	**No of Shares at the end of year**	**% of total shares**	**% of change during the year**
Mahindra & Mahindra Limited and its nominees*	912,389,607	–	912,389,607	100.00%	0.00%

* Includes 8 shares held by nominees jointly with Mahindra & Mahindra Limited

As at 31 March 2023

Promoter Name	No of shares at the beginning of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra & Mahindra Limited and its nominees*	835,630,306	76,759,301.00	912,389,607	100.00%	8.41%

* Includes 8 shares held by nominees jointly with Mahindra & Mahindra Limited

4) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

5) During current year the company has made a rights issue offer of 17,00,000 equity shares of Rs. 10 each for cash at par. The offer period was from September 26, 2023 to October 25, 2023 (both days inclusive). At the exipry of this offer period, entire 17,00,000 equity shares were not subscribed. Rights Issue Committee of Board of Directors through circular resoltion dated October 31, 2023, approved the cancellation of the said unsubscribed shares.

6) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 11: Other equity

A) Securities premium

Rs in Lakhs

Particulars	Amount
At April 1, 2022	**31,243.98**
Additions during the year	**–**
At March 31, 2023	**31,243.98**
Additions during the year	–
At March 31, 2024	**31,243.98**

B) Retained earnings

Rs in Lakhs

Particulars	**Amount**
At April 1, 2022	**(102,813.50)**
Additions during the year	17,607.01
At March 31, 2023	**(85,206.49)**
Additions during the year	(35.95)
At March 31, 2024	**(85,242.44)**

C) Other comprehensive income

Rs in Lakhs

Particulars	**Amount**
At April 1, 2022	**0.59**
Additions during the year	–
At March 31, 2023	**0.59**
Additions during the year	–
At March 31, 2024	**0.59**

D) Equity components of 5% Non-Cumulative Compulsorily Convertible Preference shares

Rs in Lakhs

Particulars	**Amount**
At April 1, 2022	**153.47**
Additions during the year	**–**
At March 31, 2023	**153.47**
Additions during the year	**–**
At March 31, 2024	**153.47**

Total other equity	
At March 31, 2023	(53,808.45)
At March 31, 2024	**(53,844.40)**

Securities premium reserve :

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Retailed earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income:

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Equity component of 5% Non-Cumulative Compulsorily Convertible Preference shares (NCCPS):

This represents fair valuation of equity portion of the NCCCPS which is routed through other comprehensive income.

Note 12: Trade payable

Rs in Lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Current, undisputed		
Due to micro and small enterprises (Refer note 24)	**–**	–
Dues to related parties	**–**	–
Due to others	**4.00**	7.46
	4.00	7.46

Note: there are no disputed trade payables

Undisputed trade payables outstanding for the following periods from the due date of payment:

As at March 31, 2024

Rs in Lakhs

Particulars	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Dues of micro and small enterprises	**–**	**–**	**–**	**–**	**–**	**–**
Dues other than micro and small enterprises	**–**	**–**	**–**	**–**	**–**	**–**
Accrued expenses						
Micro and small enterprises						**–**
Others						**4.00**
						4.00

As at March 31, 2023

Rs in Lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dues to micro and small enterprises	–	–	–	–	–	–
Others	–	–	–	–	–	–
Accrued expenses						
Micro and small enterprises						–
Others						7.46
						7.46

Note 13: Other current liabilities

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	**1.73**	1.91
Others	**0.21**	0.21
	1.94	2.12

Note 14: Other income

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on		
Bank deposits	**13.15**	11.46
Income tax refund	**–**	0.04
Reversal of Provision for diminution of Investments (Refer note 26)	**–**	17,686.00
	13.15	17,697.50

Note 15: Employee benefits expense

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	**–**	–
Contribution to provident and other funds	**–**	–
	–	–

Note 16: Finance costs

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	**0.81**	0.24
	0.81	0.24

Note 17: Depreciation

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on right-of-use asset (Refer note 3)	**2.04**	3.33
	2.04	3.33

Note 18: Other expenses

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rates and taxes	**1.72**	1.00
Insurance	**0.08**	0.12
Legal and other professional charges*	**27.20**	73.24
Auditors' remuneration (refer note below)	**8.63**	5.52
Provision for doubtful Goods service tax credit receivable	**8.29**	3.48
Bank charges	**0.06**	0.06
Exchange loss	**0.07**	–
Other miscellaneous expenses	**0.20**	3.50
	46.25	86.92

* Includes transactions with Related parties Rs. 6.88 Lakhs (2023 : Rs. 60.37 Lakhs)

Note:

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditors' remuneration (excluding GST) includes:		
Statutory audit	**4.00**	3.60
Other services and certifications	**4.00**	1.50
Reimbursement of expenses	**0.63**	0.42
	8.63	5.52

Note 19: Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and others aggregating Rs. NIL (2023: Rs. NIL) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 . The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. However, during the year, the company did not had any eligible employees to whom the gratuity was payable and accordingly, no actuarial valuation was carried out. The receivable from the Gratuity trust of the Company has been recognised in these financial statements under Note 9, as the Company has right to recover the surplus available in the trust.

Rs in Lakhs

Particulars	Funded Plan Gratuity	
	31-Mar-24	31-Mar-23
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	**–**	–
Net Interest cost	**–**	–
	–	–
II. Recognised in comprehensive income for the year		
Return on plan assets	**–**	–
Actuarial (Gain)/Loss on account of :		
– Demographic Assumptions	**–**	–
– Financial Assumptions	**–**	–
– Experience Adjustments	**–**	–
	–	–
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**–**	–
2. Acquisitions/Divestures/Transfer (transfer of employees to MASPL)	**–**	–
3. Current Service Cost	**–**	–
4. Interest cost	**–**	–
5. Recognised in Other Comprehensive Income		
– Actuarial Gain (Loss)	**–**	–
6. Benefit paid	**–**	–
Present value of defined benefit obligation at the end of the year	**–**	–
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**7.13**	7.13
2. Interest income	**–**	–
3. Recognised in Other Comprehensive Income		
– Return on plan assets	**–**	–
4. Contributions by employer	**–**	–
5. Benefit paid	**–**	–
Fair value of plan assets at the end of the year	**7.13**	**7.13**
V. Net (Asset)/Liability recognised in the Balance Sheet		
– Present value of defined benefit obligation	**–**	–
– Fair value of plan assets	**7.13**	7.13
Net (Asset)/liability	**(7.13)**	(7.13)
Current portion of the above	**(7.13)**	(7.13)
Non current portion of the above	**–**	–

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Acturial Assumptions:

Since the company has NIL employees on rolls (2023: NIL) sensitivity analysis and other related disclosures are not provided.

Note 20: Related Party Information

i) Related parties where control exists along with nature of relationship

Name of the party	**Nature of Relationship**
Mahindra & Mahindra Limited	Holding Company
Mahindra Aerostructures Private Limited	Subsidiary
Mahindra Aerospace Australia Pty Ltd	Subsidiary
Gippsaero Pty Ltd	Stepdown Subsidiary (until November 30, 2023)
Airvan Flight Services Pty Ltd	Stepdown Subsidiary (until November 30, 2023)
GA8 Airvan Pty Ltd	Stepdown Subsidiary (until November 30, 2023)
GA200 Pty Ltd	Stepdown Subsidiary (until November 30, 2023)
Nomad TC Pty Ltd	Stepdown Subsidiary (until November 30, 2023)
Airvan 10 Pty Ltd	Stepdown Subsidiary (until November 30, 2023)
Mahindra Aerospace Private Limited Employees Group Gratuity Assurance Scheme	Employee Gratuity Trust

Other parties with whom transaction have taken place during the year: NIL

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Executive Director & CEO
Mr. Vinod Kumar Sahay	Director (w.e.f August 01,2023)
Ms. Seema Bangia	Director (until April 01, 2024)
Mr. S Durgashankar	Director
Ms. Abanti Sankaranarayanan	Director (w.e.f July 14,2022)
Mr. Nikhil Sohoni	Director (until June 20, 2022)
Mr. Dhiraj Rajendran	Director (until March 29,2023)
Mr. T. Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties

Rs in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
I. <u>Transactions with Group entities</u>		
Services received (included under legal and other professional charges in note 18)		
Mahindra & Mahindra Limited	**6.88**	60.37
	6.88	60.37
Rent paid		
Mahindra Aerostructures Private Limited	**2.31**	4.20
	2.31	4.20

II. <u>Transactions with key managerial personnel</u>

Salary and perquisites		
Mr. Arvind Kumar Mehra	**–**	–
Mr. T. Subrahmanya Sarma	**–**	–

(iv) Details of balances receivable from and payable to related parties are as follows:

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits (Asset)		
Mahindra Aerostructures Private Limited	**2.30**	2.30
	2.30	2.30

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end, if any, are unsecured and interest free and settlement occurs in cash.

Note 21: Financial instruments - fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

Rs in Lakhs

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments	4	37,200.00	–	–	–	37,200.00	–	37,200.00	–	–
		37,200.00	–	–	–	37,200.00	–	37,200.00	–	–
Financial assets not measured at fair value										
Cash and cash equivalents	8	–	–	6.80	–	6.80	–	–	–	–
Security deposits	5	–	–	2.30	–	2.30	–	–	–	–
Fixed Deposits	8A	–	–	173.00	–	173.00	–	–	–	–
		–	–	182.10	–	74,582.10	–	–	–	–
Financial liabilities not measured at fair value										
Trade payables	12	–	–	–	4.00	4.00	–	–	–	–
Lease liabilities	31	–	–	8.59	–	8.59	–	–	–	–
		–	–	8.59	4.00	12.59	–	–	–	–

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

Rs in Lakhs

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments	4	37,200.00	–	–	–	37,200.00	–	37,200.00	–	37,200.00
		37,200.00	–	–	–	37,200.00	–	37,200.00	–	37,200.00
Financial assets not measured at fair value										
Cash and cash equivalents	8	–	–	9.98	–	9.98	–	–	–	–
Security deposits	5	–	–	2.30	–	2.30	–	–	–	–
Fixed Deposits	8A	–	–	218.00		218.00	–	–	–	–
		–	–	230.28	–	74,630.28	–	–	–	–
Financial liabilities not measured at fair value										
Trade payables	12	–	–	–	7.46	7.46	–	–	–	–
Lease liabilities	31	–	–	10.09		10.09	–	–	–	–
		–	–	10.09	7.46	17.55	–	–	–	–

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

Investment in equity shares of subsidiaries are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, other receivables, deposits and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

– Market risk

– Credit risk

– Liquidity risk

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

a. Interest rate risk

The company doesn't have borrowings. Hence interest rate risk is not applicable.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's does not have any exposure to the risk of changes in foreign exchange rates as there are no operations being carried out (revenue or expense is denominated in a foreign currency) by the company.

c. Foreign currency sensitivity

The company doesn't have any foreign currency exposure outstanding as at balance sheet date. Hence foreign currency sensitivity risk is not applicable.

(ii) Credit risk

Company does not have any operations and hence credit risk is not applicable.

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's operation department in accordance with the Company's policy. Investments of surplus funds are made only with approved Banks within the limits assigned. These limits are reviewed by the Company's Board of Directors as and when required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss and potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31st March 2024 and 2023 is the carrying amounts.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs in lakhs

	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended March 31, 2024						
Trade payables	–	4.00	–	–	–	4.00
Lease liabilities	–	2.42	2.54	5.24	–	10.20
	–	**6.42**	**2.54**	**5.24**	**–**	**14.20**
Year ended March 31, 2023						
Trade payables	–	7.46	–	–	–	7.46
Lease liabilities	–	2.31	2.42	7.78	–	12.51
	–	**9.77**	2.42	**7.78**	**–**	**19.97**

D Capital management:

The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

The Company monitors capital on the basis of the carrying amount of equity and profit and loss account as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally enforced capital regulation. The Company's capital requirements are substantially met through the issue of equity to the holding companies.

There is no change in the overall capital risk management strategy of the Company compared to last year.

22. Contingent liabilities:

(a) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution form the date of Supreme court order. The probable obligation for past periods amounting to Rs. 0.30 Lakhs has been considered by the Company as contingent liability.

(b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil (2023: Rs. Nil)

23. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

Rs in Lakhs

Sr. No.	Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a)	Earnings attributable to equity shareholders	**(35.95)**	17,607.01
(b)	Weighted average number of equity shares outstanding during the year	**912,389,607**	912,389,607
(c)	Basic Earnings per share (Rs.)	**(0.00)**	1.93
(d)	Diluted Earnings per share (Rs.)	**(0.00)**	1.93

Weighted average no of shares (basic & diluted)

Sr. No.	Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a)	Opening Balance	**912,389,607**	912,389,607
(b)	Effect of fresh issue of shares	**–**	–
(c)	Weighted average no of shares	**912,389,607**	912,389,607

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**912,389,607**	912,389,607
Add: Effect of potential equity shares	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**912,389,607**	912,389,607

24. Dues to micro and small enterprises

There are no micro and small enterprises to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2024. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

25. NM5 Project

During November 2008, erstwhile M/S. Plexion Technologies India Pvt. Ltd., which was later on merged with Mahindra Engineering Services Limited (MESL), had entered into a Collaboration Agreement with Council of Scientific Industrial Research (CSIR), represented by National Aerospace Laboratories (NAL) for Joint Development, Commercial Production and Marketing of a 4-Seater Aircraft (NM 5 Project). By virtue of a Deed of Assignment dated 28th May, 2008, signed between MESL, the Company and Council of Scientific Industrial Research (CSIR), the rights, obligations and benefits of MESL under the said Collaboration Agreement was assigned to the Company by MESL and duly affirmed by CSIR. As per the Collaboration Agreement, the Company jointly owns the Intellectual Property Rights arising from joint development of the aircraft. Such Intellectual Property Rights arising from joint development of the aircraft will be a jointly held intangible asset. The Company has built a prototype of the aircraft which has carried out a successful test flight.

The Company had so far incurred an expenditure of Rs. 274.63 Lakhs (2023 : Rs. 274.63 Lakhs) on tools and jigs and Rs. 2,098.63 Lakhs (2023 : Rs. 2,098.63 Lakhs) towards the design & development and building one prototype aircraft and these were included under 'Capital work in progress' and 'Intangible assets under development' respectively.

The Management had evaluated the carrying value of above mentioned assets based on the projections of the project and recognized a cumulative impairment of Rs. 2,373.26 Lakhs (2023: Rs. 2,373.26 Lakhs)

26. During the previous year ended March 31, 2024, Company's subsidiary Mahindra Aerospace Pty Ltd sold of entire 100% equity ownership of its Subsidiaries namely - GippsAero Pty Ltd., Airvan10 Pty Ltd., GA8 Airvan Pty Ltd., GA200 Pty Ltd., Airvan Flight Services Pty Ltd and Nomad TC Pty Ltd

27. Segment Reporting:

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "design, development and manufacturing of aircrafts and Aerostructures" as the CODM reviews business performance at an overall Company level as one segment.

Note 28- Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	198.62	7.69	25.83	21.57	20%	Variance less than 25%
Debt-Equity ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company does not have borrowings
Debt Service Coverage ratio						
Return on Equity ratio	(35.95)	37,412.54	-0.1%	61.5%	-100%	Previous year is high due to Reversal of Provision for diminution of Investments
Inventory Turnover ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company is an investment company and does not have operations
Trade Receivables Turnover ratio						
Trade Payables Turnover ratio						
Net capital turnover ratio						
Net profit ratio						
Return on capital employed	(35.14)	37,394.56	-0.1%	47.0%	-100%	Previous year is high due to Reversal of Provision for diminution of Investments
Return on investment	-	37,200.00	0%	0%	0%	Variance less than 25%

Ratio	Formula
Current ratio	Current Assets/Current Liabilites
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/ interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory
Trade Receivables Turnover ratio	Net Credit Sales / Avg trade receivables
Trade Payables Turnover ratio	Net Credit purchases / Avg trade payables
Net capital turnover ratio	Net Sales/working capital
Net profit ratio	Net Profit/Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

Note 29 Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Significant components & classification of deferred tax assets and liabilities are as follows: Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
Related to depreciation of fixed assets	**–**	–
Total deferred tax liability (a)	**–**	–

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Provision for diminution of Investments	**21,105.31**	21,105.31
Provision for GST credit	**42.86**	40.70
Carry forward losses	**7.70**	5.97
Others	**0.28**	0.28
Total deferred tax assets (b)	**21,156.15**	21,152.26
Net deferred tax assets/ (liabilities) (b-a)	**21,156.15**	21,152.26

The Company has carry forward losses under tax laws and accordingly, net deferred tax assets would be recognized only on achieving continued / sustained profitability, when such future taxable income will be available against which such deferred tax assets which can be realized. Since the Company has not yet achieved sustained profitability, as at March 31, 2024 and March 31, 2023, deferred tax assets have not been recognised

(b) Amount reocognised in statement of profit and loss Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax	**–**	–
Deferred tax	**–**	–

(c) Reconciliation of effective tax rate Rs in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
Profit/(loss) before tax		**(35.95)**		17,607.01
Income tax expense calculated at domestic tax rates applicable to profits	**26.00%**	**(9.35)**	26.00%	4,577.82
Tax effects of:				
Permanent difference	**13.30%**	**4.78**	-0.10%	**18.37**
Timing differences	**5.81%**	**2.09**	26.12%	**(4,598.54)**

Particulars	As at March 31, 2024		As at March 31, 2023	
Deferred tax asset not recognised in statement of profit and loss	**6.90%**	**2.48**	-0.01%	**2.35**
	26.01%	**9.35**	26.00%	(4,577.82)
Income tax expense		**–**		–
Effective tax rate		**26.00%**		26.00%

(d) Tax losses

Particulars	As at March 31, 2024	Expiry date	As at March 31, 2023	Expiry date
Loss from business	**13.93**	**March 31, 2030**	13.93	March 31, 2030
	6.11	**March 31, 2031**	9.03	March 31, 2031
	9.56	**March 31, 2032**	–	
Total	**29.60**		22.96	
Potential tax benefit	**7.70**		5.97	

Note 30- Impairment

The Company has long-term investments in subsidiaries which are measured at cost less impairment or at fair value through profit or loss. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment / reversal impairment, in the carrying value of the investments. For this purpose, business operations of each subsidiary is treated as a Cash Generating Unit (CGU)

In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available.

The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money.

The Company has performed impairment analysis on Investment in Subsidiaries as at the year end. The recoverable amount of the CGU was estimated based on the present value of the future cash flows expected to be derived by the CGU itself (value in use), using a pre-tax discount rate of 18.60% and a high growth rate of 16.50% from FY 2034 – FY 2038 and terminal value growth rate of 5% thereafter . The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required. Further, no impairment loss recognised in the earlier periods was considered for reversal given that, sensitivities on the key assumptions could have resulted in situation where, no reversal was warranted during the current year. (2023: Impairment reversal of Rs. 17,686.00 Lakhs)

The estimate of value in use was determined using a pre-tax discount rate of 18.60% (2023: 18.90%) and a terminal value growth rate of 16.50% from FY 2034 – FY 2038 (2023: 14.50% from FY 2032-FY 2037)

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision / (reversal) for diminution in value of investment	**–**	(17,686.00)
(Reversal of)/Impairment loss	**–**	(17,686.00)

Recoverable amount as follows:

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Investment in subsidiaries	**37,200.00**	37,200.00

The net reversal of impairment loss has been included in other income Rs. Nil (2023: Rs. 17,686.00 Lakhs) [Refer Note 14]

During the year the Company reassessed its estimates and no impairment loss recognized (2023: Rs.Nil)

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	**18.60%**	18.90%
High Growth rate	**16.50%**	14.50%
Terminal value growth rate	**5.00%**	5.00%
Budgeted Average EBIDTA growth rate	**25.13%**	27.64%

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

The cash flow projections included specific estimates for nine years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make Budgeted EBITDA was estimated taking into account past experience, adjusted as follows Revenue growth was projected taking into account the average growth levels experienced over the past nine years and the estimated sales volume and price growth for the next nine years. It was assumed that the sales price and sales volume would increase in line with forecast inflation over the next nine years.

The estimated recoverable amount of the CGU exceeded its carrying amount by Rs. 9,645.00 Lakhs (2023: Rs. 17,686.00 Lakhs). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount and therefore, in the current year, impairment loss recorded in the earlier periods was not reversed. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	**1.39%**	–
High Growth rate	**-10.90%**	–
Budgeted Average EBIDTA growth rate	**-2.12%**	–

For the year ended March 31, 2023, since there has been impairment reversal, any change in the assumptions would result is lower impairment reversal and accordingly, the break-even is at the assumptions considered in the discounted cash flow model.

Note 31 - Lease liablilty

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease Liabilities	**6.84**	8.59
	6.84	8.59
Current		
Lease Liabilities	**1.75**	1.50
	1.75	1.50

Carrying amounts of lease liabilities recognised and the movements during the year:

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	**10.09**	3.85
Additions	**–**	10.20
Interest on lease liability	**0.81**	0.24
Payments	**(2.31)**	(4.20)
Closing balance	**8.59**	10.09
Current	**1.75**	8.59
Non-Current	**6.84**	1.50

Rs in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The Following are the amounts recognised in Profit or Loss		
Depreciation expense of right-of-use assets	**2.04**	3.33
Interest expense on lease liabilities	**0.81**	0.24
Total amount recongnised in statement of Profit and loss	**2.85**	3.57

The Company had total cash out flows for leases during the year Rs. 2.31 Lakhs (2023: Rs. 4.20 Lakhs).

Contractual maturities of lease liabilities on an undiscounted basis:

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	**2.42**	2.31
Later than one year and not later than five years	**7.78**	10.20
More than five years	**–**	–
Total	**10.20**	12.51

32. In the view of the losses for the three immediately preceding financial years, the Company is not required to spend any amount on CSR activities during the current financial year.
33. The Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
34. During the year ended March 31, 2024, no material foreseeable loss (2023: Nil) was incurred for any long-term contract including derivative contracts.
35. The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
36. The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
37. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
38. The Company has not traded or invested in Crypto currency or virtual currency during the current year.
39. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
40. There are no immovable properties (other than properties where the Company is a lessee) whose title deeds are not in the name of the Company.
41. The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).
42. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. Vinod Sahay
Director
DIN No. 07884268

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Place: Mumbai
Date: April 22, 2024

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Mahindra Aerospace Pvt Ltd

Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A - SUBSIDIARIES

Rs. in Lakhs

Name of the subsidiary	Mahindra Aerostructures Pvt Ltd	Mahindra Aerospace Australia Pty Ltd	Gipps Aero Pty Ltd	Airvan Flight Services Pty Ltd	GA8 Airvan Pty Ltd	GA200 Pty Ltd	Nomad TC Pty Ltd	Airvan 10 Pty Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar '24	31st Mar '24	30th Nov '23	30th Nov '23	30th Nov '23	30th Nov '23	30th Nov '23	30th Nov '23
Reporting currency	Rupees	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1	AUD = Rs. 54.474	AUD = Rs. 54.474	AUD = Rs. 54.474	AUD = Rs. 54.474	AUD = Rs. 54.474	AUD = Rs. 54.474	AUD = Rs. 54.474
Share capital	46,450.00	77,426.83	–	–	–	–	–	–
Reserves & Surplus	(29,665.50)	(75,490.29)	–	–	–	–	–	–
Total assets	34,009.76	1,998.65	–	–	–	–	–	–
Total Liabilities	17,225.26	62.11	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–
Turnover	23,608.87	62.45	645.25	–	–	–	–	–
Profit /(loss) before taxation	49.47	(1,200.67)	(970.46)	(0.13)	(0.14)	(0.14)	(0.13)	(0.13)
Provision for taxation	–	–	–	–	–	–	–	–
Profit after taxation	49.47	(1,200.67)	(970.46)	(0.13)	(0.14)	(0.14)	(0.13)	(0.13)
Other comprehensive income	11.41	–	–	–	–	–	–	–
Total comprehensive income for the year	60.88	(1,200.67)	(970.46)	(0.13)	(0.14)	(0.14)	(0.13)	(0.13)
Proposed Dividend	–	–	–	–	–	–	–	–
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

Additional Information:

1) Names of subsidiaries which which are yet to commence operations: Nil

2) Names of subsidiaries which have been liquidated or sold during the year:

Gipps Aero Pty Ltd
Airvan Flight Services Pty Ltd
GA8 Airvan Pty Ltd
GA200 Pty Ltd
Nomad TC Pty Ltd
Airvan 10 Pty Ltd

PART B - ASSOCIATES and JOINT VENTURES: **NONE**

1) Names of associates or joint ventures which are yet to commence operations : Nil

2) Names of associates or joint ventures which have been liquidated or sold during the year: Nil

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For and on behalf of the Board of Directors
Mahindra Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. Vinod Sahay
Director
DIN No. 07884268

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598
Place: Mumbai
Date: April 22, 2024

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Aerostructures Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerostructures Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 30 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its director during the year is in accordance with the provision of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN:24079893BKEYXR5299
Place: Bengaluru
Date: 22 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSTRUCTURES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Custom Act, 1962	Custom Act, 1962
Nature of the dues	Custom duty and penalty (excluding interest)	Custom duty and penalty (excluding interest)
Amount (Rs. in Lakhs)	2,598.85 (232.14)*	41.36 (45.33)*
Period to which the amount relates	FY 2012-13	FY 2012-13
Forum where dispute is pending	Custom, Excise and Service Tax Appellate Tribunal, Chennai	Joint Commissioner of Customs, Chennai
Remarks	None	None

* figures in bracket represent amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 4 CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN:24079893BKEYXR5299

Place: Bengaluru
Date: 22 April 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSTRUCTURES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Aerostructures Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain
Partner
Membership No.: 079893
ICAI UDIN:24079893BKEYXR5299

Place: Bengaluru
Date: 22 April 2024

BALANCE SHEET AS AT MARCH 31, 2024

Rs. In lakhs

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	**11,401.31**	11,504.11
Capital work in progress	3	**139.10**	11.06
Intangible assets	3	**171.46**	147.75
Right of use assets	3A	**20.04**	24.45
Financial assets			
Other financial assets	9	**37.17**	36.21
Non current tax assets (net)	4	**2.45**	3.61
Other non-current assets	5	**3,789.59**	1,465.65
Total non-current assets		**15,561.12**	13,192.84
Current assets			
Inventories	6	**6,946.16**	4,911.73
Financial assets			
Trade receivables	7	**8,759.38**	4,790.62
Cash and cash equivalents	8	**405.23**	33.05
Others	9	**8.29**	–
Other current assets	10	**2,329.58**	1,486.84
Total current assets		**18,448.64**	11,222.24
Total assets		**34,009.76**	24,415.08
Equity and liabilities			
Equity			
Equity share capital	11	**46,450.00**	46,450.00
Other equity	12	**(29,665.50)**	(29,726.38)
Total equity		**16,784.50**	16,723.62
Non-current liabilities			
Financial liabilities			
Borrowings	13	**3,409.86**	750.00
Lease liabilities	14	**19.27**	24.07
Provisions	16	**96.01**	88.76
Total non-current liabilities		**3,525.14**	862.83

BALANCE SHEET AS AT MARCH 31, 2024 (CONTINUED)

Rs. In lakhs

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Current liabilities			
Financial liabilities			
Borrowings	13	**10,914.53**	4,602.84
Lease liabilities	14	**4.80**	4.41
Trade payable	17		
Total outstanding dues of Micro Enterprises and Small Enterprises		**353.71**	263.52
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**1,302.33**	878.06
Other financial liabilities	15	**185.86**	428.96
Other current liabilities	18	**869.72**	573.74
Provisions	16	**69.17**	77.10
Total current liabilities		**13,700.12**	6,828.63
Total equity and liabilities		**34,009.76**	24,415.08
Material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 22, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Rs. In lakhs

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	19	**23,391.10**	15,598.99
Other income	20	**217.77**	225.90
Total income		**23,608.87**	15,824.89
Expenses			
Cost of materials consumed	21	**11,399.68**	6,432.39
Purchase of stock-in-trade		**41.86**	133.83
Changes in inventories of finished goods and work-in-progress	22	**(896.06)**	(368.71)
Employee benefits expense	23	**5,657.49**	4,205.48
Finance costs	24	**780.19**	299.60
Depreciation and amortization expense	25	**1,691.76**	1,643.66
Other expenses	26	**4,884.48**	4,123.50
Total expenses		**23,559.40**	16,469.75
Profit/(Loss) from operations before tax		**49.47**	(644.86)
Tax expense:			
Current tax		**–**	–
Deferred tax		**–**	–
Profit/(Loss) for the year		**49.47**	(644.86)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans (net of tax)		**11.41**	(15.41)
Other comprehensive income for the year, net of tax		**11.41**	(15.41)
Total comprehensive income/(loss) for the year		**60.88**	(660.27)
Earnings per equity share:	32		
(Nominal value of Rs. 10 per share)			
Basic		**0.01**	(0.14)
Diluted		**0.01**	(0.14)
Material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 22, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Rs. In lakhs

Particulars		**As at March 31, 2024**		As at March 31, 2023
A. Cash flow from operating activities:				
Loss before tax		**49.47**		(644.86)
Adjustments for:				
Depreciation and amortisation expense	**1,691.76**		1,643.66	
Finance costs	**780.19**		299.60	
Property plant and equipment written off	**6.56**		6.54	
Advances written off	**0.76**			
Profit on sale of property plant and equipment (net)	**(1.26)**		–	
Interest income	**(0.13)**		(1.86)	
Net unrealised exchange gain	**(31.68)**	**2,446.20**	6.80	1,954.74
Operating gain/(loss) before working capital changes		**2,495.67**		1,309.88
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	**(2,034.43)**		(1,496.35)	
Trade receivables	**(3,944.26)**		(2,022.90)	
Current financial and other current assets	**(842.74)**		3.16	
Non-current financial and other non-current assets	**10.74**		(245.65)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	**513.42**		(319.04)	
Current financial and other current liabilities	**295.98**		146.05	
Other non-current liabilities	**–**		(12.09)	
Provisions	**10.73**	**(5,990.56)**	(3.21)	(3,950.03)
Cash generated from/(used in) operations		**(3,494.89)**		(2,640.15)
Net income tax refunds/(paid)		**1.16**		19.44
Net cash generated from/(used in) operating activities (A)		**(3,493.73)**		(2,620.71)
B. Cash flow from investing activities:				
Payment to acquire property, plant and equipment, including capital advances, for acquiring right-of-use assets	**(4,113.83)**		(2,572.15)	
Proceeds from sale of property, plant and equipment	**1.76**		–	
Bank deposits (addition)/matured (net)	**–**		1,380.00	
Interest income received	**0.13**		17.81	
Net cash generated from/(used in) investing activities (B)		**(4,111.94)**		(1,174.34)
C. Cash flow from financing activities:				
Repayment of foreign currency loan	**–**		(605.76)	
Proceeds from short term loans from related parties	**10,100.00**		2,000.00	
Repayment of short term loans from related parties	**(500.00)**		(1,500.00)	
Working capital borrowings (net)	**(4,021.64)**		3,036.29	
Proceeds from Long term borrowings	**3,593.19**		1,000.00	
Repayment of Long term borrowings	**(450.00)**		–	
Repayment of lease liabilities	**(6.66)**		**(6.66)**	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024 (CONTINUED)

Rs. In lakhs

Particulars		As at March 31, 2024		As at March 31, 2023
Finance costs	**(736.97)**		(282.16)	
Net cash generated from/(used in) financing activities (C)		**7,977.92**		3,641.71
Net increase in cash and cash equivalents (A+B+C)		**372.25**		(153.34)
Effect of exchange differences on restatement of foreign currency cash and cash equivalent		**(0.07)**		–
Cash and cash equivalents at the beginning of the year		**33.05**		186.39
Cash and cash equivalents at the end of the year		**405.23**		33.05
Components of Cash and cash equivalents (Refer note 8)				
Balance with banks				
– On current accounts		**–**		–
– On EEFC accounts		**405.23**		33.05
Cash on hand		**–**		–

Material accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 22, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a. Equity share capital:

	Rs. In lakhs
As at April 1, 2022	**46,450.00**
Add: changes in equity shares	–
As at March 31, 2023	**46,450.00**
Add: changes in equity shares	–
As at March 31, 2024	**46,450.00**

b. Other equity

Rs. In lakhs

Particulars	Retained Earnings	Other comprehensive income	Total
As at April 1, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**
Loss for the year	(644.86)	–	(644.86)
Re-measurement gain on defined benefit plans	–	(15.41)	(15.41)
Total comprehensive income	**(644.86)**	**(15.41)**	**(660.27)**
As at March 31, 2023	**(29,717.24)**	**(9.14)**	**(29,726.38)**
As at April 1, 2023	**(29,717.24)**	**(9.14)**	**(29,726.38)**
Loss for the year	49.47	–	49.47
Re-measurement gain/(loss) on defined benefit plans	–	11.41	11.41
Total comprehensive income	**49.47**	**11.41**	**60.88**
As at March 31, 2024	**(29,667.77)**	**2.27**	**(29,665.50)**

Material accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 22, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate Information

Mahindra Aerostructures Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai – 400 018. The Company was incorporated on January 27, 2011 under the provisions of the Indian Companies Act, 1956. The Company is primarily involved in the business of manufacture and sale of aircraft components, assemblies and Aerostructures.

2. Basis of preparation and Material accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The Financial Statements were authorised for issue by the Company's Board of Directors on 22 April 2024.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These Financial Statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3A - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

Note 27 - measurement of defined benefit obligations: key actuarial assumptions; key actuarial assumptions;

Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 36 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 3 - useful life of Property, Plant and Equipment

Notes 7, 9 and 10 - impairment of Financial Assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both Financial and Non-Financial Assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

– Note 29 - financial instruments.

2.2 Material accounting policies

a) Property Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. Depreciation for assets purchased/sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life as per Management estimate	Useful life as per Schedule II of Companies Act, 2013
Factory Buildings – Roads, Compound Wall*	5 years to 30 years	30 years
Plant and Machinery*	2 years, 3 years, 5 years, 10 years and 15 years	15 years
Electrical Installations	10 years	10 years
Office Equipment's*	3 years, 5 years and 10 years	5 years
Computers	3 years	3 years
Furniture and Fixtures	10 years	10 years
Vehicles	5 years	5 years

* The Company believes the useful lives as given above best represent the useful lives of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

b) Intangible Assets

Internally generated: Research and development

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others:

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight - line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life as per Management estimate
Computer software	3-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) Impairment of assets

i. Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

e) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Tools purchased for manufacture of ‘First Articles’, which are yet to be approved by Customers are included in Stores and Spares and are valued at actual cost incurred net of refundable duties, levies and taxes, where applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Finished goods are valued at cost or net realisable value whichever is lower.

f) Financial Instruments

A. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

B. Classification and subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

g) Revenue Recognition

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Product development income is recognized once the first articles are approved by the customers or achievement of mile stones as per customer contract.

Job work Income: Revenue from the rendering of services is recognised upon the delivery of service to the customers. In contracts involving the rendering of services, revenue is recognised pro-rata over the period contract as and when services are rendered.

h) Other Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss. Duty drawback and other incentives are recognized on accrual basis in the Statement of Profit and Loss.

i) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

j) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company’s monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Statement of profit or loss in the period in which they are incurred.

m) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

n) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Director - Operations.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

o) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, employee state insurance scheme, Pension Fund, etc., are considered as defined contribution plans and are recognised as expenses in the period in which the employee renders the related service.

The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

r) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

s) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU.

An impairment loss in respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

t) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March 2024, MCA has not notified any significant new standards or made significant amendments to the existing standards which are applicable to the Company.

Note 3: Property, plant and equipment

Rs. In lakhs

	Tangible assets							Intangible assets	
Particulars	**Factory Buildings**	**Plant & Machinery**	**Electrical Installations**	**Office Equipments**	**Computers**	**Furniture and Fixtures**	**Total**	**Computer software**	**Total**
Cost									
As at April 1, 2022	6,620.90	11,287.96	1,407.20	317.96	261.21	352.46	20,247.69	600.25	600.25
Additions	87.56	2,725.02	61.93	76.37	46.34	70.01	3,067.23	85.64	85.64
Disposals	–	105.56	0.21	1.74	93.38	4.83	205.72	6.78	6.78
As at March 31, 2023	**6,708.46**	**13,907.42**	**1,468.92**	**392.59**	**214.17**	**417.64**	**23,109.20**	**679.11**	**679.11**
Additions	21.09	1,257.73	–	113.92	51.57	56.79	1,501.10	114.22	114.22
Disposals	–	41.76	0.20	1.76	20.43	1.50	65.65	3.23	3.23
As at March 31, 2024	**6,729.55**	**15,123.39**	**1,468.72**	**504.75**	**245.31**	**472.93**	**24,544.65**	**790.10**	**790.10**
Accumulated Depreciation and Amortisation									
As at April 1, 2022	1,991.79	6,550.07	1,031.94	222.30	224.79	221.27	10,242.16	461.18	461.18
Charge for the year	244.75	1,085.61	136.32	36.57	21.89	36.97	1,562.11	76.96	76.96
Disposals	–	100.91	0.18	1.45	92.52	4.12	199.18	6.78	6.78
As at March 31, 2023	**2,236.54**	**7,534.77**	**1,168.08**	**257.42**	**154.16**	**254.12**	**11,605.09**	**531.36**	**531.36**
Charge for the year	250.60	1,088.56	138.75	45.55	31.88	41.50	1,596.84	90.51	90.51
Disposals	–	35.62	0.19	1.48	20.05	1.25	58.59	3.23	3.23
As at March 31, 2024	**2,487.14**	**8,587.71**	**1,306.64**	**301.49**	**165.99**	**294.37**	**13,143.34**	**618.64**	**618.64**
Net block	**4,242.41**	**6,535.68**	**162.08**	**203.26**	**79.32**	**178.56**	**11,401.31**	**171.46**	171.46
As at March 31, 2023	4,471.92	6,372.65	300.84	135.17	60.01	163.52	11,504.11	147.75	147.75
As at March 31, 2024	**4,242.41**	**6,535.68**	**162.08**	**203.26**	**79.32**	**178.56**	**11,401.31**	**171.46**	**171.46**

Rs. In lakhs

Net block	**As at March 31, 2024**	As at March 31, 2023
Property, plant and equipment	**11,401.31**	11,504.11
Capital work in progress	**139.10**	11.06
Intangible assets	**171.46**	147.75

Note:

1. Plant and machinery includes certain equipment covered under a 'technical seizure order' issued by the Directorate of Revenue Intelligence (DRI). Gross block and net block value of these equipment as on March 31 2024 are Rs. 2,579.05 lakhs and Rs. 17.88 lakhs respectively (2023: Rs. 2,579.05 lakhs and Rs. 50.51 lakhs Gross block and net block respectively).
2. As at March 31, 2024, the Company had first pari-passu charge on all movable fixed assets (both present and future) in favour of Axis Bank Limited for the Credit facilities availed by the Company.

Capital work in progress

Rs. In lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening balance	**11.06**	268.13
Additions	**1,743.36**	2,895.80
Capitalised during the year	**(1,615.32)**	(3,152.87)
Closing balance	**139.10**	11.06

Ageing of Capital work in progress

Rs. In lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Less than 1 year	**139.10**	11.06
1-2 years	**–**	–
2-3 years	**–**	–
more than 3 years	**–**	–
	139.10	11.06

Capital work in progress does not contain any projects, which are temporarily suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

Capital Work in progress includes interest on term loans capitalized during the year Rs. 74.91 lakhs (2023: Rs. Nil)

Note 3A: Right of use assets

Rs. In lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Opening balance	**24.45**	29.04
Leasehold improvements - Additions during year ended	**–**	–
Depreciation on right-of-use asset	**(4.41)**	(4.59)
Net carrying amount	**20.04**	24.45

Interest on lease liabilities for the year ended on March 31, 2024 is Rs. 2.25 lakhs (2023: Rs.2.61 lakhs)

Note 4: Non current tax assets (net)

Rs. In lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
TDS receivable (net of provision for taxation Rs. Nil (2023: Rs. Nil))	**2.45**	3.61
	2.45	3.61

Note 5: Other non-current assets

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST credit receivable	**1,244.30**	1,244.30
Less: Provision	**(1,244.30)**	(1,244.30)
	–	–
Customs deposit	**277.47**	277.47
Capital advances	**2,395.96**	59.56
Consideration paid for lease land [Refer Note 30 (2) (b)]	**1,116.16**	1,116.16
Other deposits	**–**	12.46
	3,789.59	1,465.65

Note 6: Inventories

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(at the lower of cost and net realisable value)		
Raw materials [Net of provision Rs. 112.11 lakhs (2023: Rs.108.83 lakhs)]	**3,619.65**	2,651.55
Work in progress	**1,664.32**	923.81
Finished goods [Net of provision Rs.56.28 lakhs (2023: Rs.41.29 lakhs)] [Includes in transit Rs. 151.14 lakhs; (2023: Rs.20.93 lakhs)]	**1,119.33**	963.78
Stores and spares [Net of provision - Rs. Nil (2023: Rs.36.37 lakhs)]	**542.86**	372.59
	6,946.16	4,911.73

inventories of Finished goods and Work in progress have been reduced by Rs. 46.08 lakhs (2023: Rs. 34.39 lakhs) and Rs. 54.39 (2023: Rs. 30.10 lakhs) respectively as a result of the write-down to net realisable value

The movement in provision on inventory during the year is as under:

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	**186.49**	144.10
Provision during the year	**23.96**	51.62
Utilised during the year	**42.06**	9.23
Closing balance	**168.39**	186.49

The provision on inventory is recorded as 'Cost of materials consumed' and 'Changes in inventories of finished goods and work-in-progress'

Note 7: Trade receivables

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, undisputed trade receivables considered good	**8,759.38**	4,790.62
Unbilled trade receivables	**–**	–
	8,759.38	4,790.62
Less: Loss allowance	**–**	–
	8,759.38	4,790.62

Notes:

1. There are no trade receivables which are disputed or having significant increase in credit risk or credit impaired
2. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 29
4. There are no unbilled trade receivables

Ageing of Unsecured, Undisputed trade receivables outstanding for the following periods from the due date of payment:

As at March 31, 2024 Rs. In lakhs

	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	**8,626.00**	**132.76**	**0.62**	**–**	**–**	**–**	**8,759.38**
(ii) Undisputed Trade receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade receivables–considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(v) Disputed Trade receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi) Disputed Trade receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**

As at March 31, 2023 Rs. In lakhs

	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,678.14	112.16	0.32	–	–	–	4,790.62
(ii) Undisputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade receivables–considered good	–	–	–	–	–	–	–
(v) Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–

Note 8: Cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
On Current accounts	–	–
On EEFC accounts	405.23	33.05
Cash on hand	–	–
	405.23	33.05

Note 9: Other financial assets

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless and otherwise stated		
Non - current		
Security deposits	37.17	36.21
	37.17	36.21
Current		
Derivatives - MTM gain on foreign currency forward contract	8.29	–
	8.29	–

Security deposit are are carried at amortised cost and derivatives are carried at fair value

The Company's exposure to currency and liquidity risk are disclosed in Note 29

Note 10: Other current assets

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless and otherwise stated		
Balances with government authorities:		
GST credit receivable	1,601.42	985.56
Foreign VAT receivable	9.27	36.16
MEIS/RoDTEP benefit receivable	88.76	45.51
Duty drawback receivable	14.86	7.07
	1,714.31	1,074.30
GST Refund receivable	141.31	73.91
Advance to suppliers	239.29	293.20
Advances to employees	19.39	14.23
Prepaid expenses	215.28	31.20
	2,329.58	1,486.84

Note 11 Share capital

Rs. In lakhs

	Particulars	As at March 31, 2024 No of shares	As at March 31, 2024 Amount	As at March 31, 2023 No of shares	As at March 31, 2023 Amount
1	Authorised : (Equity shares of Rs 10 each)	47,00,00,000	47,000.00	47,00,00,000	47,000.00
	Total	47,00,00,000	47,000.00	47,00,00,000	47,000.00
2	Issued, Subscribed and fully paid up: Equity: (Equity shares of Rs. 10 each)				
	Opening balance	46,45,00,000	46,450.00	46,45,00,000	46,450.00
	Add: Issued during the year	–	–	–	–
	Closing balance	46,45,00,000	46,450.00	46,45,00,000	46,450.00
	Total	46,45,00,000	46,450.00	46,45,00,000	46,450.00

Notes:

1) Out of the total equity shares, 464,500,000 (2023: 464,500,000) shares are held by Mahindra Aerospace Private Limited, the holding company, Including shares held jointly with nominees.

2) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2024 No of shares	As at March 31, 2024 %	As at March 31, 2023 No of shares	As at March 31, 2023 %
Mahindra Aerospace Private Limited and its nominees*	46,45,00,000	100.00%	46,45,00,000	100.00%

* Includes 8 shares (2023: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

3) Shareholding of Promoters

As at 31 March 2024

Promoter Name	No of shares at the begining of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra Aerospace Private Limited and its nominees*	46,45,00,000	–	46,45,00,000	100.00%	0.00%

* Includes 8 shares (2023: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

As at 31 March 2023

Promoter Name	No of shares at the begining of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra Aerospace Private Limited and its nominees*	46,45,00,000	-	46,45,00,000	100.00%	0.00%

* Includes 8 shares (2023: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

3) Rights, preferences and restrictions attached to equity shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 12: Other equity

Rs. In lakhs

Particulars	**Retained earnings**	**Other comprehensive income**	**Total**
As at April 1, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**
Re-measurement gain/(loss) on defined benefit plans	–	(15.41)	(15.41)
Loss for the year	(644.86)	–	(644.86)
As at March 31, 2023	**(29,717.24)**	**(9.14)**	**(29,726.38)**
Re-measurement gain/(loss) on defined benefit plans	–	11.41	11.41
Loss for the year	49.47	–	49.47
As at March 31, 2024	**(29,667.77)**	**2.27**	**(29,665.50)**
Total other equity			
As at March 31, 2023	(29,717.24)	(9.14)	(29,726.38)
As at March 31, 2024	**(29,667.77)**	**2.27**	**(29,665.50)**

Retained earnings :

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income :

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Note 13: Borrowings

Rs. In lakhs

Particulars	**As at March 31, 2024**	As at March 31, 2023
Carried at Amortised Cost		
Non-current		
Secured		
Term loan from banks (Refer note 1 below)	**3,409.86**	750.00
Carried at Amortised Cost		
Current (Refer note 1 below)]		
Secured		
Current maturities of long tem loans	**733.33**	–
Working capital loan from banks	**81.20**	4,102.84
Unsecured		
Loan from related party (Refer note 28)	**10,100.00**	500.00
	10,914.53	4,602.84

Note 1: Terms and repayment schedule

Terms and condition of outstanding borrowings are as follows

Rs. In lakhs

Name of Bank/Party	**Nominal interest rate %**	**Year of maturity**	**Carrying amount** **As at March 31, 2024**	As at March 31, 2023
Axis Bank - Term loan 1*	1 year MCLR	FY 2026	**750.00**	1,000.00
Axis Bank - Term loan 2*	Repo Rate + 2.25%	FY 2030	**3,393.19**	–
Axis Bank - Working capital loan**	1M MCLR	On demand	**43.82**	1,681.31
HDFC Bank - Working capital loan**	6M MCLR	On demand	**37.38**	1,421.53
HDFC Bank - Working capital demand loan**	1M T Bill + 1.2%	On demand	**–**	1,000.00
Mahindra Defence System Limited	9.25%	6 months	**–**	500.00
Mahindra and Mahindra Limited	3M T Bill + 1.25%	1 year	**10,100.00**	–

* The term loan 1 is secured by first pari-passu charge on all movable fixed assets (both present and future) and repayable in 12 quarterly installments commencing from May 2023.

* The term loan 2 is secured by first pari-passu charge on all movable fixed assets (both present and future) and repayable in 27 quarterly installments commencing from September 2023.

** The Company has availed working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, which are secured by charge on all current assests (both present and future)

Note 2: Borrowings are used for the specific purpose for which it was taken. Monthly stock statements submitted to banks are in agreement with books of account.

Net debt reconciliation:

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	**405.23**	33.05
Current borrowings	**(10,181.20)**	(4,602.84)
Non-Current borrowings	**(3,409.86)**	(750.00)
Current maturities of long-term loans	**(733.33)**	(250.00)
Net Surplus/ (debt)	**(13,919.16)**	(5,569.79)

Reconciliation of movement in borrowings to cash flows from financing activities

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance		
Long term borrowings	**1,000.00**	–
Short term borrowings	**4,602.84**	1,672.31
	5,602.84	1,672.31
Cash flow movements		
Proceeds from borrowings	**13,693.19**	6,036.29
Repayment of borrowings	**(4,971.64)**	(2,105.76)
	8,721.55	3,930.53
Closing balance		
Long term borrowings	**4,143.19**	1,000.00
Short term borrowings	**10,181.20**	4,602.84
	14,324.39	5,602.84

Note 14: Lease liablilty

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease liabilities	**19.27**	24.07
	19.27	24.07
Current		
Lease liabilities	**4.80**	4.41
	4.80	4.41

Carrying amounts of lease liabilities recognised and the movements during the year:

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	**28.48**	32.53
Additions	**–**	–
Interest on lease liability	**2.25**	2.61
Payments	**(6.66)**	(6.66)
Closing balance	**24.07**	28.48
Current	**4.80**	4.41
Non-Current	**19.27**	24.07

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The Following are the amounts recognised in Profit or Loss		
Depreciation expense of right-of-use assets	**4.41**	4.59
Interest expense on lease liabilities	**2.25**	2.61
Total amount recongnised in statement of Profit and loss	**6.66**	7.20

Total cash out flows for leases during the year is Rs. 6.66 lakhs (2023: Rs. 6.66 lakhs)

Contractual maturities of lease liabilities on an undiscounted basis:

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	**6.66**	6.66
Later than one year and not later than five years	**22.20**	28.86
More than five years	**–**	–
	28.86	35.52

Note 15: Other financial liabilities

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Current maturities of long tem loans	**–**	250.00
Interest accrued but not due on borrowings	**56.51**	15.54
Security deposits from related party (Refer Note 28)	**2.30**	2.30
Capital creditors*	**127.05**	161.12
	185.86	428.96

* Includes Dues to micro and small enterprises Rs. 10.61 lakhs (2023: Rs.10.51 lakhs) (Refer Note 31)

Note 16: Provisions

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Non-current		
Gratuity (Refer note 27)	**–**	0.06
Compensated absences	**96.01**	88.70
	96.01	88.76
Current		
Gratuity (Refer note 27)	**40.09**	50.74
Compensated absences	**29.08**	26.36
	69.17	77.10

Note 17: Trade payables

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Current, undisputed		
Total outstanding dues of micro and small enterprises (Refer Note 31)	**353.71**	263.52
Total outstanding dues other than micro and small enterprises *	**1,302.33**	878.06
	1,656.04	1,141.58

* Includes oustanding dues to related parties Rs. 94.99 lakhs (2023. Rs 6.23 lakhs) (Refer Note 28)

Note: there are no disputed trade payables

Ageing of Undisputed trade payables outstanding for the following periods from the due date of payment:

As at March 31, 2024 **Rs. In lakhs**

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dues of micro and small enterprises	**325.91**	**10.45**	**–**	**–**	**–**	**336.36**
Dues other than micro and small enterprises	**751.26**	**374.80**	**–**	**–**	**–**	**1,126.06**
						1,462.42
Accrued expenses						
Micro and small enterprises						**17.35**
Others						**176.27**
						1,656.04

As at March 31, 2023 Rs. In lakhs

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Dues to micro and small enterprises	157.41	80.73	–	–	–	238.14
Others	604.37	180.74	–	–	–	785.11
						1,023.25
Accrued expenses						
Micro and small enterprises						25.38
Others						92.95
						1,141.58

Note 18: Other current liabilities

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	**115.49**	87.23
Payables to employees	**577.82**	450.24
Advances from Customer	**151.96**	–
Interest Payable to Micro and Small enterprises (Refer Note 31 (E))	**20.77**	32.59
Others	**3.68**	3.68
	869.72	573.74

Note 19: Revenue from operations

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products		
– Manufactured products	**21,577.31**	13,993.34
– Traded goods	**52.65**	169.60
Sale of services		
– Job work income	**347.38**	129.27
– Product development income	**600.40**	790.31
Other operating revenues		
Duty drawback and other export incentives	**498.52**	358.40
Scrap sales	**314.84**	158.07
	23,391.10	15,598.99

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Disaggregation of the Company's revenue from contracts with customers:		
a) Timing of revenue recognition		
Goods transferred at a point of time (including scrap sales)	**21,944.80**	14,321.01
Service transferred at a point of time	**947.78**	919.58
	22,892.58	15,240.59
b) Revenue recognised from amounts included in contract liabilities at the beginning of the year	**–**	–

Note 20: Other income

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating lease rental income	**2.31**	4.20
Gain on foreign exchange translation (net)	**66.21**	204.98
Interest income on		
Bank deposits	**–**	1.21
Income tax refund	**0.13**	0.65
Profit on sale of property, plant and equipment (net)	**1.26**	–
Other miscellaneous income	**147.86**	14.86
	217.77	225.90

Note 21: Cost of materials consumed

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	**2,651.55**	1,489.59
Add: Purchases	**12,367.78**	7,594.35
Less: Inventory at the end of the year	**3,619.65**	2,651.55
	11,399.68	6,432.39

Note 22: Changes in Inventories of finished goods and work-in-progress

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
At the beginning of the year		
Work-in progress	**923.81**	557.52
Finished progress	**963.78**	961.36
	1,887.59	1,518.88
At the end of the year		
Work-in progress	**1,664.32**	923.81
Finished goods	**1,119.33**	963.78
	2,783.65	1,887.59
Net (increase)/decrease	**(896.06)**	(368.71)

Note 23: Employee benefits expense

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	**4,835.19**	3,580.00
Contribution to provident and other funds *	**231.64**	161.34
Staff welfare expenses	**590.66**	464.14
	5,657.49	4,205.48

* Includes Gratuity expense of Rs. 49.33 lakhs (2023: Rs. 39.35 lakhs)

Note 24: Finance costs

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities measured at amortised costs		
On Term loans (Net of interest capitalized Rs. 74.91 lakhs (2023: Rs. Nil))	**147.56**	24.21
On Working capital Loan	**613.58**	184.27
On lease liabilities	**2.25**	2.61
On others	**16.80**	88.51
	780.19	299.60

Note 25: Depreciation and amortisation expense

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of tangible assets (Refer note 3)	**1,596.84**	1,562.11
Amortisation of intangible assets (Refer note 3)	**90.51**	76.96
Depreciation on right-of-use asset (Refer note 3A)	**4.41**	4.59
	1,691.76	1,643.66

Note 26: Other expenses

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	**1,105.24**	982.47
Power and fuel	**642.99**	470.88
Repairs and maintenance:		
– Plant and equipment	**296.06**	256.72
– Buildings	**14.37**	9.39
– Others	**80.37**	77.61
Insurance	**172.07**	148.24
Rates and taxes	**37.44**	24.05
Auditors remuneration (refer note below)	**20.61**	14.26
Legal and other professional charges	**504.82**	454.39
Travelling and conveyance	**270.21**	247.07
Bank charges	**62.83**	67.52
Business promotion expenses	**22.64**	20.84
Freight outwards	**197.63**	257.97
Information technology expenses	**283.44**	227.58
Manpower hiring expenses	**549.77**	418.48
Property, plant and equipment written off	**6.56**	6.54
Advances written off	**0.76**	–
Office and administrative expenses	**183.71**	131.42
Testing and calibration charges	**132.61**	87.27
Other miscellaneous expenses	**300.35**	220.80
	4,884.48	4,123.50

Note:

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditors' remuneration (excluding GST) includes:		
Statutory audit	**14.00**	12.00
Other services and certifications	**4.97**	1.25
Reimbursement of expenses	**1.64**	1.01
	20.61	14.26

Note 27: Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and others aggregating Rs.172.54 lakhs (2023 : Rs. 121.99 lakhs) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit is payable as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Rs. In lakhs

Particulars	Funded Plan Gratuity 31-Mar-24	31-Mar-23
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	**47.35**	38.53
Net interest cost	**1.98**	0.82
	49.33	39.35

Rs. In lakhs

Particulars	Funded Plan Gratuity 31-Mar-24	31-Mar-23
II. Recognised in other comprehensive income for the year		
Return on Plan Assets	**3.49**	1.79
Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	**–**	–
– Financial Assumptions	**6.32**	(7.02)
– Experience Adjustments	**(21.22)**	20.64
	(11.41)	15.41
Total	**37.92**	54.76
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**253.95**	202.11
2. Acquisitions/Divestures/Transfer (transfer of employees from MAPL)	**–**	–
3. Current Service Cost	**47.35**	38.53
4. Interest Cost	**18.69**	13.92
5. Recognised in Other Comprehensive Income		
– Actuarial (Gain)/Loss	**(14.90)**	13.62
6. Benefit paid	**(8.65)**	(14.23)
Present value of defined benefit obligation at the end of the year	**296.44**	253.95
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**203.15**	175.18
2. Interest income	**16.71**	13.10
3. Recognised in Other Comprehensive Income		
– Return on plan assets	**(3.49)**	(1.79)
4. Contributions by employer	**48.63**	30.89
5. Benefit paid	**(8.65)**	(14.23)
Fair value of plan assets at the end of the year	**256.35**	203.15
V. Net Liability/(Asset) recognised in the Balance Sheet		
– Present value of defined benefit obligation	**296.44**	253.95
– Fair value of plan assets	**(256.35)**	(203.15)
Net liability	**40.09**	50.80
Current portion of the above	**40.09**	50.74
Non current portion of the above	**–**	0.06

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Actuarial Assumptions:

The principal assumptions used in determining defined benefit obligations and fair value of asset for gratuity and leave encashment are:

Particulars	31-Mar-24	31-Mar-23
Discount rate	**7.28%**	7.49%
Future salary increases	**6.00%**	6.00%
Attrition rate	**11.12%**	11.12%
Estimated rate of return on plan assets	**7.49%**	7.14%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 are as below

	Gratuity						
Assumptions	**Discount Rate**		**Further Salary Increase**		**Attrition**		**Mortality**
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	10% Up
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(25.61)	30.14	28.94	(25.43)	1.01	(1.23)	0.02
Percentage change	(8.64%)	10.17%	9.76%	(8.58%)	0.34%	(0.41%)	0.01%

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 are as below

	Gratuity						
Assumptions	**Discount Rate**		**Further Salary Increase**		**Attrition**		**Mortality**
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	10% Up
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(20.06)	23.50	23.02	(19.92)	1.29	(1.51)	0.03
Percentage change	(7.90%)	9.25%	9.06%	(7.84%)	0.51%	(0.60%)	0.01%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions by the Company to the defined benefit plan in future years:

Rs. In lakhs

Particulars	Gratuity 31-Mar-24	31-Mar-23
Within the next 12 months	**29.88**	42.42
Between 2 and 5 years	**68.02**	45.58
Between 6 and 10 years	**65.97**	62.11
Above 10 years	**132.58**	103.84

Note 28: Related Party transactions

i) Related parties where control exists along with nature of relationship

Name of Related Party Company	**Nature of Relationship**
Mahindra & Mahindra Limited	Ultimate holding company
Mahindra Aerospace Private Limited	Holding company
Mahindra Aerostructures Private Limited Employees Group Gratuity Assurance Scheme	Employees Gratuity Trust

Other related parties with whom transaction have taken place during the year:

Name of Related Party	**Nature of Relationship**
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
Bristlecone India Limited	Fellow subsidiary
Mahindra Defence Systems Limited	Fellow subsidiary

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel (KMP)

Mr. S. P. Shukla	Director & Chairman
Mr. Vinod Kumar Sahay	Director (w.e.f August 01,2023)
Mr. Arvind Kumar Mehra	Managing Director & CEO
Dr. Karthik Krishnamurthy	Wholetime Director & Chief Operating Officer
Ms. Seema Bangia	Director (until April 01, 2024)
Mr. Mukul Verma	Director
Mr. Dhiraj Rajendran	Director (Until March 29, 2023)
Mr. T Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties during the year:

Rs. In lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Transactions with Group entities		
Services received		
Mahindra and Mahindra Limited		
Staff welfare (Training expenses)	**14.91**	12.09
Legal and other professional charges	**357.48**	312.53
Information technology expenses	**196.39**	167.81
Other miscellaneous expenses (Guarantee commission)	**27.30**	–
Mahindra Integrated Business Solutions Private Limited		
Legal and other professional charges	**4.54**	3.12
Manpower hiring expenses	**3.04**	10.20
Bristlecone India Limited		
Capital work in progress	**16.30**	–
Legal and other professional charges	**–**	4.66
	619.96	510.41
Unsecured Loan taken		
Mahindra and Mahindra Limited	**10,100.00**	–
Mahindra Defence Systems Limited	**–**	2,000.00
	10,100.00	2,000.00
Unsecured Loan repaid to Mahindra Defence Systems Limited	**500.00**	1,500.00
	500.00	1,500.00
Interest on Loan (included under Note 24 Finance costs)		
Mahindra and Mahindra Limited	**62.78**	–
Mahindra Defence Systems Limited	**22.68**	30.59
	22.68	30.59
Guarantee given by Mahindra and Mahindra Limited to the Customers of the Company	**12,504.00**	–
	12,504.00	–
Rent received from Mahindra Aerospace Private Limited	**2.31**	4.20
	2.31	4.20
II. Transactions with key managerial personnel		
Salary and perquisites*		
Mr. Arvind Kumar Mehra	**214.74**	238.62
Dr. Karthik Krishnamurthy	**98.24**	82.50
Mr. T. Subrahmanya Sarma	**68.19**	63.73
	381.17	384.85

* Compensation of key managerial personnel does not include post employment defined benefit plan and compensated absences as the same has been provided based on the actuarial valuation determined for the Company as a whole.

(iv) Details of balances receivable from and payable to related parties are:

Rs. In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Loan outstanding		
Mahindra and Mahindra Limited	**10,100.00**	–
Mahindra Defence Systems Limited	**–**	500.00
	10,100.00	500.00
Guarantee given to customers of the Company		
Mahindra and Mahindra Limited	**12,504.00**	–
	12,504.00	–
Trade payables		
Mahindra and Mahindra Limited	**94.48**	5.87
Mahindra Integrated Business Solutions Private Limited	**0.51**	0.36
	94.99	6.23
Interest payable on loan		
Mahindra and Mahindra Limited	**56.51**	–
Mahindra Defence Systems Limited	**–**	1.52
	56.51	1.52
Security deposit received		
Mahindra Aerospace Private Limited	**2.30**	2.30
	2.30	3.60

Terms and conditions of transactions with related parties:

The transactions with related parties are done on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except loans) and settlement occurs in cash. Guarantees received from related parties will be revoked upon fulfilment of the contracts for which such guarantees have been provided.

Note 29: Financial instruments - Fair values and risk management

A The carrying value and fair value of financial instruments by categories

Rs. In lakhs

	For the year ended March 31, 2024		For the year ended March 31, 2023		Fair value			
	Carrying Value	**Amortised cost**	Carrying Value	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	**8,759.38**	**8,759.38**	4,790.62	4,790.62	–	–	–	–
Cash and cash equivalents and other bank balances	**405.23**	**405.23**	33.05	33.05	–	–	–	–
Security deposits	**37.17**	**37.17**	36.21	36.21	–	–	–	–
	Carrying Value	**FVTPL**	Carrying Value	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Derivatives - MTM gain on foreign currency forward contract	**8.29**	**8.29**	–	–	–	8.29	–	

	As at March 31, 2024		As at March 31, 2023		Fair value			
	Carrying Value	**Amortised cost**	Carrying Value	Amortised cost	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value								
Borrowings	**14,324.39**	**14,324.39**	5,352.84	5,352.84	–	–	–	–
Trade payables	**1,656.04**	**1,656.04**	1,141.58	1,141.58	–	–	–	–
Other financial liabilities	**185.86**	**185.86**	428.96	428.96	–	–	–	–
Lease liabilities	**24.07**	**24.07**	28.48	428.96	–	–	–	–

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, trade receivables, loans, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value. Based on this evaluation, the Company records allowance for estimated losses on these receivables. As of March 31, 2024 and March 31, 2023, the carrying value of such receivables, net of allowances approximates the fair value.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:
– Market risk
– Credit risk
– Liquidity risk

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having variable rate loans and borrowings.

b. Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Average Interest Rate	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2024			
Interest rates increased by 50 bps	9.18%	+50	Increase in interest by Rs. 35.83 lakhs
Interest rates reduced by 50 bps	9.18%	-50	Reduction in interest by Rs. 35.83 lakhs
March 31, 2023			
Interest rates increased by 50 bps	7.75%	+50	Increase in interest by Rs. 11.39 lakhs
Interest rates reduced by 50 bps	7.75%	-50	Reduction in interest by Rs. 11.39 lakhs

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

d. Derivative Financial instrument

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding

	As at March 31, 2024		As at March 31, 2023		
Particulars	**in Foreign Currency in lakhs**	**Rs. In lakhs**	in Foreign Currency in lakhs	Rs. In lakhs	Currency
Forward contract (Sell)	**83.00**	**6,973.35**	–	–	USD/INR

The foreign exchange forward contracts mature within 12 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date

Particulars	**As at March 31, 2024**	As at March 31, 2023
Not later than one month	**–**	–
Later than 1 Month but not later than 3 months	**1,249.69**	–
Later than 3 Months but not later than 1 Year	**5,723.66**	–

d. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, CHF, CAD and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies are not material.

Rs. In lakhs

	31-Mar-24		31-Mar-23	
Particulars	**Increase / decrease in basis points**	**Effect on profit before tax**	Increase / decrease in basis points	Effect on profit before tax
USD	**+50**	**49.08**	+50	24.76
EUR	**+50**	**1.05**	+50	(0.35)
CHF	**+50**	**–**	+50	(0.01)
CAD	**+50**	**–**	+50	0.02
GBP	**+50**	**(0.01)**	+50	–
USD	**-50**	**(49.08)**	-50	(24.76)
EUR	**-50**	**(1.05)**	-50	0.35
CHF	**-50**	**–**	-50	0.01
CAD	**-50**	**–**	-50	(0.02)
GBP	**-50**	**0.01**	-50	–

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in foreign currency, where the functional currency of the entity is other than that foreign currency.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a. Trade Receivable

Trade Receivables: The credit period on sales ranges between 30 to 120 days. No interest is charged on trade receivables. The company's customers are reputed Aerospace industry companies having good financial position and there is no past default experience of the counter parties. Trade receivables disclosed below includes the amounts that are past due at the end of the reporting period for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts are still considered recoverable.

The Company has used practical expedient by computing expected credit loss allowance based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of reporting period as follows.

Sunday, March 31, 2024

Rs. In lakhs

Age of Receivables	**Expected Credit loss**	**Gross carrying amount**	**Loss Allowance**	**Credit Impaired**
Not Due	**0%**	**8,626.00**	**–**	**No**
< 90 Days	**0%**	**129.58**	**–**	**No**
90-180 days due	**0%**	**3.18**	**–**	**No**
180-270 days due	**0%**	**0.00**	**–**	**No**
270-360 days due	**0%**	**0.62**	**–**	**No**
> 360 days due	**0%**	**–**	**–**	**No**
Total		**8,759.38**	**–**	

Friday, March 31, 2023

Rs. In lakhs

Age of Receivables	Expected Credit loss	Gross carrying amount	Loss Allowance	Credit Impaired
Not Due	0%	4,678.14	–	No
< 90 Days	0%	110.70	–	No
90-180 days due	0%	1.46	–	No
180-270 days due	0%	0.32	–	No
270-360 days due	0%	0.00	–	No
> 360 days due	0%	0.00	–	No
Total		4,790.62	–	

Information about major customers:

Customers contributing 10% or more of Company's revenue (Four customers amounting to Rs 15,764.46 Lakhs in 2023-24 and Five customers amounting to Rs 12,563.26 Lakhs in 2022-23) constitute 70% and 83% for the current year and previous year respectively. Receivables from these external customers is Rs.7,148.64 Lakhs (2023: Rs. 3,822.09 Lakhs) representing 82% (2023: 80%) of Company's total receivables as at March 31, 2024. Apart from the aforesaid customers, the Company does not have a significant credit risk exposure to any other single counterparty.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs. In lakhs

	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended 31 March 2024						
Borrowings	**81.20**	**10,833.33**	**3,256.67**	**153.19**	**–**	**14,324.39**
Trade payables	**–**	**1,656.04**	**–**	**–**	**–**	**1,656.04**
Other financial liabilities	**–**	**185.86**	**–**	**–**	**–**	**185.86**
Lease liabilities	**–**	**6.66**	**6.66**	**15.54**	**–**	**28.86**
	81.20	**12,681.89**	**3,263.33**	**168.73**	**–**	**16,195.15**
Year ended 31 March 2023						
Borrowings	4,102.84	750.00	333.33	416.67	–	5,602.84
Trade payables	–	1,141.58	–	–	–	1,141.58
Other financial liabilities	–	178.96	–	–	–	178.96
Lease liabilities	–	6.66	6.66	22.20	–	35.52
	4,102.84	2,077.20	339.99	438.87	–	6,958.90

Financial assets carried at amortised cost as at March 31, 2024 is Rs. 9,164.61 Lakhs (2023: Rs. 4,859.87 Lakhs) carried at amortised cost is in the form of cash and cash equivalents, bank deposits, earmarked balances with banks, security deposits etc. where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 8,759.38 Lakhs as at March 31, 2024 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method (if any).

Basis this assessment, the Management believes Company is not required to provide for doubtful trade receivables as at March 31, 2024.

D Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

Rs. In lakhs

	As at March 31, 2024	As at March 31, 2023	% change
Total equity (A)	**16,784.50**	16,723.62	0.36%
Current loans and borrowings	**10,181.20**	4,602.84	
Non current loans and borrowings	**3,409.86**	750.00	
Current maturities of long-term loans	**733.33**	250.00	
Total loans and borrowings (B)	**14,324.39**	5,602.84	155.66
Total capital (loans and borrowings and equity) (C)	**31,108.89**	22,326.46	
As percentage of total capital (B/C)	**46.05**	25.10	
Total loans and borrowings as percentage of Total equity (B/A)	**85.34**	33.50	

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

30. Commitments and contingent liabilities

1. Contingent Liabilities

Claims against the company not acknoweledged as debt

a) Customs duty and penalty of Rs. 2,598.85 lakhs (2023: 2,598.85 lakhs) pertaining to financial year 2012-13, along with the applicable interest payable against the order issued by the Commissioner of Customs in the matter of import of certain pre-owned equipment. The Company has filed an appeal and the same is pending with the CESTAT. An amount of Rs. 232.14 lakhs has been paid under protest.

b) Customs duty of Rs. 41.36 lakhs along with the applicable interest (2023: Rs. 41.36 lakhs) payable against the Demand Cum show cause notice, pertaining to financial year 2012-13, issued by the Directorate of Revenue Intelligence in the matter of certain imports relating to installation of certain equipment, for which the company has submitted reply and the same is pending with Joint Commissioner of Customs. An amount of Rs. 45.33 lakhs has been paid under protest.

c) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution form the date of Supreme court order. The probable obligation for past periods amounting to Rs. 83.75 Lakhs has been considered by the Company as contingent liability.

Note: The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of operations.

2. Commitment

a) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs. 4,853.54 lakhs (2023: Rs. 412.87 lakhs)

b) The Company entered into a lease-cum-sale agreement ('Agreement') for a period of 10 years with KIADB for 20 acres of land allotted in Narasapura Industrial area, Kolar District, Karnataka, for the setting up of aerospace component manufacturing facility. The title of the land will be transferred to the Company during the current lease term or at the end of 10 year or extended period, if any, after fulfilling all conditions stipulated in the said Agreement.

The Company had so far incurred an amount of Rs. 1,116.16 lakhs (2023: Rs. 1,116.16 lakhs) towards allotment consideration and other related expenses in connection with the said lease-cum-sale agreement. The said amount is disclosed under non-current assets. The Company initiated the process to get the land transferred in its name

31. Dues to micro , small and medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the Auditors. The disclosures relating to Micro, Small and Medium Enterprises as at the year ends are as under: -

			Rs. in Lakhs
Sr. No.	**Particulars**	**As at March 31, 2024**	As at March 31, 2023
A	The principal amount remaining unpaid to supplier as at the end of the year	364.32	274.03
B	The interest due thereon remaining unpaid to supplier as at the end of the year	–	0.18
C	Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	4,025.52	2,411.79
	- Interest paid in terms of the Section 16 of the Act	27.04	6.55
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	–	–
E	Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	20.77	32.59
F	The amount of interest accrued during the year and remaining unpaid at the end of the year	15.22	27.04

32. Earnings Per Share:

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

Sr. No.	**Particulars**	**For the year ended March 31, 2024**	For the year ended March 31, 2023
(a)	Earnings attributable to equity shareholders	**49.47**	(644.86)
(b)	Weighted average number of equity shares outstanding during the year	**464,500,000**	464,500,000
(c)	Basic Earnings per share (Rs. In absolute)	**0.01**	(0.14)
(d)	Dilutive Earnings per share (Rs. In absolute)	**0.01**	(0.14)

Weighted average no of shares (basic & diluted)

Sr. No.	**Particulars**	**For the year ended 31 March 2024**	For the year ended 31 March 2023
(a)	Opening Balance	**464,500,000**	464,500,000
(b)	Effect of fresh issue of shares	**–**	–
(c)	Weighted average no. of shares	**464,500,000**	464,500,000

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**464,500,000**	464,500,000
Add: Effect of potential equity shares	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**464,500,000**	464,500,000

32. During the previous year ended March 31, 2023, management has carried out technical evaluation of certain Plant and machinery which are specialized equipments used for specific purposes. Based on such evaluation, management noted that these assets are not likely to be used due to capability limitations and are not expected to generate any future economic benefits to the Company. Management has performed a cost benefit analysis and identified that the refurbishing cost to bring these assets into use is significantly higher as compared to replacement cost of new assets. Accordingly, management has decided to charge accelerated depreciation of Rs. 157.19 Lakhs, resulting in the closing written down value of such assets to be Nil.

33. **Segment Reporting:**

The Company primarily operates in the aerospace segment. The Activities of the Company includes "Sale of aircraft components and sub assemblies".

The Managing Director & CEO of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely aerospace segment . Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from Operations (other than "Other operating revenues")

	Domestic	**Overseas**	**Total**
2023-24	**692.89**	**21,884.85**	**22,577.74**
2022-23	513.07	14,569.45	15,082.52

a) Domestic & Overseas segments include Component sales, job work services and product development income to customers located in India & Out side India

b) There are no assets located outside India, other than trade receivables of Rs. 8,749.35 lakhs (2023: Rs. 4,785.45 lakhs)

c) Customers contributing 10% or more of Company's revenue (Four customers amounting to Rs. 15,764.46 Lakhs in 2023-24 and Five customers amounting to Rs. 12,563.26 Lakhs in 2022-23)

d) All the Other operating revenues are domestic revenues.

Geographic information

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	**692.89**	513.07
All foreign countries		
USA	**11,377.47**	4,522.68
France	**2,800.34**	2,959.15
Germany	**2,556.06**	2,511.21
UK	**1,862.60**	1,983.14
Other Foreign countries	**3,288.38**	10,601.56
Total	**22,577.74**	23,090.81

35. The Company has incurred losses in the previous years and earned marginal profit in the current year. The Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. Based on approved business plans, undrawn borrowing facilities from the banks and cash flow projections, the manangement of the company believes that the use of going concern assumption is appropriate in the preparation of these financial statements of the company. The Company's current assets exceed its current liabilities as at March 31, 2024, in addition to generating cash profit during the year.

Note 36: Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

Deferred tax

Deferred tax assets/(Liabilities) as at March 31, 2024 are as follows

Particulars	April 1, 2023	To be recognised in Profit and Loss	To be recognised in OCI	March 31, 2024
Difference between book and tax depreciation	(642.52)	(19.34)	–	**(661.86)**
Provision for employee benefits	43.13	(3.15)	2.97	**42.95**
Provision for inventory	48.49	4.71	–	**43.78**
Provision for receivables and other financial assets	323.52	–	–	**323.52**
Unabsorbed Depreciation	3,315.91	(33.20)	–	**3,349.11**
Carry forward losses	2,673.03	36.81	–	**2,636.22**
Others	9.23	(5.51)	–	**14.74**

Deferred tax assets/(Liabilities) as at March 31, 2023 are as follows

Particulars	April 1, 2022	To be recognised in Profit and Loss	To be recognised in OCI	March 31, 2023
Difference between book and tax depreciation	(624.40)	(18.12)	–	(642.52)
Provision for employee benefits	39.95	7.19	(4.01)	43.13
Provision for inventory	37.47	11.02	–	48.49
Provision for receivables and other financial assets	323.52	–	–	323.52
Unabsorbed Depreciation	3,205.37	110.54	–	3,315.91
Carry forward losses	3,742.92	(1,069.89)	–	2,673.03
Others	7.62	1.61	–	9.23

The Company has carry forward losses under tax laws and accordingly, net deferred tax assets would be recognized only on achieving continued / sustained profitability, when such future taxable income will be available against which such deferred tax assets which can be realized. Since the Company has not yet achieved sustained profitability, as at March 31, 2024 and March 31, 2023, deferred tax assets have not been recognised

(b) Amount reocognised in statement of profit and loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax	**–**	–
Deferred tax	**–**	–

(c) Reconciliation of effective tax rate:

Particulars	As at March 31, 2024		As at March 31, 2023	
Profit/(loss) before tax		**49.47**		(644.86)
Income tax expense calculated at domestic tax rates applicable to profits	**26.00%**	**12.86**	26.00%	(167.66)
Tax effects of:				
Permanent differences		**9.58**		25.07
Timing differences		**14.37**		16.75
Utilization of Carry forward losses		**(36.81)**		
Deferred tax asset not recognised in statement of profit and loss				125.84
Income tax expense		**–**		–
		(12.86)		167.66
Effective tax rate		**26.00%**		26.00%

(d) Tax losses

Particulars	For the year ended March 31, 2024	Expiry date	For the year ended March 31, 2023	Expiry date
Loss from business	**10,139.32**	March 31, 2025 to March 31, 2029	10,280.88	March 31, 2024 to March 31, 2028
Unabsorbed depreciation	**12,881.19**	Carried forward indefinitely	12,753.50	Carried forward indefinitely
Total	**23,020.51**		23,034.38	
Potential tax benefit	**5,985.33**		5,988.94	

37. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 38: Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	18,448.64	13,700.12	1.35	1.64	-18%	Variance less than 25%
Debt-Equity ratio	14,324.39	16,784.50	0.85	0.34	155%	Increase in working capital borrowings in line with increase in operations and Long term loan for capital expenditure
Debt Service Coverage ratio	2,528.74	780.19	3.24	4.36	-26%	Higher interest cost on account of increased borrowings
Return on Equity ratio	49.47	16,754.06	0.3%	-3.8%	108%	Improved profitability on account of increase in turnover
Inventory Turnover ratio	22,577.74	5,928.95	3.81	3.62	5%	Variance less than 25%
Trade Receivables Turnover ratio	22,577.74	6,775.00	3.33	3.99	-16%	Variance less than 25%
Trade Payables Turnover ratio	12,409.64	1,398.81	8.87	5.94	49%	Due to Increase in operations and higher turnover
Net capital turnover ratio	22,577.74	4,748.52	4.75	3.43	39%	Due to higher turnover in current year
Net profit ratio	49.47	22,577.74	0%	-4%	105%	Improved profitability on account of increase in turnover
Return on capital employed	829.66	31,108.89	2.7%	-1.5%	272%	
Return on investment		Not Applicable				

Ratio	Formula
Current ratio	Current Assets/Current Liabilites
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory
Trade Receivables Turnover ratio	Net Credit Sales / Avg trade receivables
Trade Payables Turnover ratio	Net Credit purchases / Avg trade payables
Net capital turnover ratio	Net Sales / working capital
Net profit ratio	Net Profit / Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

Note 39- Impairment

The management assesses the performance of the Company including the future projections and relevant economic and market conditions in which it operates to identify if there is any indicator of impairment / reversal impairment, in the carrying value of the net assets of the Company. For this purpose, entire business operations of the Company is treated as a single Cash Generating Unit (CGU)

In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available.

The recoverable amount of the CGU was estimated based on the present value of the future cash flows expected to be derived from the CGU (value in use), using a pre-tax discount rate of 18.60% and a high growth rate of 16.50% from FY 2034 – FY 2038 and terminal value growth rate of 5% thereafter . The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required.

During the year ended 31 March 2024,the Company reassessed its estimates and no impairment loss recognized.

The estimate of value in use was determined using a pre-tax discount rate of 18.60% (2023: 18.90%) and a terminal value growth rate of 16.50% from FY 2034 – FY 2038 (2023: 14.50% from FY 2032-FY 2037)

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Provision for diminution in value of net assets	**–**	–
(Reversal of)/Impairment loss	**–**	–

Recoverable amount as follows:

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Net assets	**16,784.50**	16,723.62

During the year the Company reassessed its estimates and no impairment loss recognized (2023: Rs. Nil)

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Discount rate	**18.60%**	18.90%
High Growth rate	**16.50%**	14.50%
Terminal value growth rate	**5.00%**	5.00%
Budgeted Average EBIDTA growth rate	**25.13%**	27.64%

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

The cash flow projections included specific estimates for nine years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make Budgeted EBITDA was estimated taking into account past experience, adjusted as follows Revenue growth was projected taking into account the average growth levels experienced over the past nine years and the estimated sales volume and price growth for the next nine years. It was assumed that the sales price and sales volume would increase in line with forecast inflation over the next nine years.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Rs. 30,145.00 lakhs (2023: Rs. 20,419.00). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Rs. in Lakhs

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Discount rate	**5.94%**	4.74%
Budgeted Average EBIDTA growth rate	**-6.62%**	-4.86%

40. As the Company has losses in the earlier years provision of corporate social responsibility as per Companies Act, 2013 was not applicable.

41. The Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

42. During the year ended March 31, 2024, no material foreseeable loss (2023: Nil) was incurred for any long-term contract including derivative contracts.

43. The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

46. The Company has not traded or invested in Crypto currency or virtual currency during the current year.

47. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

48. There are no immovable properties (other than properties where the Company is a lessee) whose title deeds are not in the name of the Company.

49. The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

50. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bengaluru
Date: April 22, 2024

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A

Mr. V. S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Mumbai
Date: April 22, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF MAHINDRA AEROSPACE AUSTRALIA PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Mahindra Aerospace Australia Pty Ltd, "the Company", which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the director's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of shareholders and the director.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Mahindra Aerospace Australia Pty Ltd to meet the requirements of shareholders and the director. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Non-Going Concern Basis for Preparation

We draw attention to Note 1(a) in the financial report which indicates that the financial report has been prepared on a non- going concern basis, given the company's intention to sell, dispose of, or transfer its equity ownership and/or dispose of all of its business and/or assets. Our opinion is not modified in respect to this matter.

Other Information

The director is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

N R BULL — PITCHER PARTNERS

Partner — Melbourne

Date: 17 April 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 $	2023 $
Revenue and other income			
Interest income		**114,641**	39,898
		114,641	39,898
Less: expenses			
Employee benefits expense	2	**(190,598)**	–
Insurance Expense		**(53,713)**	–
Travel Expense		**(29,234)**	–
Professional fees		**(263,834)**	(222,877)
Impairment loss	2	**(1,747,997)**	(3,250)
Other expenses		**(33,374)**	(7,406)
		(2,318,750)	(233,533)
Loss before income tax expense		**(2,204,109)**	(193,635)
Other comprehensive income for the year		**–**	–
Total comprehensive loss		**(2,204,109)**	(193,635)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	**2024**	2023
		$	$
Current assets			
Cash and cash equivalents	3	**3,599,291**	5,763,810
Receivables	4	**53,834**	18,651
Other assets	5	**15,867**	–
Total current assets		**3,668,992**	5,782,461
Non-current assets			
Investments in subsidiaries	6	**–**	–
Total non-current assets		**–**	–
Total assets		**3,668,992**	5,782,461
Current liabilities			
Payables	7	**106,310**	23,372
Provisions	8	**7,702**	–
Total current liabilities		**114,012**	23,372
Total liabilities		**114,012**	23,372
Net assets		**3,554,980**	5,759,089
Equity			
Share capital	9	**142,135,380**	142,135,380
Accumulated losses	10	**(138,580,400)**	(136,376,291)
Total equity		**3,554,980**	5,759,089

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital $	Accumulated losses $	Total equity $
Balance as at 1 April 2022	142,135,380	(136,182,656)	5,952,724
Loss for the year	–	(193,635)	(193,635)
Total comprehensive loss for the year	–	(193,635)	(193,635)
Balance as at 31 March 2023	142,135,380	(136,376,291)	5,759,089
Balance as at 1 April 2023	142,135,380	(136,376,291)	5,759,089
Loss for the year	–	(2,204,109)	(2,204,109)
Total comprehensive loss for the year	–	(2,204,109)	(2,204,109)
Balance as at 31 March 2024	**142,135,380**	**(138,580,400)**	**3,554,980**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 $	2023 $
Cash flow from operating activities			
Payments to suppliers		**(495,980)**	(217,882)
Interest received		**79,458**	21,247
Net cash used in operating activities		**(416,522)**	(196,635)
Cash flow from investing activities			
Payment for investments		**(1,747,997)**	(3,250)
Net cash used in investing activities		**(1,747,997)**	(3,250)
Reconciliation of cash			
Cash at beginning of the financial period		**5,763,810**	5,963,695
Net decrease in cash held		**(2,164,519)**	(199,885)
Cash at end of financial period		**3,599,291**	5,763,810

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTE 1: BASIS OF PREPARATION

General information

The director has determined that the company is not a reporting entity on the basis that, in the opinion of the director, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared for use by the directors and members of the company.

The financial report covers Mahindra Aerospace Australia Pty Ltd as an individual entity. Mahindra Aerospace Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Mahindra Aerospace Australia Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

This financial report is a special purpose financial report of the company. The financial report excludes the consolidation of controlled entities.

The financial report was approved by the director at the date of the director's report.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations. The financial report does not comply with the disclosure requirements of Australian Accounting Standards.

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Accounting policies

The following accounting policies have been applied in the preparation and presentation of the financial report.

(a) Non-going concern

The company is seeking to sell, dispose of, or transfer 100% of the equity ownership in the company and/or dispose of all assets. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interperetations are applied in the context of Mahindra Aerospace Australia Pty Ltd ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and Interperetations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(b) Other revenue and other income

Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(d) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs of disposal and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(e) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(f) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(g) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

	2024 $	2023 $
NOTE 2: OPERATING LOSS		
Loss before income tax has been determined after:		
Impairment		
– Investment in subsidiary	**1,747,997**	3,250
Employee benefits	**190,598**	–
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash at bank	**3,599,291**	5,763,810
NOTE 4: RECEIVABLES		
CURRENT		
Withholding tax receivable	**53,834**	18,651
NOTE 5: OTHER ASSETS		
CURRENT		
Prepayments	**15,867**	–
Deposits	**–**	228,289
Less provision for impairment loss	**–**	(228,289)
	15,867	–
NOTE 6: INVESTMENT IN SUBSIDIARIES		
Investment in GippsAero Pty Ltd	**–**	101,893,390
Investment in GA8 Airvan Pty Ltd	**–**	10,503
Investment in GA200 Pty Ltd	**–**	10,503
Investment in Airvan 10 Pty Ltd	**–**	10,510
Investment in Airvan Flight Services Pty Ltd	**–**	10,502
Investment in Nomad TC Pty Ltd	**–**	5,012,150
Provision for impairment loss	**–**	(106,947,558)
Total financial assets at cost	**–**	–
NOTE 7: PAYABLES		
CURRENT		
Unsecured liabilities		
Accrued expenses	**106,310**	23,372
NOTE 8: PROVISIONS		
CURRENT		
Employee benefits	**7,702**	–

	2024 $	2023 $
NOTE 9: SHARE CAPITAL		
Issued and paid-up capital		
15,401,454,500 (2023: 15,401,454,500) ordinary shares	**142,135,380**	142,135,380
NOTE 10: ACCUMULATED LOSSES		
Accumulated losses at beginning of year	**(136,376,291)**	(136,182,656)
Net loss for the year	**(2,204,109)**	(193,635)
	(138,580,400)	(136,376,291)

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2024 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2024, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2024, of the company.

NOTE 12: COMPANY DETAILS

The registered office of the entity is:

Mahindra Aerospace Australia Pty Ltd
Pitcher Partners
Level 13
664 Collins Street
DOCKLANDS VIC 3008

DIRECTOR'S DECLARATION

The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director of the company declares that:

1. The financial statements and notes, as set out on pages herein presents fairly the company's financial position as at 31 March 2024 and performance for the year ended on that date of the company in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed

Director: Ajay Mantry

Dated this 17th day of April 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Sustainable Energy Private Limited (formerly know as Mahindra Telecom Energy Management Services Private Limited)

Report on the Audit of Ind AS Financial Statements

1. **Opinion**

We have audited the accompanying Ind AS financial statements of Mahindra Sustainable Energy Private Limited ("the Company") (formerly know as Mahindra Telecom Energy Management Services Private Limited), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of material accounting policies information and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2024, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. **Information other than the Ind AS financial statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. **Responsibilities of Management and those charged with Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. In making risk assessments, we consider internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2015, as amended.

e) On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.

f) Reporting on adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls is not applicable as per the notification No. G.S.R 583 (E) issued by Ministry of Corporate Affairs, Government of India, dated June 13, 2017.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2024;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would have an impact on its financial position.

   ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. No dividend has been declared or paid during the year by the company in compliance with section 123 of the Companies Act, 2013.

   vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN: 24111383BKBGNT9969

Place: Mumbai
Date: April 18, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report of even date on the Ind AS financial statements of Mahindra Sustainable Energy Private Limited (formerly know as Mahindra Telecom Energy Management Services Private Limited)

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) (a) (A) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under this Clause is not applicable.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under this Clause is not applicable.

(b) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly reporting under this Clause is not applicable.

(c) According to information and explanations given to us, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) As per the information and explanations given to us and the records of the Company examined by us, the company does not have any Property, Plant and Equipment and accordingly, reporting under this Clause is not applicable.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As per the information and explanations given to us, the company does not have any inventory during the year. Hence, reporting under this Clause is not applicable.

(b) Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under this Clause is not applicable.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, or given guarantee ,or provided security to companies, firms, limited liability partnership or any other parties during the year.

(A) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not provided loans or advances and guarantees or security to subsidiaries during the year.

(B) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not provided loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.

(b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, investment made are not prejudicial to the company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(d) , 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to unsecured loans granted (in previous year) and Investments made.

(v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.

(vii) a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess which were due for more than six months from the date they become payable as at the year end.

b) According to the records examined by us and as per the information and explanations given to us, there are no statutory dues outstanding as at March 31, 2024 which have not been deposited on account of disputes.

(viii) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a) The Company has not taken any term loan, hence reporting under clause ix (a) of the order is not applicable.

b) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

c) The Company has not taken any term loan, hence reporting under clause ix (c) of the order is not applicable.

d) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised loans during the year, hence reporting under clause ix (d) of the order is not applicable to the Company.

e) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint ventures, hence reporting under clause ix (e) of the order is not applicable to the Company.

f) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting under clause ix (f) of the order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanation given by the management, we report that no fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) According to the information and explanations given to us, and on the basis of our verification of records of the Company, there were no whistle blower complaints received by the company during the year and up to the date of this report.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) (a) to (c) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by applicable accounting standard.

(xiv) According to the information and explanations given by the management, the provisions of Section 138 of the Act relating to Internal Audit is not applicable to the Company and accordingly, reporting under clause 3(xiv)(a) and 3(xiv) (b) of the Order is not applicable for the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India At, 1934. Accordingly, provisions of Clause 3 (xvi) (a) and (b) of the Order are not applicable to the Company.

b) The company has not conducted any Non- Banking Financial or Housing Finance activities and hence reporting under clause 3 (xvi)(b) is not applicable to the Company.

c) In Our opinion and according to the information and explanation given to us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

d) According to the information and explanation given to us by the management, the Group has four CIC.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses during the financial year of Rs.9,96,796/- and Rs. Nil in the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditors of the Company during the year.

(xix) According to the information and explanation given to us and on the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment to financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Provision of Section 135 of the Companies Act, 2013 are not applicable. hence, reporting under clause (xx) (a) and (b) not applicable to the Company as on reporting date.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN: 24111383BKBGNT9969

Place: Mumbai
Date: April 18, 2024

BALANCE SHEET AS AT MARCH 31, 2024

(In Rs. Thousand)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 NON-CURRENT ASSETS			
(i) Financial Assets			
(i) Investments	3	**12,21,928.79**	6,22,148.19
(ii) Other Non-current Assets	4	**31.28**	10.00
Sub-Total		**12,21,960.07**	6,22,158.19
2 CURRENT ASSETS			
(a) Inventories		**–**	–
(b) Financial Assets			
(i) Trade Receivables	5	**2,836.48**	9,353.18
(ii) Cash and Cash Equivalents	6	**10,979.90**	6,511.69
(iii) Loans	7	**–**	60,000.00
(c) Other Current Assets	8	**378.68**	189.38
SUB-TOTAL		**14,195.06**	76,054.25
TOTAL ASSETS		**12,36,155.13**	6,98,212.44
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	9	**12,34,352.00**	6,94,352.00
(b) Other Equity	10	**749.53**	2,001.54
SUB-TOTAL		**12,35,101.53**	6,96,353.54
LIABILITIES			
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables:			
(A) Total outstanding dues to Micro & small enterprises	11	**46.21**	442.92
(B) Total outstanding dues to creditors other than Micro & small enterprises	11	**889.29**	562.11
(b) Other Current Liabilities	12	**118.10**	133.28
(c) Current Tax Liabilities (Net)	13	**–**	720.59
Sub-Total		**1,053.60**	1,858.90
Total Equity and Liabilites		**12,36,155.13**	6,98,212.44

The accompanying notes 1 to 28 are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ankit Kotak
Chief Financial Officer
PAN: ATUPK5449C

Parul Soni
Company Secretary
ACS-A73017

Place : Mumbai
Date : April 18, 2024

Place : Mumbai
Date : April 18, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(In Rs. Thousand)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	14	**2,321.64**	18,449.58
II Other Income	15	**1,159.63**	9,648.06
III **Total Income (I + II)**		**3,481.27**	28,097.64
IV **EXPENSES**			
(a) Cost of materials consumed	16	**2,321.64**	18,440.00
(b) Other expenses	17	**2,156.42**	7,884.12
Total Expenses		**4,478.06**	26,324.12
V **Profit/(loss) before exceptional Items (III-IV)**		**(996.79)**	1,773.52
VI **Exceptional Items**		**–**	**–**
VII **Profit/(loss) before tax (V-VI)**		**(996.79)**	1,773.52
VIII **Tax Expense**	13.1		
(1) Current tax		**–**	1,881.05
(2) Deferred tax		–	–
(3) Income Tax for earlier year		**255.22**	(311.33)
Total tax expense		**255.22**	1,569.72
IX **Profit/(loss) for the year (VII-VIII)**		**(1,252.01)**	203.80
X **Other comprehensive income**			
A (i) Items that will not be reclassified to profit or loss		**–**	**–**
(ii) Income tax relating to items		**–**	**–**
B (i) that will not be reclassified to profit or loss		**–**	**–**
(ii) Items that will be reclassified to profit or loss income tax relating to items that will be reclassified to profit or loss		**–**	**–**
XI **Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and other comprehensive in-come for the period)**		**(1,252.01)**	**203.80**
XII **Earnings per equity share:**	18		
(1) Basic		**(0.01)**	0.00
(2) Diluted		**(0.01)**	0.00

The accompanying notes 1 to 28 are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ankit Kotak
Chief Financial Officer
PAN: ATUPK5449C

Parul Soni
Company Secretary
ACS-A73017

Place : Mumbai
Date : April 18, 2024

Place : Mumbai
Date : April 18, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(In Rs. Thousand)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit /(Loss) before tax for the year	**(996.79)**	1,773.52
Adjustments for:		
Investment Income recognised in Profit or Loss	**(1,159.63)**	(9,648.06)
Movements in working capital:		
(Increase) in Assets	**6,306.10**	(8,127.42)
Increase in Other Current Liabilities	**(84.70)**	(10,736.90)
Cash generated / (used) from operations	**4,064.98**	(26,738.86)
Income taxes paid	**(975.81)**	(2,947.63)
Net cash generated / (used) by operating activities	**3,089.17**	(29,686.49)
Cash flows from investing activities		
Investment in Subsidiary	**(5,99,780.59)**	(3,42,148.19)
Inter-Corporate Deposit Given	**–**	(60,000.00)
Inter-Corporate Deposit Matured	**60,000.00**	
Investment in Mutual Fund	**–**	1,40,165.05
Income from Mutual Fund	**–**	3,177.92
Income from Interest on ICD	**1,159.63**	6,470.14
Net cash used in investing activities	**(5,38,620.96)**	(2,52,335.08)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the company	**5,40,000.00**	1,33,852.00
Net cash generated from financing activities	**5,40,000.00**	1,33,852.00
Net increase in cash and cash equivalents	**4,468.21**	(1,48,169.57)
Cash and cash equivalents at the beginning of the year	**6,511.69**	1,54,681.26
Cash and cash equivalents at the end of the year	**10,979.90**	6,511.69

The accompanying notes 1 to 28 are an integral part of the Financial Statements

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

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Parul Soni
Company Secretary
ACS-A73017

Place : Mumbai
Date : April 18, 2024

Place : Mumbai
Date : April 18, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A - Equity Share Capital

(i) Current Reporting Year **(In Rs. Thousand)**

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
6,94,352.00	5,40,000.00	12,34,352.00

(ii) Previous Reporting Year **(In Rs. Thousand)**

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
5,60,500.00	1,33,852.00	6,94,352.00

B. Other Equity

(1) Current Reporting Year **(In Rs. Thousand)**

Reserves and Surplus			
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the year	–	2,001.54	**2,001.54**
Profit for the year	–	(1,252.01)	**(1,252.01)**
Balance at the end of the year	–	749.53	749.53

(2) Previous Reporting Year **(In Rs. Thousand)**

Reserves and Surplus			
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the year	–	1,797.73	**1,797.73**
Profit for the year	–	203.80	**203.80**
Balance at the end of the year	–	2,001.54	2,001.54

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
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Chief Financial Officer
PAN: ATUPK5449C

Parul Soni
Company Secretary
ACS-A73017

Place : Mumbai
Date : April 18, 2024

Place : Mumbai
Date : April 18, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Company Overview and Material Accounting Policies Information

1. Company Overview

Mahindra Sustainable Energy Private Limited (Formerly known as 'Mahindra Telecom Energy Management Services Private Limited') (the 'company') is domiciled in India having CIN - U40100MH2017PTC296621. The Company has been incorporated under the provisions of the Companies Act, 2013.

The name of the Company was changed from Mahindra Telecom Energy Management Services Private Limited to Mahindra Sustainable Energy Private Limited with effect from May 8, 2023.

The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

2. Material Accounting Policies and Information

2.1. Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015] and Companies (Indian Accounting Standards) Amendment Rules 2017.

The Company has investment in Subsidiaries, Associates and Joint Venture, however in view of the provisions of para 4 of the IND AS 110- Consolidated Financial Statements and Rule 9.1.6 Companies (Accounts) Rules, 2014, Company has not prepared Consolidated Financial Statements.

The Financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on April 18, 2024.

2.2. Basis of accounting

The Company maintains its accounts on an accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.3. Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

2.4. Current / Non-Current classification

An asset or liability is classified as 'current' when it satisfies any of the following criteria:

(i) it is expected to be realized or settled, or is intended for sale or consumption in, the company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized or settled within twelve months from the reporting date; or

(iv) an asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months from the reporting date

(v) in case of liability, the company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

Operating Cycle

Based on the nature of products and services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement.

B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Property, Plant and Equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.

c) Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of other provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

2.6. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

2.7. Investments in Subsidiaries, Associates and Joint ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.8. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two broad categories:- i] Financial assets at fair value and ii] Financial assets at amortised cost. Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss [i.e fair value through profit or loss], or recognised in other comprehensive income [i.e. fair value through other comprehensive income]. A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

Financial liabilities

Initial recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.10. Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not provided for and are disclosed by way of notes unless the possibility of outflow of resources embodying economic benefits is remote.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

2.11. Revenue recognition

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the company.

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

2.12. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed to have been converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period.

2.13. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.14. Income Taxes

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.15. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short-term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.16. Ind AS amendments which will be effective from April 01, 2024

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would be applicable from April 01, 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 3 - Investment

(In Rs. Thousand)

Particulars	As at March 31, 2024 Amount	Quantity Nos.	As at March 31, 2023 Amount	Quantity Nos.
Non - Current Investments:				
Investment in Equity Instruments (Unquoted):				
A. Investment in Subsidiaries in equity instrument				
Marvel Solren Private Limited (Equity shares of face value Rs. 10 each)	**5,49,740.60**	**2,78,16,000**	–	–
Mahindra Solarize Private Limited (Equity shares of face value Rs. 10 each)	**3,53,852.00**	**3,53,85,200**	3,53,852.00	3,53,85,200
Mahindra Teqo Private Limited (Equity shares of face value Rs. 10 each)	**–**	**–**	2,68,296.19	1,00,000
Total (A)	**9,03,592.60**	**6,32,01,200**	6,22,148.19	3,54,85,200
B. Investment in Associates in equity instrument				
Sustainable Energy Infra Investment Managers Private Limited (Equity shares of face value Rs. 10 each)	**50,000.00**	**50,00,000**	–	–
Green Energy Infra Project Managers Private Limited (Equity shares of face value Rs. 10 each)	**40.00**	**4,000**	–	–
Total (B)	**50,040.00**	**50,04,000**	–	–
C. Investment in Joint Venture in equity instrument				
Mahindra Teqo Private Limited (Equity shares of face value Rs. 10 each)	**2,68,296.19**	**1,00,000**	–	–
Total (C)	**2,68,296.19**	**1,00,000**	–	–
Total Non-Current Investments (A+B+C)	**12,21,928.79**	**6,83,05,200**	6,22,148.19	3,54,85,200

Other Disclosures:

(In Rs. Thousand)

Particulars		As at March 31, 2024	As at March 31, 2023
(i)	Aggregate amount of quoted investments Market Value of quoted investments	**–**	–
(ii)	Aggregate amount of unquoted investments	**12,21,928.79**	6,22,148.19
(ii)	Aggregate amount of impairment in value of investments	**–**	–

Events During the Year:

- During the year, Company acquired 51% stake in "Marvel Solren Private Limited" amounting to Rs. 2803.68 lakhs (1,41,86,160 fully paid up shares) from "Mahindra Susten Private Limited" and remaining 49% stake amounting to Rs. 2693.73 Lakhs (1,36,29,840 fully paid up shares) from "Mitsui & Co Ltd." as per Share Purchase Agreement dt. November 28, 2023 and August 9, 2023 respectively.
- The Company acquired 40% stake representing 50,00,000 shares amounting to Rs. 500.00 lakhs in "Sustainable Energy Infra Investment Managers Private Limited" (IM) and 40% stake representing 4,000 shares amounting to Rs. 0.40 lakhs in "Green Energy Infra Project Managers Private Limited" (PM).
- Mahindra Teqo Private Limited ("Teqo") ceased to be a wholly owned subsidiary from September 28, 2023 post acquisition of 20% stake by 2726552 Ontario Limited ("OTPP") in Teqo through a Private Placement basis. With effect from September 29, 2023, Teqo became a Joint Venture between the Company and OTPP.

Note:

The Company has pledged 30% of its Equity shares held in Marvel Solren Private Limited as collateral for the loan taken by Marvel Solren Private Limited with its project lenders (Bank) as per Loan financing arrangements.

Note No. 4 - Non Current Financial Asset

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits (Unsecured, considered good)	**31.28**	10.00
Total	**31.28**	10.00

Note No. 5 - Trade Receivables

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Trade receivables – Considered Good Secured	**–**	–
Trade receivables – Considered Good Unsecured	**2,836.48**	9,353.18
Allowance for bad and doubtful debts	**–**	–
Total	**2,836.48**	9,353.18
Of the above, trade receivables from:		
– Related Party	**1,963.41**	214.81
– Others	**873.07**	9,138.36
Total	**2,836.48**	**9,353.18**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Trade Receivables ageing schedule:

(In Rs. Thousand)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2024	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	**2,637.43**	**–**	**199.06**	**–**	**–**	**2,836.48**
Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**

Trade Receivables ageing schedule:

(In Rs. Thousand)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2023	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	9,353.18	–	–	–	–	9,353.18
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–

Note No. 6 - Cash and cash equivalents

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with bank in Current accounts	**10,979.90**	6,511.69
Total	**10,979.90**	6,511.69

Note No. 7 - Loans

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Inter company deposit (ICD) to subsidiary company		
Loans receivables – Considered Good - Secured	**–**	–
Loans receivables – Considered Good - Unsecured	**–**	60,000.00
Loans receivables which have significant increase in credit risk	**–**	–
Loans receivables – Credit Impaired	**–**	–
Less: Loss allowance	**–**	–
Total	**–**	60,000.00

Note No. 8 - Other current Assets

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
GST Receivable	**262.72**	183.65
Income Tax Receivable	**115.96**	5.73
Total	**378.68**	189.38

Note No. 9 - Equity Share Capital

(In Rs. Thousand)

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**13,00,00,000**	**13,00,000**	13,00,00,000	13,00,000
13,00,00,000 equity shares of Rs. 10 each [13,00,00,000 equity shares of Rs. 10 each]				
Issued, subscribed and fully paid:				
Equity shares of Rs. 10 each with voting rights	**12,34,35,200**	**12,34,352**	6,94,35,200	6,94,352
12,34,35,200 equity shares of Rs. 10 each [6,94,35,200 equity shares of Rs. 10 each]				
Total	**12,34,35,200**	**12,34,352.00**	6,94,35,200	6,94,352.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(In Rs. Thousand)

Particulars	As at March 31, 2024 No. of shares	As at March 31, 2024 Amount	As at March 31, 2023 No. of shares	As at March 31, 2023 Amount
At the beginning of the year	**6,94,35,200**	**6,94,352.00**	5,60,50,000	5,60,500.00
New shares issued during the year	**5,40,00,000**	**5,40,000.00**	1,33,85,200	1,33,852.00
At the end of year	**12,34,35,200**	**12,34,352.00**	6,94,35,200	6,94,352.00

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2024 Number of shares held	% holding in that class of shares	As at March 31, 2023 Number of shares held	% holding in that class of shares
Equity shares with voting rights......................................				
Mahindra and Mahindra Limited....................................	**12,34,35,200**	**100%**	6,94,35,200	100%

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Number of Shares As at March 31, 2024	Number of Shares As at March 31, 2023
Mahindra and Mahindra Limited	**12,34,35,200**	6,94,35,200

(v) Details of shares held by Promoters as under:

Shares held by promoters as at 31 March 2024

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2023
Mahindra and Mahindra Limited	12,34,35,200	100.00%	78%

Shares held by promoters as at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra and Mahindra Limited	6,94,35,200	100.00%	24%

(vi) Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back :

The Company has neither alloted equity shares wthout receipt of cash or as bonus shares nor bought back any equity shares during the current and previous financial year.

Note No. 10 - Other Equity

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings...		
Balance at the beginning of the year	**2,001.54**	1,797.73
Add: Profit /(Loss) for the year	**(1,252.01)**	203.80
Add: Other Comprehensive Income	**–**	–
Balance at the end of the year	**749.53**	2,001.54
Total Other Equity	**749.53**	2,001.54

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.

Other Comprehensive Income

Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

Note No. 11 - Trade Payables

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables to MSME	**46.21**	442.92
Trade payables - Other than MSME*	**889.29**	562.11
Total	**935.50**	1,005.02

* includes payable to related party of NIL / (previous year Rs. 9,08,023)

As at March 31, 2024

(In Rs. Thousand)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - MSME	**46.21**	**–**	**–**	**–**	**46.21**
Trade payables- Others.............	**889.29**	**–**	**–**	**–**	**889.29**
Disputed dues – MSME.............	**–**	**–**	**–**	**–**	**–**
Disputed dues – Others.............	**–**	**–**	**–**	**–**	**–**
Total	**935.50**	**–**	**–**	**–**	**935.50**

As at March 31, 2023

(In Rs. Thousand)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - MSME	442.92	–	–	–	442.92
Trade payables- Others	562.11	–	–	–	562.11
Disputed dues – MSME	–	–	–	–	–
Disputed dues – Others	–	–	–	–	–
Total	1,005.02	–	–	–	1,005.02

Note No. 12 - Other Current Liabilities

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision For Expenses	**76.50**	90.01
Statutory Dues Payable	**41.60**	43.27
Total	**118.10**	133.28

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 13 - Current Tax Liabilities

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax payable (Net of Advance Tax and TDS)	–	720.59
Total	–	720.59

(i) Income Tax recognised in profit or loss

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Tax:		
Current Year	–	1,881.05
Previous Year	**255.22**	(311.33)
Deferred Tax:		
Current Year	–	–
Total income tax expense	**255.22**	1,569.72

(ii) Income tax recognised in other Comprehensive income

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Tax:		
Remeasurement of defined benefit obligations not reclassified to profit or loss	–	–
Total	–	–

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
i) **Profit before tax**	**(996.79)**	1,773.52
ii) Corporate Tax Rate As Per Income tax Act, 1961	**25.17%**	25.17%
iii) Tax on accounting profit (iii) = (i) X (ii)	–	446.36
Reduction in tax rate		
Effect of expenses that is non-deductible in determining taxable profit	–	1,434.69
Effect of tax incentives and concessions (research and development and other allowances)		
Effect of current year losses for which no deferred tax asset is recognised	–	
Effect of recognition of tax effect of previously unrecognised tax losses now recognised as deferred tax assets		
Defered tax assets not recognised on carried forward tax losses	–	
Changes in estimates related to prior years		
iv) **Total effect of Tax adjustment**	–	1,881.05
v) Adjustments recognised in the current year in relation to the current tax of prior years	**255.22**	(311.33)
vi) Tax expense recognised during the year (vi)=(iv)+(v)	**255.22**	1,569.72
vii) Effective tax rate during the year (vii)=(vi)/(i)	**0.00%**	88.51%

Note No. 14 - Revenue from Operations

(In Rs. Thousand)

Particulars	For the year ended March 31 2024	For the year ended March 31 2023
Income from sale of Solar Power Generating Systems	**2,321.64**	18,449.58
Total	**2,321.64**	18,449.58

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power Generating Systems

B. Reconciliation of revenue as per Ind AS 115:

(In Rs. Thousand)

Particulars	For the year ended March 31 2024	For the year ended March 31 2023
Revenue as per contracted prices	**2,321.64**	18,449.58
Less: Adjustment of revenue pertaining to Revenue from sale	–	–
Revenue from contract with customers	**2,321.64**	18,449.58

Note No. 15 - Other Income

(In Rs. Thousand)

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Interest Income on Inter Corporate Deposit	**1,067.57**	5,352.33
Interest Income on Fixed Deposit	**92.06**	1,117.81
Profit on Sale of Mutual fund	–	3,177.92
Total	**1,159.63**	9,648.06

Note No. 16 - Cost of Materials

(In Rs. Thousand)

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Opening stock	–	–
Add: Purchases	**2,321.64**	18,440.00
Less: Closing stock	–	–
Total	**2,321.64**	18,440.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 17 - Other Expenses

(In Rs. Thousand)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Filing Fees	**–**	6.60
Auditors remuneration		
(i) Audit Fees	**75.00**	100.00
(ii) For Taxation matters	**10.00**	–
(iii) For Other services	**–**	–
Professional charges	**1,172.35**	822.22
Bank Charges	**1.97**	0.78
Rates & Taxes	**770.94**	13.00
Interest on Income Tax	**84.84**	197.47
Membersip & Subscription Charges	**27.32**	27.32
Stamp Duty charges (for increase in share capital)	**–**	6,711.59
Miscellaneous Expenses	**14.01**	5.14
Total	**2,156.42**	7,884.12

Note No. 18 - Disclosures under Ind AS 33

Amount in thousands (except per share data)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
For the purpose of calculation of basic and diluted earning per share the following amount are considered		
Profit attributable to equity share holder (Rs. in Thousand)	**(1,252.01)**	203.80
Total	**(1,252.01)**	203.80
a) Weighted average no of equity share outstanding during the year		
- For basic earning per share	**9,40,37,940**	5,61,60,015
- For diluted per share	**9,40,37,940**	5,61,60,015
b) Earning per share		
- Basic earning per share	**(0.01)**	0.00
- Diluted per share	**(0.01)**	0.00
- Face value per share (in Rs.)	**10.00**	10.00
No of shares used for calculating basic earning per share	**9,40,37,940**	5,61,60,015
Add : Potential equity shares	**–**	–
No of shares used for calculating diluted earning per share	**9,40,37,940**	5,61,60,015

Note No. 19 - Fair Value Measurement

Fair Value of Financial assets and financial liabilities.

(In Rs. Thousand)

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Investments	**12,21,928.79**	**12,21,928.79**	6,22,148.19	6,22,148.19
Trade Receivables	**2,836.48**	**2,836.48**	9,353.18	9,353.18
Cash and cash equivalents	**10,979.90**	**10,979.90**	6,511.69	6,511.69
Loans	**–**	**–**	60,000.00	60,000.00
Total	**12,35,745.17**	**12,35,745.17**	6,98,013.05	6,98,013.05
Financial liabilities				
Financial liabilities held at amortised cost				
Current				
– Trade and other payables	**935.50**	**935.50**	1,005.02	1,005.02
Total	**935.50**	**935.50**	1,005.02	1,005.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No. 20 - Related Party Transactions

Relationship:	**Name:**
Parent	Mahindra & Mahindra Limited
Subsidiaries	Mahindra Solarize Private Limited Marvel Solren Private Limited (w.e.f. December 12, 2023) Mahindra Teqo Private Limited (wholly owned subsidiary upto September 28, 2023)
Joint Venture of Parent	Mahindra Susten Private Limited
Joint Venture	Mahindra Teqo Private Limited (w.e.f. September 29, 2023)
Associate	Sustainable Energy Infra Investment Managers Private Limited (""SEIIMPL"") - (w.e.f. June 9, 2023) Green Energy Infra Project Managers Private Limited (“”GEIPMPL””) (w.e.f. July 11, 2023)

Details of transaction between the Company and its related parties are disclosed below:

(In Rs. Thousand)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Solarize Private Limited	Mahindra Teqo Private Limited	Marvel Solren Private Limited	SEIIMPL	GEIPMPL	Total
Related Party Transactions during the year								
Expenses								
Purchase of goods	31-Mar-24	–	–	–	–	–	–	–
	31-Mar-23	–	18,440.00					18,440.00
Reimbursement	31-Mar-24	885.00	–	–	–	–	–	885.00
	31-Mar-23	491.97	–	–	–	–	–	491.97
Income								
Interest income	31-Mar-24	–	1,067.57	–	–	–	–	1,067.57
	31-Mar-23	–	5,352.33	–	–	–	–	5,352.33
Sale of goods	31-Mar-24	–	–	1,963.41	–	–	–	1,963.41
	31-Mar-23	–	–	–	–	–	–	–
Assets								
Loan given	31-Mar-24	–	–	–	–	–	–	–
	31-Mar-23		60,000.00	–				60,000.00
Investment (Closing)	31-Mar-24	–	3,53,852.00	2,68,296.19	5,49,740.60	50,000.00	40.00	12,21,928.79
	31-Mar-23	–	3,53,852.00	2,68,296.19	–	–	–	6,22,148.19
Trade receivables	31-Mar-24	–	–	1,963.41	–	–	–	1,963.41
	31-Mar-23	–	–	–	–	–	–	–
Liabilities								
Trade payables	31-Mar-24	–	–	–	–	–	–	–
	31-Mar-23	562.11	345.92					908.02
Nature of transactions with Related Parties								
Issue of Equity Shares	31-Mar-24	5,40,000.00	–	–	–	–	–	5,40,000.00
	31-Mar-23	1,33,852.00	–	–	–			1,33,852.00
Investment made during the year	31-Mar-24	–	–	–	5,49,740.60	50,000.00	40.00	5,99,780.60
- Acquired from Mahindra Susten Private Limited					2,80,367.71			
- Acquired from Mitsui & Co Limited					2,69,372.89			
Investment made during the year	31-Mar-23	–	73,852.00	2,68,296.19	–	–	–	3,42,148.19
Inter Company Deposit Given, Repaid	31-Mar-24	–	60,000.00	–	–	–	–	60,000.00
	31-Mar-23	–	–	–	–	–	–	–
Inter Company Deposit Taken	31-Mar-24	–	–	–	–	–	–	–
	31-Mar-23	–	3,50,000.00	–	–	–	–	3,50,000.00
Inter Company Deposit Given	31-Mar-24	–	–	–	–	–	–	–
	31-Mar-23		4,10,000.00					4,10,000.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 21 - Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The following methods and assumptions were used to estimate the fair values :

I) Fair value of cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments

II) The fair values of trade receivables and current loans are calculated based on expected credit loss method and discounted cash flow using a current lending rate respectively. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including credit risk. The fair values of non-current loan are approximate at their carrying amount due to interest bearing features of these instruments.

III) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

IV) Fair values of quoted financial instruments are derived from quoted market prices in active markets.

V) The fair value of investments in unlisted equity shares is determined using a combination of direct sales comparison and income approach

VI) The fair value of the remaining financial instruments is determined using discounted cash flow analysis and/or direct sales comparison approach.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1 : Quoted prices / published NAV [unadjusted] in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value [NAV] is published by mutual fund operators at the balance sheet date.

Level 2 : Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly [that is, as prices] or indirectly [that is, derived from prices]. It includes fair value of the financial instruments that are not traded in an active market [for example, over-the-counter derivatives] is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3 : Inputs for the asset or liability that are not based on observable market data [that is, unobservable inputs]. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Cash and Cash Equivalents, Other Financial Assets, Long Term and Short Term Borrowings, Trade Payables and Other financial liabilities are shown at amortised cost. The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 [Quoted prices in active markets], Level 2 [Significant observable inputs] and Level 3 [Significant unobservable inputs] as described below:

(In Rs. Thousand)

March 31, 2024

Particulars	Level-1	Level-2	Level-3
Trade Receivables	**–**	**2,836.48**	**–**
Loans	**–**	**–**	**–**

There were no transfers between level 1 and level 2 during the year

(In Rs. Thousand)

March 31, 2023

Particulars	Level-1	Level-2	Level-3
Trade Receivables	–	9,353.18	–
Loans	–	60,000.00	–

There were no transfers between level 1 and level 2 during the year

Financial Risk Management - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/ optimize key risks. Activities are developed to provide feedback to management and other interested parties [e.g. Audit committee, Board etc.]. The results of these activities ensure that risk management plan is effective in the long term.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. The sensitivity analysis is given relating to the position as at March 31, 2024 and March 31, 2023. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2024 and March 31, 2023.

Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

Interest rate risk and sensitivity:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Commodity price risk:

The Company is exposed to the movement in price of key traded materials in domestic and international markets. The Company has entered into contracts for procurement of material. However the Company is not exposed to significant risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Equity price risk:

The Company has decided to fair value its equity instruments through Other Comprehensive Income and carry investment in jointly controlled entities at Cost. Therefore neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily trade receivables] and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on operating cash flows and short term borrowings in the form of Working Capital Loan & Export Packing Credit to meet its needs for funds. Company does not breach any covenants [where applicable] on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note No. 22 - Deferred Tax Asset/ Liabilites

There are no temporary differences due to which deferred tax assets/liability is required to be recognised.

Note No 23 - Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital [equity plus net debt]. Net debt are noncurrent and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Debt	**–**	–
Cash and Cash Equivalent	**10,979.90**	6,511.69
Net Debt	**–**	–
Total Equity (Equity Share Capital plus Other Equity)	**12,35,101.53**	6,96,353.54
Total Capital (Total Equity plus net debt)	**12,35,101.53**	6,96,353.54
Gearing ratio	**–**	–

The Company has only one Operating Segment as per IND-AS 108 "Operating Segment" i.e. trading of solar power generating systems. Hence, information in accordance with the Ind AS issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

Note No. 24 - Sundry Creditors, Other Liabilities and Provisions

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(In Rs. Thousand)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	**46.21**	442.92
ii) Interest on a) (i) above	**–**	–
iii) Amount of Principal paid beyond the appointed Date	**–**	–
iv) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	**–**	–
Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	**–**	–
Amount of Interest accrued and due	**–**	–
Amount of further interest remaining due and payable Even in succeeding years	**–**	–

Note No. 25 - Contingent Liability

"The Company has issued Sponsor support undertaking in respect of loans availed by a Marvel Solren Private Limited aggregating to ₹ 43.72 Crores (Previous year ₹ Nil Crores)

Note No. 26 - The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

i) The Company has not traded or invested in crypto currency or virtual currency during the financial year

ii) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions [Prohibition] Act, 1988 [45 of 1988] and rules made thereunder.

iii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv) The Company has not entered into any scheme of arrangement.

v) No charge creation or satisfaction of charges are pending to be filed with ROC.

vi) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

vii) The Company does not have any relationship with Struck off Companies.

viii) The Company has complied with the number of layers of companies prescribed under the Act.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note No 27 - Disclosure of Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reason for variance if grater than 25%
Current ratio	Total current assets	Total current liabilities	**13.47**	40.91	-67%	ICD matured and invested in long-term investment
Debt equity ratio	Total Debts	Total Equity	**NA**	NA	NA	NA
Debt Service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service= Interest +principal payments	**NA**	NA	NA	NA
Return on equity ratio	Profit for the year less preference dividend	Average total equity	**-0.13%**	0.03%	-500%	Decrease due to loss during the current year
Inventory turnover ratio	Cost of goods sold	Average value of inventory	**NA**	NA	NA	NA
Trade receivable turnover ratio	Revenue from operation	average trade receivables	**0.38**	2.92	-87%	Decrease in Revenue from operations during the current year
Trade payable turnover ratio	Total Net Purchases	Average Trade Payables	**2.39**	2.51	-5%	NA
Net capital turnover ratio	Revenue from operation	Average working capital (i.e. Total current assets less Total current liabilities)	**0.18**	0.71	-75%	Decrease in Revenue from operations during the current year
Net profit ratio	Profit for the year	Revenue from operation	**-0.54%**	11.39%	-105%	Decrease due to loss during the current year
Return on capital employed	Profit before tax and finance cost	Capital Employed =Net worth	**-0.08%**	0.25%	-132%	Decrease due to loss during the current year
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	**NA**	0.01	NA	NA

Note No 28 -

The figures for previous year have been regrouped, reclassified and rearranged wherever necessary to make them comparable with that of current year's figures.

Signature to the Notes on Accounts
For Mukund M. Chitale & Co.
Chartered Accountants
Firm reg. No: 106655W

(S. M. Chitale)
Partner
Membership No. 111383

Place : Mumbai
Date : April 18, 2024

For and on behalf of the Board of Directors

Mr. Avinash Bapat
Director
DIN:09179587

Mr. Deepak Thakur
Director
DIN: 06939592

Ankit Kotak
Chief Financial Officer
PAN: ATUPK5449C

Parul Soni
Company Secretary
ACS-A73017

Place : Mumbai
Date : April 18, 2024

Place : Mumbai
Date : April 18, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MAHINDRA CONSTRUCTION COMPANY LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Construction Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Materiality Uncertainty Related to Going Concern

We draw attention to Note 28 in the financial statements, as on 31st March 2024, the Company's current liabilities exceeded its total assets by Rs. 2,158.59 lakhs. As stated in Note 28, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

(g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 24111212BKERUN1294

Mumbai, April 12, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Construction Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUN1294

Mumbai, April 12, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

i. a) According to the information and explanations given to us, the Company does not hold any property, plant and equipment. Accordingly, the reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company does not hold any property, plant and equipment. Accordingly, the reporting under Clause 3(i)(b) of the Order is not applicable to the Company.

c) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Cess and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

e) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) of the Order is not applicable to the Company.

f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (f) of the Order is not applicable to the Company.

x. a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

d) Based on the information and explanations given to us, we report that the Group has four Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. As more fully explained in Note 28 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act is not applicable to the company and hence reporting under the provisions of clause (XX) (a) and (b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 24111212BKERUN1294

Mumbai, April 12, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024

Amount in Rs. Lakhs

	Note No.	As at 31st March, 2024	As at 31st March, 2023
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Financials Assets	3	**–**	1.05
(b) Non current investment	4	**–**	–
(c) Other Non-current Tax Assets	5	**44.10**	11.96
SUB-TOTAL		**44.10**	13.01
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	**8.89**	49.09
(iii) Bank balances other than (ii) above	6	**87.06**	86.22
(iv) Other financial Assets	7	**6.10**	2.05
SUB-TOTAL		**102.05**	137.36
TOTAL ASSETS		**146.15**	150.37
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	8	**240.05**	240.05
(b) Other Equity	9	**(2,398.64)**	(2,400.06)
SUB-TOTAL		**(2,158.59)**	(2,160.01)
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Provisions	10	**–**	–
SUB-TOTAL		**–**	–
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	**1,687.02**	1,686.16
(ii) Trade Payables	12	**586.17**	586.09
(iii) Other Financial Liabilities	13	**9.26**	9.26
(b) Provisions	14	**22.01**	28.55
(c) Other Current Liabilities	15	**0.28**	0.32
SUB-TOTAL		**2,304.74**	2,310.38
TOTAL		**146.15**	150.37

In terms of our report attached

For M/s. B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, Date: 12th April 2024

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, Date: 12th April 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in Rs. Lakhs

	Particulars	**Note No.**	**For the year ended 31st March 2024**	For the year ended 31st March 2023
I	Revenue from operations		**–**	–
II	Other Income	16	**6.51**	123.95
III	**Total Revenue (I + II)**		**6.51**	123.95
IV	**EXPENSES**			
	(i) Employee Benefit Expenses	17	**0.08**	0.08
	(ii) Finance Costs	18	**0.95**	0.81
	(iii) Other expenses	19	**3.69**	3.25
	Total Expenses (IV)		**4.72**	4.14
V	**Profit before tax (III - IV)**		**1.79**	119.81
VI	**Tax Expense**			
	(1) Current tax		**0.37**	33.15
	(2) Deferred tax		**–**	–
	Total tax expense		**0.37**	33.15
VII	**Profit for the period (V - VI)**		**1.42**	86.66
VIII	**Profit for the period attributable to:**			
	Owners of the Company		**1.42**	86.66
	Non controlling interests		**–**	–
IX	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		**1.42**	86.66
	Non controlling interests		**–**	**–**
X	**Earnings per equity share**			
	(1) Basic	20	**0.06**	3.61
	(2) Diluted	20	**0.06**	3.61

In terms of our report attached

For M/s. B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, Date: 12th April 2024

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, Date: 12th April 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Indirect Method)

		For the year ended 31st March 2024 Rupees	For the year ended 31st March 2023 Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before taxation	**1.79**	119.81
	Adjustments for:		
	Depreciation		
	Interest on bank deposits	**(5.51)**	(2.91)
		(5.51)	(2.91)
	Operating Profit/(Loss) before Working capital changes	**(3.72)**	116.90
	Changes in:		
	Trade and other receivables	**4.05**	1.84
	Trade and other payables	**(9.67)**	(8.60)
		(5.63)	(6.76)
	Cash generated from operations	**(9.35)**	110.14
	Income taxes paid	**(31.46)**	(1.61)
	NET CASH USED IN OPERATING ACTIVITIES	**(40.80)**	108.53
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Investment in Bank deposits (Net)	**(0.84)**	(70.76)
	Proceeds from sale of long-term investment		
	Interest received	**1.46**	1.07
	NET CASH FROM INVESTING ACTIVITIES	**0.62**	(69.69)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from the issue of share capital (including share premium)		
	NET CASH FROM FINANCING ACTIVITIES	**–**	–
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**(40.18)**	38.84
	CASH AND CASH EQUIVALENTS (see Note below)		
	Opening balance	**49.09**	10.26
	Closing balance	**8.89**	49.09

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.)

	For the year ended 31st March 2024 Rupees	For the year ended 31st March 2023 Rupees
Cash and cash equivalents includes:		
Cash on hand	**–**	–
Balances with Scheduled Banks:		
(I) on Current Accounts	**8.89**	49.09
	8.89	49.09

Note: Cash and cash equivalents as per Balance Sheet include fixed deposits having maturity of more than three months but less than 12 months amounting to Rs. 14.93 Lakhs (2021: 14.93 Lakhs)

In terms of our report attached

For M/s. B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, Date: 12th April 2024

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, Date: 12th April 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in Rs. Lakhs

A. Equity share capital

As at 31st March, 2022	240.05
Changes in equity share capital during the year	–
As at 31st March, 2023	240.05
Changes in equity share capital during the year	–
As at 31st March, 2024	240.05

B. Other Equity

	Reserves & Surplus	
	General Reserve	Total
As at 31st March, 2022	(2,486.72)	(2,486.72)
Profit / (Loss) for the period	86.66	86.66
Other Comprehensive Income / (Loss)		–
Total Comprehensive Income for the year	(2,400.06)	(2,400.06)
Transfers to Reserves		–
As at 31st March, 2023	(2,400.06)	(2,400.06)
Profit / (Loss) for the period	1.42	1.42
Other Comprehensive Income / (Loss)		–
Total Comprehensive Income for the year	(2,398.64)	(2,398.64)
Transfers to Reserves		–
As at 31st March, 2024	**(2,398.64)**	**(2,398.64)**

In terms of our report attached

For M/s. B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, Date: 12th April 2024

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, Date: 12th April 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1 Company overview

Mahindra Construction Company Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company.

2 Basis of preparation

a. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2016 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP).

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

– useful life of property, plant and equipment and intangible assets

– estimation of define benefit obligation

– provision for warranty claims

– income taxes - current and deferred taxes

– fair value of unlisted securities

– impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

f Significant accounting policies

a. Revenue Recognition

– Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI

All other financial assets are subsequently measured at fair value

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 3 - Financial Assets

Amount in Rs. Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
	Amounts	Amounts
	Non-Current	Non-Current
Security deposits		
Unsecured, considered good	**1.05**	1.05
Less: Provision for Doubtful Debts	**(1.05)**	
	(0.00)	1.05

Note No. 4 - Non current investment

Amount in Rs. Lakhs

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of shares	Rupees	Number of shares	Rupees
Investments (At cost, unless otherwise specified):				
Unquoted shares (Non-trade and fully paid-up unless otherwise specified)				
a) Investment in others				
In New Tirupur Area Development Corporation Ltd Rs.10 per share	**70,00,000**	**700**	70,00,000	700
Less: Provision for diminution in value of investment		**(700)**		(700)
Total		**–**		–

Note No. 5 - Other Non-current Tax Assets

Amount in Rs. Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
	Amounts	Amounts
	Non-Current	Non-Current
Advance income tax (net of provision)	**44.03**	11.89
Fringe Benefit Tax [Net of provisions]	**0.07**	0.07
	44.10	11.96

Note No. 6 - Cash and Bank Balances

Amount in Rs. Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents		
(a) Balances with banks	**8.89**	49.09
(b) Cash on hand	**–**	–
Total Cash and cash equivalent	**8.89**	49.09

Amount in Rs. Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**87.06**	86.22
Total Other Bank balances	**87.06**	86.22

Note No. 7 - Other Financial Assets

Amount in Rs. Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
	Current	Current
a) Other Current Assets		
– Interest accrued but not due on term deposits	**6.10**	2.05
Total Other Financial Assets	**6.10**	2.05

Note No. 8 - Equity Share Capital

Amount in Rs. Lakhs

	As at 31st March 2024		As at 31st March 2023	
	Nos	Rupees	Nos	Rupees
Authorised shares:				
Equity Shares of Rs. 10 each	**45,00,000**	**450.00**	45,00,000	450.00
	45,00,000	**450.00**	45,00,000	450.00
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs.10 each	**24,00,520**	**240.05**	24,00,520	240.05
	24,00,520	**240.05**	24,00,520	240.05
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity:				
Opening Balance	**24,00,520**	**240.05**	24,00,520	240.05
Add: Issued during the year	**–**	**–**	**–**	**–**
Closing Balance	**24,00,520**	**240.05**	24,00,520	240.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(iii) Details of shares held by the parent company, the ultimate parent company, their subsidiaries and associates

Particulars	Amount in Rs. Lakhs No. of Shares Equity Shares with Voting rights
As at 31st March 2024	
Mahindra & Mahindra Limited	**9,00,000**
Mahindra World City (Maharashtra) Limited	**10,00,380**
Deep Mangal Developers Pvt. Ltd	**3,00,000**
As at 31st March 2023	
Mahindra & Mahindra Limited	9,00,000
Mahindra World City (Maharashtra) Limited	10,00,380
Deep Mangal Developers Pvt. Ltd	3,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at 31st March 2024		As at 31st March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited *	**10,00,380**	**41.67%**	10,00,380	41.67%
Deep Mangal Developers Pvt. Ltd	**3,00,000**	**12.50%**	3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

(v) Details of shareholdings by the Promoter's of the Company:

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at 31st March 2024		As at 31st March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited*	**10,00,380**	**41.67%**	10,00,380	41.67%
Deep Mangal Developers Pvt. Ltd	**3,00,000**	**12.50%**	3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* These are shares transfer to Mahindra World City (Maharashtra) Limited in repect of scheme of merger between Mahindra World City (Maharashtra) Limited, Topical Builders Pvt. Ltd., Raigad Industrial and Business Park Limited and Kismat Developers Pvt. Ltd.

Note No. 9 - Other Equity

Amount in Rs. Lakhs

	Reserves & Surplus General Reserve	Total
As at 31st March, 2022	**(2,486.72)**	**(2,486.72)**
Profit / (Loss) for the period	86.66	86.66
Other Comprehensive Income / (Loss)		–
Total Comprehensive Income for the year	(2,400.06)	(2,400.06)
Transfers to Reserves		–
As at 31st March, 2023	**(2,400.06)**	**(2,400.06)**
Profit / (Loss) for the period	1.42	1.42
Other Comprehensive Income / (Loss)		–
Total Comprehensive Income for the year	(2,398.64)	(2,398.64)
Transfers to Reserves		–
As at 31st March, 2024	**(2,398.64)**	**(2,398.64)**

Note No. 10 - Provisions

Amount in Rs. Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2023 Current
Provision for compensated absences	–	–
	–	–

Note No. 11 - Borrowings

Amount in Rs. Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2023 Current
Inter corporate Deposits	**1,147.02**	1,146.16
Loan-Others: 10% Non-Cumulative Redeemable Participating Preference Shares	**540.00**	540.00
	1,687.02	1,686.16

Note No. 12 - Trade Payables

Amount in Rs. Lakhs

Particulars	As at 31st March 2024 Current	As at 31st March 2023 Current
Trade payable - Micro and small enterprises	–	–
Trade payable - Other than micro ans small enterprises	**586.17**	586.09
	586.11	590.07

Ageing for trade payable from the due date of payment for each of the category is as follows

Amount in Rs. Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	–	–
Not Due	–	–
0 months - 1 year	**0.18**	3.63
1-2 Years	–	0.41
2-3 years	–	0.04
More than 3 years	**585.99**	585.99
Total	**586.17**	590.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 13 - Other Financial Liabilities

Amount in Rs. Lakhs

Particulars	**As at 31st March 2024**	As at 31st March 2023
	Current	Current
Other Financial Liabilities	**9.26**	9.26
	9.26	9.26

Note No. 14 - Provisions

Amount in Rs. Lakhs

Particulars	**As at 31st March 2024**	As at 31st March 2023
	Current	Current
Provisions	**22.01**	28.55
	22.01	28.55

Note No. 15 - Other Current Liabilities

Amount in Rs. Lakhs

Particulars	**As at 31st March 2024**	As at 31st March 2023
	Current	Current
TDS payable	**0.28**	0.32
	0.28	0.32

Note No. 16 - Other Income

Amount in Rs. Lakhs

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
(a) Interest Income		
(1) Interest on Bank Deposits (at amortised cost)	**5.51**	2.91
(b) Other non-operating income (net)	**1.00**	121.04
	6.51	123.95

Note No. 17 - Employee Benefit Expenses

Amount in Rs. Lakhs

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
(a) Salaries, Wages and Bonus	**–**	–
(b) Contribution to provident and other funds	**0.08**	0.08
(c) Staff welfare	**–**	–
	0.08	0.08

Note No. 18 - Finance Cost

Amount in Rs. Lakhs

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
(a) Interest on Inter Corporate Deposits	**0.95**	0.81
	0.95	0.81

Note No. 19 - Other Expenses

Amount in Rs. Lakhs

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors (including GST)	**0.89**	0.89
(ii) For Taxation matters	**–**	–
(b) Other expenses		
(1) Legal & Professional Fees	**1.31**	2.23
(2) Others	**1.49**	0.13
	3.69	3.25

Note No. 20 - Earnings per Share

Amount in Rs. Lakhs

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
	Per Share	Per Share
Basic Earnings per share	**0.06**	3.61
Diluted Earnings per share	**0.06**	3.61

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Amount in Rs. Lakhs

Particulars	**For the year ended 31st March 2024**	For the year ended 31st March 2023
A. Net Profit after tax available for equity shareholders (Rs. in Lakhs)	**1.42**	86.66
B. Nominal value per Share (Rs.)	**10.00**	10.00
C. Weighted Average number of Equity Shares (No.)	**24,00,520.00**	24,00,520.00
D. Basic & Diluted Earnings per share (Re.)	**0.06**	3.61

Note No. 21 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

Amount in Rs. Lakhs

Particulars	**As at 31st March 2024**	As at 31st March 2023
Equity	**(2,158.59)**	(2,160.01)

The Company is not subject to externally enforced capital regulation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Categories of financial assets and financial liabilities

Amount in Rs. Lakhs

	As at 31st March 2024			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Current Assets				
Other Bank Balances	**87.06**	**–**	**–**	**87.06**
Other Current Asssts	**6.10**	**–**	**–**	**6.10**
Current Liabilities				
Trade Payables	**586.17**	**–**	**–**	**586.17**

	As at 31st March 2023			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	86.22	–	–	86.22
Other Current Asssts	2.05	–	–	2.05
Current Liabilities				
Trade Payables	586.09	–	–	586.09

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) *Credit risk management*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned.

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial liabilities				
31st March 2024				
Non-interest bearing	**586.17**	**–**	**–**	**–**
Total	**586.17**	**–**	**–**	**–**
31st March 2023				
Non-interest bearing	586.09	–	–	–
Total	586.09	–	–	–

(iii) *Financing arrangements*

The company does not have any undrawn borrowing facility as at year end

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial assets				
31st March 2024				
Non-interest bearing	**8.89**	**–**	**–**	**–**
Fixed interest rate instruments	**87.06**	**–**	**–**	**–**
Total	**95.95**	**–**	**–**	**–**
31st March 2023				
Non-interest bearing	49.09			
Fixed interest rate instruments	86.22			
Total	135.31	–	–	–

Note No. 22 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Amount in Rs. Lakhs

Financial assets/ financial liabilities measured at Fair value	**Fair value as at 31-Mar-24**	**31-Mar-23**	**31-Mar-22**	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
Financial assets					
Investments					
1) Equity investments	**–**	**–**	**–**	**–**	**–**
Total financial liabilities	**–**	**–**	**–**	**–**	**–**

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Rs. Lakhs

Particulars	**31st March 2024**		31st March 2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
<u>*Financial assets carried at Amortised Cost*</u>				
– Other Current Assets	**6.10**	**6.10**	2.05	2.05
– fixed deposits	**87.06**	**87.06**	86.22	86.22
Total	**93.16**	**93.16**	88.27	88.27
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**586.17**	**586.17**	586.09	586.09
Total	**586.17**	**586.17**	586.09	586.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in Rs. Lakhs

	Fair value hierarchy as at 31st March 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Loans & Advances		**6.10**		**6.10**
– fixed deposits		**87.06**		**87.06**
Total	**–**	**93.16**	**–**	**93.16**
Financial liabilities held at amortised cost				
– trade and other payables		**586.17**		**586.17**
Total	**–**	**586.17**	**–**	**586.17**

Note No. 23 - Contingent Liability

Amount in Rs. Lakhs

	For the year ended 31st March 2024	For the year ended 31st March 2023
Penalty u/s 271(1)(C) of the Income Tax Act relating to Assessment Year 2005-06	**–**	–
Income tax demands disputed from A. Y. 2015-16 for which the Company has preferred appeal before the Appellate Authorities	**–**	–
Total	**–**	–

Note No. 24 - Events after the reporting period

There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Note No. 25 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Amount in Rs. Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Current Tax:		
In respect of current year	**0.37**	33.15
Deferred Tax:		
In respect of current year	**–**	–
Total income tax expense on continuing operations	**0.37**	33.15

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Amount in Rs. Lakhs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit before tax from continuing operations	**1.79**	119.81
Income tax expense calculated at 30.90% (2016: 30.90%)	**–**	–
Effect of income that is exempt from taxation	**–**	–
Interest under section 234(B) and 234(C)	**–**	–
Income tax expense recognised In profit or loss from continuing operations	**–**	–

The tax rate used for the 31st March 2023 and 31st March 2022 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note 26: Financial Ratios

	Particulars	Numerator	Denominator	For the year ended 31st March 2024	For the year ended 31st March 2023	% Variance
a)	Current Ratio	Current Assets	Current Liablities	0.0443	0.0595	-25.52%
b)	Debt Equity Ratio	Net Debt	Equity	(1.0677)	(1.0696)	-0.18%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	0.0024	0.1052	-97.73%
d)	Return on Equity	PAT	Networth	(0.0007)	(0.0401)	-98.36%
e)	Inventory Turnover Ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivable Turnover Ratio	Turnover	Trade Receivable (Average)	NA	NA	NA
g)	Trade payable Turnover Ratio	COGS	Average Trade Payable	NA	NA	NA
h)	Net Capital Turnover Ratio	Average Networth	Turnover	(331.69)	(17.78)	1765.94%
i)	Net Profit Ratio	PAT	Revenue	0.22	0.70	-68.80%
j)	Return on Capital Employed	PAT	Networth	NA	NA	NA
k)	Return on Investment	PAT	Capital Employed	NA	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note 27: Investment in New Tirupur Development Corporation Limited

The Capital of New Tirupur Area Development Corporation Limited (NTADCL) as on 31st March 2021 has been almost fully eroded by past losses. It was exploring the option of supplying substantial volume of industrial water to a textile park proposed to be set up by the State Government which would have contributed substantially to its topline. Information forthcoming in the last few months suggest that there are likely to be delays and the possibility of NTADCL recovering its past losses does not seem very promising. In view of this, the Company has provided for its entire investment of Rs. 7,00,00,000 in the equity shares of NTADCL during the year.

Note 28:

Accumulated losses of the company as on 31st March 2024 exceeds the paid up share capital of the company. Though the Company has made a provision in respect of its investment in NTADCL, there is no intention of disposing off these investments. Presently, the company is actively pursuing claims and litigations in respect of projects completed and is hopeful of recovering the claims made by it against the parties, which will be recognised as revenue in the year of receipt. The Company is exploring various business opportunities including restructuring. Supported by its Parent Company, in the opinion of the management, the company will be able to continue as going conern for the foreseeable future.

Having regard to the above factors, the accounts are prepared on going concern basis.

Note 29:

The 10% Non-Cumulative Redeemable Participating Preference Shares (“The Shares”) were redeemable at par on 13th March 2015. The Company has continued to incur losses during the year and, as on 31st March 2023, its accumulated losses exceeded the paid up share capital and free reserves of the Company. The Company is not in a position to redeem The Shares.

Note 30:

The Company had taken unsecured loans of Rs. 994.42 lakhs in earlier years. Based on the Letters for waiver of interest issued by the lenders from year to year, since 2005 the Company was not for interest payable on these loans. On 1st April 2014 the lenders of the aforesaid unsecured loans opted to call for repayment of the principal amount. Further, the lenders are not agreeable to renew the unsecured loans, despite the Company expressing its inability to repay the same because of its financial situation. Since the unsecured loans have not been renewed, no provision has been made in the accounts for interest of Rs. 84.14 lakhs for the year payable on these loans.

In terms of our report attached

For M/s. B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, Date: 12th April 2024

For and on behalf of the Board of Directors

Mr. Narayan Shankar (DIN: 00109111)
Director

Mr. Vimal Agarwal (DIN: 07296320)
Director

Mumbai, Date: 12th April 2024

Rise

Registered Office:

**MAHINDRA &
MAHINDRA LIMITED**

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